

TOOELE COUNTY

**Financial Statements
and
Independent Auditor's Report**

December 31, 2011

TOOELE COUNTY

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Human Services Fund	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Public Health Fund	22
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Road Maintenance Fund	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Services Fund	24
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - MBA Jail Fund	25
Statement of Net Assets - Proprietary Funds	26
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28
Statement of Fiduciary Net Assets - Agency Funds	29
Notes to Basic Financial Statements	30

TOOELE COUNTY

Table of Contents (Continued)

	<u>Page</u>
Required Supplementary Information:	
Condition and Ratings for the County's Road System	45
Postemployment Benefit Plan - Schedule of Funding Progress	48
Supplementary Information:	
Combining Balance Sheet - Non-Major Governmental Funds	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	50
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Governmental Funds	51
Combining Statement of Net Assets - Internal Service Funds	55
Combining Statement of Revenues, Expenses, and Changes in Net Assets - Internal Service Funds	56
Combining Statement of Cash Flows - Internal Service Funds	57
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	58
Balance Sheet - Component Unit	59
Statement of Revenues, Expenditures, and Changes in Fund Balances - Component Unit	60
Schedule of Taxable Values, Taxes Charged, and Taxes Collected	61



Certified Public Accountants (a professional corporation)
1785 West Printers Row Salt Lake City, Utah 84119 (801) 972-4800 Fax (801) 972-8941

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners

Tooele County, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of **Tooele County, Utah (the County)**, as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Tooele County**, as of December 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Human Services Fund, Public Health Fund, Road Maintenance Fund, Municipal Services Fund and the MBA Jail Capital Project Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2012 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 3 through 11 and 45 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Salt Lake City, Utah
June 29, 2012

Management's Discussion and Analysis

This discussion of Tooele County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2011. This report is in conjunction with the County's financial statements.

The purpose of the County is to provide general services to its residents, which include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

Financial Highlights

- ◆ The Government-Wide assets of Tooele County exceeded its liabilities as of the close of the most recent year by \$95,982,995 (*net assets*). Of this amount, \$1,551,303 (*unassigned net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The government's total Government-Wide net assets increased by \$2,804,577. The revenues were slightly less than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts.
- ◆ At the close of the current year, the Tooele County governmental funds reported combined ending fund balances of \$13,558,366, a decrease of \$17,328,919 in comparison with the prior year. Approximately 51% of this total amount, \$6,853,047 is available for spending at the government's discretion (unassigned fund balance).
- ◆ At the end of the current year, unassigned fund balance for the general fund was \$3,246,819, or 18% of total general fund expenditures.
- ◆ Tooele County's total bonded debt at the close of the 2011 was \$31,485,531. This represents a .4% decrease over the prior year, which is attributable to reduction in outstanding principal from debt service payments.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Tooele County's basic financial statements. Tooele County's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and, 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Tooele County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Tooele County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Tooele County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Tooele County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Tooele County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. The business-type activities of Tooele County include Deseret Peak, the landfill operation, and the airport.

The government-wide financial statements include not only Tooele County itself (known as the primary government), but also a legally separate special service district for recreation, for which Tooele County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Tooele County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Tooele County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Management's Discussion and Analysis

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Tooele County maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the human services fund, the public health fund, the road maintenance fund, the municipal services fund, and the capital project MBA jail fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Tooele County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund, major special revenue funds and the capital project fund to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

Tooele County maintains two types of proprietary funds--Enterprise funds and Internal Service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Tooele County uses enterprise funds to account for its Deseret Peak, landfill, and airport operations. *Internal Service funds* are presented as *governmental activities* in the government-wide financial statements and are used to account for the central stores and service equipment operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Deseret Peak, the Landfill, and the Airport, which are all considered to be major Proprietary funds of Tooele County.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the county government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Tooele County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. However, the County reports only agency funds, for which the accounting does not present results of operations.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Tooele County.

The combining statements referred to earlier in connection with non-major governmental funds and the enterprise fund is presented immediately following the required supplementary information.

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Tooele County, assets exceeded liabilities by \$95,982,995 at the close of the most recent fiscal year.

The largest portion of Tooele County's net assets (91%) reflects its investment in capital assets (e.g. land, buildings and improvements, furniture, fixtures, and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Tooele County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Tooele County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Tooele County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 17,709,231	\$ 35,179,375	\$ 1,545,329	\$ 1,867,028	\$ 19,254,560	\$ 37,046,403
Capital assets	88,518,105	69,909,268	31,313,491	27,018,873	119,831,596	96,928,141
Total assets	106,227,336	105,088,643	32,858,820	28,885,901	139,086,156	133,974,544
Long-term liabilities outstanding	31,801,386	30,690,921	4,834,199	4,452,062	36,635,585	35,142,983
Other liabilities	2,353,121	2,550,877	4,114,455	3,102,266	6,467,576	5,653,143
Total liabilities	34,154,507	33,241,798	8,948,654	7,554,328	43,103,161	40,796,126
Net Assets:						
Invested in capital assets, net of related debt	61,061,506	41,227,737	26,521,182	22,655,887	87,582,688	63,883,624
Nonspendable	886,777	-	-	-	886,777	-
Restricted	5,818,542	24,547,401	143,685	138,832	5,962,227	24,686,233
Unassigned	4,306,004	6,071,707	(2,754,701)	(1,463,146)	1,551,303	4,608,561
Total net assets	\$ 72,072,829	\$ 71,846,845	\$ 23,910,166	\$ 21,331,573	\$ 95,982,995	\$ 93,178,418

A portion of Tooele County's net assets (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of Unassigned net assets in the amount of \$1,551,303 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Tooele County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Management's Discussion and Analysis

Governmental Activities

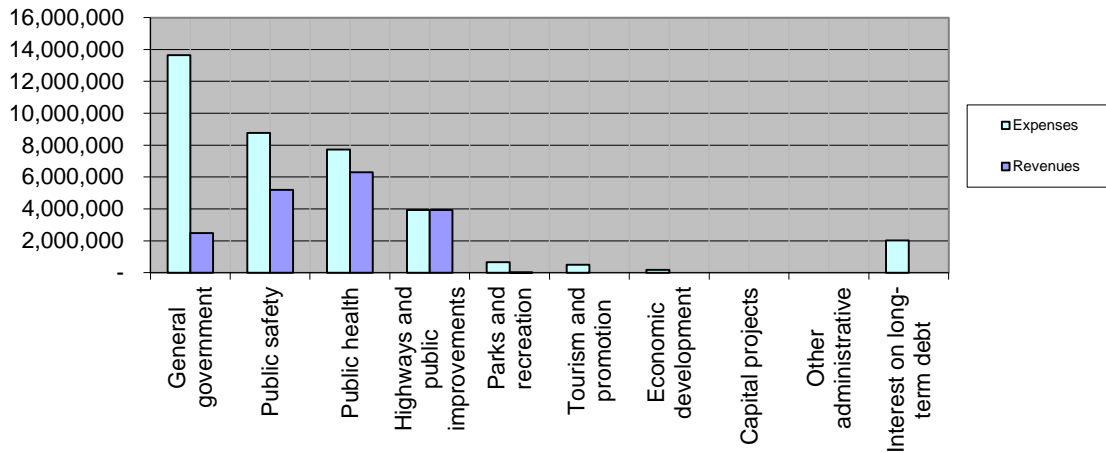
Governmental activities increased Tooele County's net assets by \$225,984 and the Business-type activities increased net assets by \$2,578,592. The net increase in total net assets was \$2,682,574. Key elements of this net increase are as follows:

Tooele County's Changes in Net Assets

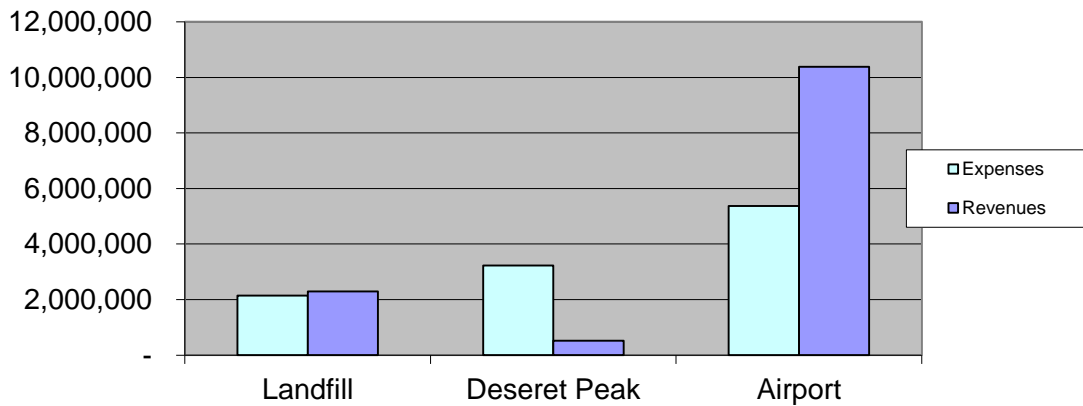
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 3,951,773	\$ 3,934,397	\$ 7,616,988	\$ 6,068,594	\$ 11,568,761	\$ 10,002,991
Operating grants and contributions	12,758,025	12,475,349	331,378	290,306	13,089,403	12,765,655
Capital grants and contributions	1,173,811	152,219	5,185,777	1,353,587	6,359,588	1,505,806
General revenues:						
Taxes	11,356,188	11,113,326	-	-	11,356,188	11,113,326
Earnings on investments	86,353	28,053	6,042	9,527	92,395	37,580
Mitigation fees	7,090,415	7,943,810	-	-	7,090,415	7,943,810
Rental income	-	401,977	-	-	-	401,977
Gain (loss) on capital assets	6,201	(98,607)	59,031	98,107	65,232	(500)
Miscellaneous	1,296,290	1,262,123	-	5,501	1,296,290	1,267,624
Total revenues	<u>37,719,056</u>	<u>37,212,647</u>	<u>13,199,216</u>	<u>7,825,622</u>	<u>50,918,272</u>	<u>45,038,269</u>
Expenses:						
General government	13,635,924	12,807,171	-	-	13,635,924	12,807,171
Tourism and promotion	486,352	603,982	-	-	486,352	603,982
Public safety	8,759,969	10,547,735	-	-	8,759,969	10,547,735
Public health	7,716,661	7,778,609	-	-	7,716,661	7,778,609
Highways and public improvements	3,926,443	3,411,228	-	-	3,926,443	3,411,228
Parks and recreation	646,425	567,267	-	-	646,425	567,267
Economic development	181,007	188,761	-	-	181,007	188,761
Capital projects	-	438,698	-	-	-	438,698
Other administrative	-	559,340	-	-	-	559,340
Interest on long-term debt	2,021,291	96,663	-	-	2,021,291	96,663
Landfill	-	-	2,146,780	2,309,541	2,146,780	2,309,541
Deseret Peak	-	-	3,225,954	3,422,036	3,225,954	3,422,036
Airport	-	-	5,366,890	4,103,248	5,366,890	4,103,248
Total expenses	<u>37,374,072</u>	<u>36,999,454</u>	<u>10,739,624</u>	<u>9,834,825</u>	<u>48,113,696</u>	<u>46,834,279</u>
Change in net assets before transfers	344,984	213,193	2,459,592	(2,009,203)	2,804,576	(1,796,010)
Transfers in (out)	(119,000)	-	119,000	-	-	-
Change in net assets	225,984	213,193	2,578,592	(2,009,203)	2,804,576	(1,796,010)
Net assets - beginning	71,846,845	71,633,652	21,331,574	23,340,776	93,178,419	94,974,428
Net assets - ending	<u>\$ 72,072,829</u>	<u>\$ 71,846,845</u>	<u>\$ 23,910,166</u>	<u>\$ 21,331,573</u>	<u>\$ 95,982,995</u>	<u>\$ 93,178,418</u>

Management's Discussion and Analysis

**Expenses and Program Revenues -
Governmental Activities (Excluding General Revenues)**

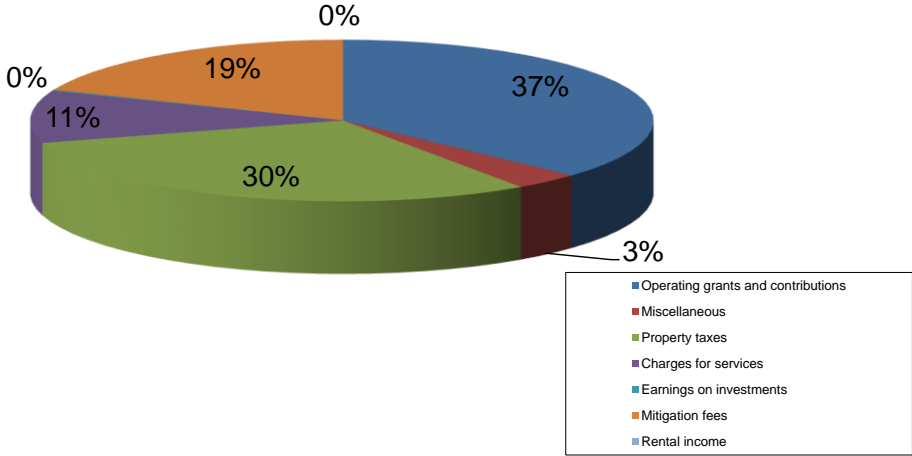


**Expenses and Program Revenues -
Business-Type Activities**

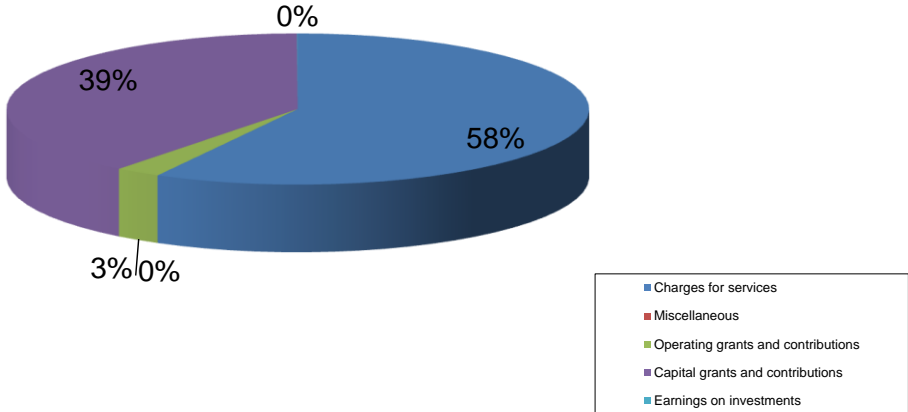


Management's Discussion and Analysis

Revenues by Source - Governmental Activities



Revenues by Source - Business-Type Activities



Management's Discussion and Analysis

- ◆ Charges for governmental services increased by \$17,376.
- ◆ Governmental operating grants increased by \$282,676.
- ◆ Tax revenues had a net increase of \$242,862 consisting of a decrease in property taxes of \$93,007, an increase in sales tax of \$340,605, and a decrease in transient room and restaurant tax of \$4,736.
- ◆ Mitigations fees decreased by \$853,395.
- ◆ Rental income decreased by \$401,977.
- ◆ Miscellaneous revenues increased by \$94,434.

Business-type Activities

- ◆ Business-type activities net assets increased by \$2,578,592, a 12.09% increase. Key elements of this decrease are as follows:
- ◆ Landfill revenues totaled \$2,292,285, an increase of \$592. Deseret Peak revenues totaled \$481,682, a decrease of \$37,581. Airport revenues and grants totaled \$10,385,590, an increase of \$5,512,158. Landfill expenses totaled \$2,146,780, including depreciation of \$124,515 for a decrease of \$162,761. Deseret Peak expenses totaled \$3,225,954, including depreciation of \$1,032,687 for a decrease of \$196,082. Airport expenses totaled \$5,366,890 including depreciation of \$637,929, for an increase of \$1,263,642.

Financial Analysis of the Government's Funds

As noted earlier, Tooele County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of Tooele County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Tooele County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Tooele County's governmental-wide net assets reported combined ending balances of \$72,072,829 an increase of \$225,984, in comparison with the prior year. Approximately 10.04% of this amount \$7,237,201 constitutes Unassigned net assets, which is available for spending at the government's discretion. The remainder of the net assets balance is restricted and not available for new spending: to capital improvements \$59,640,681 and to debt service \$784,305.

The general fund is the primary operating fund of Tooele County. At the end of the current year, the fund balance of the general fund was \$4,536,578 of which \$3,870,414 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance represents 21.49% of total general fund expenditures.

Proprietary Funds

Tooele County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unassigned net assets of the enterprise funds at the end of the year amounted to a negative \$2,754,701. Other factors concerning the finances of these funds have already been addressed in the discussion of Tooele County's business-type activities.

General Fund Budgetary Highlights

Actual revenues of \$21,755,886 were less than final budgeted revenues by \$549,914, or 2.47%. Taxes, intergovernmental revenues, charges for services, mitigation fees, and other were below management's projections.

The final adopted budget for General Fund expenditures was \$19,348,935 in 2011, which is \$3,223,591 less than the 2011 adopted budget.

Expenditures in 2011 were \$18,008,866, or approximately 6.93% less than the final adopted budget of \$19,348,935. Most of the under-expended amount occurred in the County's general government, public safety, and parks and recreation.

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets

Tooele County's investment in capital assets for its governmental activities, as of December 31, 2011, was \$90,285,797 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture, fixtures, and equipment, and infrastructure, which includes roads, highways, and bridges. The total decrease in Tooele County's investment in capital assets for the current year was \$20,376,529, net of depreciation.

Major capital asset events during the current year included the following:

- ◆ Building and improvement additions totaled \$471,729.
- ◆ Furniture, fixtures, and equipment purchases of \$1,917,740.

Also, the County has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplementary information following the notes to the financial statements.

Tooele County's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 7,570,720	\$ 7,570,720	\$ 1,759,620	\$ 1,759,620	\$ 9,330,340	\$ 9,330,340
Buildings and improvements	18,573,008	19,319,505	19,409,225	21,448,787	37,982,233	40,768,292
Construction in progress	19,721,761	210,677	7,134,493	1,840,029	26,856,254	2,050,706
Furniture, fixtures, and equipment	1,180,372	1,336,122	3,010,153	1,970,437	4,190,525	3,306,559
Infrastructure	41,472,244	41,472,244	-	-	41,472,244	41,472,244
Total	\$ 88,518,105	\$ 69,909,268	\$ 31,313,491	\$ 27,018,873	\$ 119,831,596	\$ 96,928,141

Additional information on Tooele County's capital assets can be found in the notes to the financial statements.

Long-term Debt

At the end of the current year, Tooele County had total debt outstanding of \$31,485,531. The debt represents lease revenue bonds and sales tax revenue bonds.

Tooele County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Lease revenue bonds	\$ 24,999,599	\$ 25,149,618	\$ 1,134,932	\$ 1,225,631	\$ 26,134,531	\$ 26,375,249
Sales tax revenue bonds	2,457,000	2,120,000	2,894,000	3,107,000	5,351,000	5,227,000
Total	\$ 27,456,599	\$ 27,269,618	\$ 4,028,932	\$ 4,332,631	\$ 31,485,531	\$ 31,602,249

State statutes limit the amount of general obligation debt a governmental entity may issue to 2.0% of its total fair market value of taxable property in the County. The current debt limitation for Tooele County is \$56,936,080.

Additional information on Tooele County's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

- ◆ The average unemployment rate for 2011 in Tooele County was 6.9%, which is a decrease from a rate of 7.5% a year ago. The State's average unemployment rate in 2011 was 6.72% compared to the the national average rate of 9.0%.
- ◆ Revenue sources increased by 11.44% from 2010 to 2011.

Management's Discussion and Analysis

Requests for Information

This financial report is designed to provide a general overview of Tooele County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information such as reports for component units, should be addressed to the Tooele County Auditor, 47 South Main Street, Tooele, Utah, 84074.

TOOELE COUNTY
Statement of Net Assets
December 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Current assets:				
Cash and investments	\$ 3,367,944	\$ 699,372	\$ 4,067,316	\$ 240,560
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):				
Accounts	1,778,081	438,959	2,217,040	-
Taxes	1,985,412	-	1,985,412	-
Due from other governmental units	848,667	-	848,667	-
Inventories	9,771	-	9,771	-
Interfund receivables	3,385,000	-	3,385,000	-
Prepaid expenses	886,777	-	886,777	-
Total current assets	12,261,652	1,138,331	13,399,983	240,560
Noncurrent assets:				
Restricted cash and equivalents	4,951,380	353,685	5,305,065	-
Bond issuance costs	496,199	53,313	549,512	-
Capital assets:				
Land, roads and construction in progress	68,764,725	8,894,113	77,658,838	-
Buildings improvements equipment and other depreciable assets net of accumulated depreciation	19,753,380	22,419,378	42,172,758	-
Total noncurrent assets	93,965,684	31,720,489	125,686,173	-
Total assets	\$ 106,227,336	\$ 32,858,820	\$ 139,086,156	\$ 240,560
Liabilities:				
Current liabilities:				
Accounts payable	\$ 1,599,952	\$ 240,966	\$ 1,840,918	\$ -
Accrued expenses	508,791	-	508,791	-
Accrued interest payable	58,826	48,656	107,482	-
Due to other governmental units	20,680	-	20,680	-
Interfund payables	-	3,385,000	3,385,000	-
Deferred revenue	2,872	-	2,872	-
Capital lease obligation	-	139,305	139,305	-
Bonds payable	162,000	300,528	462,528	-
Total current liabilities	2,353,121	4,114,455	6,467,576	-
Noncurrent liabilities:				
Accrued compensated absences	1,420,825	-	1,420,825	-
Landfill closure payable	-	138,588	138,588	-
Capital lease obligation	-	624,072	624,072	-
Bonds payable - noncurrent portion	27,294,599	3,728,404	31,023,003	-
Net OPEB Obligation	3,085,962	343,135	3,429,097	-
Total long-term liabilities	31,801,386	4,834,199	36,635,585	-
Total liabilities	34,154,507	8,948,654	43,103,161	-
Net assets:				
Invested in capital assets, net of related debt	61,061,506	26,521,182	87,582,688	-
Nonspendable	886,777	-	886,777	-
Restricted for:				
Capital improvements	4,410,642	-	4,410,642	-
Debt service	784,305	143,685	927,990	-
911 dispatch	401,846	-	401,846	-
Drug enforcement	221,749	-	221,749	-
Unassigned	4,306,004	(2,754,701)	1,551,303	240,560
Total net assets	72,072,829	23,910,166	95,982,995	240,560
Total liabilities and net assets	\$ 106,227,336	\$ 32,858,820	\$ 139,086,156	\$ 240,560

TOOELE COUNTY
Statement of Activities
For the Year Ended December 31, 2011

	Program Revenues				Net (Expense) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	
Functions:								
Governmental activities:								
General government	\$ 13,635,924	\$ 1,521,277	\$ 115,136	\$ 849,166	\$ (11,150,345)	\$ -	\$ (11,150,345)	\$ -
Tourism and promotion	486,352	-	-	-	(486,352)	-	(486,352)	-
Public safety	8,759,969	1,045,137	3,816,551	324,645	(3,573,636)	-	(3,573,636)	-
Public health	7,716,661	1,356,416	4,933,637	-	(1,426,608)	-	(1,426,608)	-
Highways and public improvements	3,926,443	27,419	3,892,701	-	(6,323)	-	(6,323)	-
Parks and recreation	646,425	1,524	-	-	(644,901)	-	(644,901)	-
Conservation and economic development	181,007	-	-	-	(181,007)	-	(181,007)	-
Interest on long-term debt	2,021,291	-	-	-	(2,021,291)	-	(2,021,291)	-
Total governmental activities	<u>37,374,072</u>	<u>3,951,773</u>	<u>12,758,025</u>	<u>1,173,811</u>	<u>(19,490,463)</u>	<u>-</u>	<u>(19,490,463)</u>	<u>-</u>
Business-type activities:								
Solid waste	2,146,780	2,288,335	-	-	-	141,555	141,555	-
Deseret Peak	3,225,954	481,635	39,659	-	-	(2,704,660)	(2,704,660)	-
Airport	5,366,890	4,847,018	291,719	5,185,777	-	4,957,624	4,957,624	-
Total business-type activities	<u>10,739,624</u>	<u>7,616,988</u>	<u>331,378</u>	<u>5,185,777</u>	<u>-</u>	<u>2,394,519</u>	<u>2,394,519</u>	<u>-</u>
Total primary government	<u>\$ 48,113,696</u>	<u>\$ 11,568,761</u>	<u>\$ 13,089,403</u>	<u>\$ 6,359,588</u>	<u>\$ (19,490,463)</u>	<u>\$ 2,394,519</u>	<u>\$ (17,095,944)</u>	<u>\$ -</u>
Component unit:								
Recreation district	\$ 279,332	\$ 88,567	\$ 220,830	\$ -	\$ -	\$ -	\$ -	\$ 30,065
Total component unit	<u>\$ 279,332</u>	<u>\$ 88,567</u>	<u>\$ 220,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,065</u>
General revenues:								
Taxes:								
Property taxes					6,972,122	-	6,972,122	-
Sales taxes					4,103,078	-	4,103,078	-
Transient room					259,469	-	259,469	-
Franchise tax					21,519	-	21,519	-
Total tax					<u>11,356,188</u>	<u>-</u>	<u>11,356,188</u>	<u>-</u>
Earnings on investments					86,353	6,042	92,395	429
Gain (loss) on disposal of capital assets					6,201	-	6,201	-
Mitigation fees					7,090,415	-	7,090,415	-
Miscellaneous					1,296,290	59,031	1,355,321	-
Transfers					(119,000)	119,000	-	-
Total general revenues and transfers					<u>19,716,447</u>	<u>184,073</u>	<u>19,900,520</u>	<u>429</u>
Change in net assets					225,984	2,578,592	2,804,576	30,494
Net assets - beginning					<u>71,846,845</u>	<u>21,331,574</u>	<u>93,178,419</u>	<u>210,066</u>
Net assets - ending					<u>\$ 72,072,829</u>	<u>\$ 23,910,166</u>	<u>\$ 95,982,995</u>	<u>\$ 240,560</u>

13

See accompanying notes to financial statements.

TOOELE COUNTY
Balance Sheet
Governmental Funds
December 31, 2011

<u>ASSETS</u>	Major Special Revenue Funds			
	General	Human Services	Public Health	Road Maintenance
Cash and investments	\$ 316,264	\$ 7,447	\$ 984,745	\$ 220,372
Restricted cash	-	-	-	-
Receivables:				
Accounts	1,407,506	313,271	4,014	-
Taxes	1,985,412	-	-	-
Due from other governmental units	839,824	-	-	5,764
Due from other funds	1,000,000	-	-	1,100,000
Inventory	-	-	-	-
Prepaid expenses	666,164	196,660	21,507	-
	\$ 6,215,170	\$ 517,378	\$ 1,010,266	\$ 1,326,136
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 938,217	\$ 249,733	\$ 93,348	\$ 68,305
Accrued expenditures	397,305	11,933	-	-
Due to other funds	-	220,000	-	-
Due to other governmental units	20,680	-	-	-
Deferred revenue	322,390	2,872	-	-
	1,678,592	484,538	93,348	68,305
Fund balances:				
Fund balance:				
Restricted				
Capital projects	-	-	-	-
Debt service	-	-	-	-
911 dispatch	401,846	-	-	-
Drug enforcement	221,749	-	-	-
Nonspendable	666,164	196,660	21,507	-
Unassigned	3,246,819	(163,820)	895,411	1,257,831
	4,536,578	32,840	916,918	1,257,831
	\$ 6,215,170	\$ 517,378	\$ 1,010,266	\$ 1,326,136

TOOELE COUNTY
Balance Sheet
Governmental Funds
December 31, 2011

(Continued)

	Municipal Services	Capital Project MBA Jail	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 122,325	\$ 210,847	\$ 1,230,432	\$ 3,092,432
Restricted cash	-	3,806,867	1,144,513	4,951,380
Receivables:				
Accounts	-	-	53,290	1,778,081
Taxes	-	-	-	1,985,412
Due from other governmental units	330	-	2,749	848,667
Due from other funds	50,000	-	920,000	3,070,000
Inventory	-	-	-	-
Prepaid expenses	236	-	2,210	886,777
	\$ 172,891	\$ 4,017,714	\$ 3,353,194	\$ 16,612,749
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	70,816	\$ -	\$ 144,231	\$ 1,564,650
Accrued expenditures	99,553	-	-	508,791
Due to other funds	-	-	415,000	635,000
Due to other governmental units	-	-	-	20,680
Deferred revenue	-	-	-	325,262
	170,369	-	559,231	3,054,383
 Fund balances:				
Fund balance:				
Restricted				
Capital projects	-	4,017,714	392,928	4,410,642
Debt service	-	-	784,305	784,305
911 dispatch				401,846
Drug enforcement				221,749
Nonspendable	236	-	2,210	886,777
Unassigned	2,286	-	1,614,520	6,853,047
	2,522	4,017,714	2,793,963	13,558,366
Total fund equity	2,522	4,017,714	2,793,963	13,558,366
 Total liabilities and fund equity	\$ 172,891	\$ 4,017,714	\$ 3,353,194	\$ 16,612,749

TOOELE COUNTY
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
December 31, 2011

Total Fund Balances - Governmental Funds \$ 13,558,366

Amounts reported for governmental activities in the statement of net assets are different because:

Bond issuance costs 496,199

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$	7,570,720	
Infrastructure		41,472,244	
Buildings, net of accumulated depreciation of \$11,319,804.		18,573,007	
Construction in progress		19,721,761	
Furniture, and equipment, net of accumulated depreciation of \$10,096,988.		810,240	
			88,147,972

Some of the County's property taxes will be collected after year-end, but are not available soon enough to pay for the current year's expenditures, and therefore are reported as deferred revenue in the funds.

322,390

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of those internal service funds that primarily benefit governmental entities are included with governmental activities in the statement of net assets.

1,570,114

Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditures when due:

Accrued interest for long-term debt is: (58,826)

Long-term liabilities that pertain to governmental funds, including bonds payable, compensated absences payable and net OPEB obligation, are not due and payable in the current period and therefore are not reported in the funds. All liabilities are reported in the statement of net assets.

Lease revenue bonds		(162,000)	
Sales tax revenue bonds		(27,294,599)	
Compensated absences payable		(1,420,825)	
Net OPEB obligation		(3,085,962)	
			(31,963,386)

Total Net Assets - Governmental Activities **\$ 72,072,829**

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	Major Special Revenue Funds			
	General	Human Services	Public Health	Road Maintenance
REVENUES:				
Taxes				
General property taxes	\$ 5,615,350	\$ -	\$ -	\$ -
Sales taxes	1,847,622	-	-	-
Transient room tax	-	-	-	-
Franchise tax	21,519	-	-	-
Municipal service tax	-	-	-	-
Total taxes	<u>7,484,491</u>	-	-	-
Licenses and permits	19,000	-	-	-
Intergovernmental revenues	4,219,704	2,137,757	2,048,496	3,892,701
Charges for services	1,393,938	-	893,054	27,419
Fines and forfeitures	627,865	-	-	-
Interest on investments	7,510	1,274	3,190	578
Mitigation fees	7,090,415	-	-	-
Other	<u>912,963</u>	<u>9,787</u>	-	-
Total revenues	<u>21,755,886</u>	<u>2,148,818</u>	<u>2,944,740</u>	<u>3,920,698</u>
EXPENDITURES:				
General government	8,050,603	-	-	-
Tourism and promotion	-	-	-	-
Public safety	8,538,634	-	-	-
Public health and human services	-	2,571,121	3,334,671	-
Highways and public improvements	200,870	-	-	3,442,646
Parks and recreation	642,911	-	-	-
Conservation and economic development	168,918	-	-	-
Capital projects	-	-	-	-
Other administrative	406,930	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>18,008,866</u>	<u>2,571,121</u>	<u>3,334,671</u>	<u>3,442,646</u>
Excess of revenues over (under) expenditures	<u>3,747,020</u>	<u>(422,303)</u>	<u>(389,931)</u>	<u>478,052</u>
Other financing sources (uses):				
Bond issue proceeds	-	-	-	-
Discount on bonds	-	-	-	-
Bond Issuance costs	-	-	-	-
Contribution from private sources	-	-	-	-
Operating transfers in	-	370,000	480,000	757,002
Operating transfers (out)	<u>(2,956,279)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,956,279)</u>	<u>370,000</u>	<u>480,000</u>	<u>757,002</u>
Net change in fund balance	790,741	(52,303)	90,069	1,235,054
Fund balances - beginning	<u>3,745,837</u>	<u>85,143</u>	<u>826,849</u>	<u>22,777</u>
Fund balances - ending	<u>\$ 4,536,578</u>	<u>\$ 32,840</u>	<u>\$ 916,918</u>	<u>\$ 1,257,831</u>

See accompanying notes to financial statements.

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

(Continued)

	Municipal Services	Capital Project MBA Jail	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes				
General property taxes	\$ 1,368,278	\$ -	\$ 57,824	\$ 7,041,452
Sales taxes	1,823,825	-	431,631	4,103,078
Transient room tax	-	-	259,469	259,469
Franchise tax	-	-	-	21,519
Municipal service tax	-	-	-	-
Total taxes	3,192,103	-	748,924	11,425,518
Licenses and permits	433,876	-	-	452,876
Intergovernmental revenues	-	-	1,517,597	13,816,255
Charges for services	6,197	-	463,362	2,783,970
Fines and forfeitures	-	-	-	627,865
Interest on investments	1,388	61,267	8,872	84,079
Mitigation fees	-	-	-	7,090,415
Other	-	-	50,993	973,743
Total revenues	3,633,564	61,267	2,789,748	37,254,721
EXPENDITURES:				
General government	3,637,109	-	187,743	11,875,455
Tourism and promotion	-	-	486,352	486,352
Public safety	-	-	-	8,538,634
Public health and human services	-	-	1,656,748	7,562,540
Highways and public improvements	-	-	-	3,643,516
Parks and recreation	-	-	-	642,911
Conservation and economic development	-	-	-	168,918
Capital projects	-	19,092,776	537,260	19,630,036
Other administrative	-	-	-	406,930
Debt service:				
Principal retirement	-	-	276,000	276,000
Interest and fiscal charges	-	-	1,994,393	1,994,393
Total expenditures	3,637,109	19,092,776	5,138,496	55,225,685
Excess of revenues over (under) expenditures	(3,545)	(19,031,509)	(2,348,748)	(17,970,964)
Other financing sources (uses):				
Bond issue proceeds	-	452,000	-	452,000
Discount on bonds	-	-	-	-
Bond Issuance costs	-	(15,600)	-	(15,600)
Contribution from private sources	-	-	324,645	324,645
Operating transfers in	-	-	2,405,589	4,012,591
Operating transfers (out)	-	(934,310)	(241,002)	(4,131,591)
Total other financing sources (uses)	-	(497,910)	2,489,232	642,045
Net change in fund balance	(3,545)	(19,529,419)	140,484	(17,328,919)
Fund balances - beginning	6,067	23,547,133	2,653,479	30,887,285
Fund balances - ending	\$ 2,522	\$ 4,017,714	\$ 2,793,963	\$ 13,558,366

See accompanying notes to financial statements.

TOOELE COUNTY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2011

Net Change in Fund Balances - Total Governmental Funds \$ (17,328,919)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, the statement of activities, capital assets are capitalized and depreciated over the useful lives.

Capital outlays	19,511,084	
Loss on disposition of capital assets	(21,799)	
Depreciation expense	<u>(1,036,069)</u>	
		18,453,216

Property taxes that are collected several months after the county's year end are not considered as available revenues in the governmental funds and accounted for as deferred revenues. They are however, recorded as revenues in the statement of activities. 69,330

The annual other postemployment benefits (OPEB) cost is that amount that is recognized as an expense in the statement of activities whereas in the governmental funds only that amounts paid are recorded as an expenditures. Payments were less than actuarially required amounts during the year. 800,572

In the statement of activities, certain operating expenses - compensated absences for unpaid vacation and compensatory time - are recorded as the benefits are earned during the year. In the governmental funds, these obligations are recorded when they mature (basically when they are paid). The compensated absence obligation increased during the year. (2,449,531)

Proceeds of bond issued net of discounts and bond issuance costs. 436,400

Repayment of debt is an expenditures in the governmental funds, but the repayments reduces long-term liabilities in the statement of net assets.

Principal retirement	276,000	
Accrued interest	<u>(26,898)</u>	
		249,102

The changes in internal balance between the governmental activities and the business-type activities relating to internal service funds are reflected in governmental activities but not in the governmental funds. (4,186)

Change in Net Assets of Governmental Activities \$ 225,984

See accompanying notes to financial statements.

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable
				(Unfavorable)
Revenues:				
Taxes	\$ 5,607,000	7,562,000	\$ 7,484,491	\$ (77,509)
Licenses and permits	15,000	15,000	19,000	4,000
Intergovernmental revenues	5,700,136	4,210,136	4,219,704	9,568
Charges for services	1,533,950	1,403,950	1,393,938	(10,012)
Fines and forfeitures	832,000	637,000	627,865	(9,135)
Interest on investments	10,000	10,000	7,510	(2,490)
Mitigation fees	7,396,714	6,800,000	7,090,415	290,415
Other	496,000	1,667,714	912,963	(754,751)
Total revenues	<u>21,590,800</u>	<u>22,305,800</u>	<u>21,755,886</u>	<u>(549,914)</u>
Expenditures:				
General government	8,234,002	8,151,642	8,050,603	101,039
Public safety	8,488,757	9,703,128	8,538,634	1,164,494
Highways and public improvements	361,444	233,305	200,870	32,435
Parks and recreation	649,540	657,040	642,911	14,129
Conservation and economic development	166,881	173,880	168,918	4,962
Other administrative	401,171	429,940	406,930	23,010
Total expenditures	<u>18,301,795</u>	<u>19,348,935</u>	<u>18,008,866</u>	<u>1,340,069</u>
Excess of revenues over (under) expenditures	<u>3,289,005</u>	<u>2,956,865</u>	<u>3,747,020</u>	<u>790,155</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	(3,289,005)	(2,956,865)	(2,956,279)	586
Total other financing sources (uses)	<u>(3,289,005)</u>	<u>(2,956,865)</u>	<u>(2,956,279)</u>	<u>586</u>
Net change in fund balance	-	-	790,741	790,741
Fund balance - beginning of year	3,745,837	3,745,837	3,745,837	-
Fund balance - end of year	<u>\$ 3,745,837</u>	<u>\$ 3,745,837</u>	<u>\$ 4,536,578</u>	<u>\$ 790,741</u>

See accompanying notes to financial statements

TOOELE COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Human Services Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	2,033,154	2,111,154	2,137,757	26,603
Interest on investments	-	1,300	1,274	(26)
Other	15,000	15,000	9,787	(5,213)
Total revenues	<u>2,048,154</u>	<u>2,127,454</u>	<u>2,148,818</u>	<u>21,364</u>
Expenditures:				
General government	-	-	-	-
Public health and human services	2,508,154	2,587,454	2,571,121	16,333
Total expenditures	<u>2,508,154</u>	<u>2,587,454</u>	<u>2,571,121</u>	<u>16,333</u>
Excess of revenues over (under) expenditures	<u>(460,000)</u>	<u>(460,000)</u>	<u>(422,303)</u>	<u>37,697</u>
Other financing sources (uses):				
Operating transfers in	460,000	460,000	370,000	(90,000)
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>460,000</u>	<u>460,000</u>	<u>370,000</u>	<u>(90,000)</u>
Net change in fund balance	-	-	(52,303)	(52,303)
Fund balance, beginning of year	85,143	85,143	85,143	-
Fund balance, end of year	<u>\$ 85,143</u>	<u>\$ 85,143</u>	<u>\$ 32,840</u>	<u>\$ (52,303)</u>

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Public Health Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenues:				
Intergovernmental revenues	\$ 2,036,662	2,182,554	\$ 2,048,496	\$ (134,058)
Charges for services	850,550	953,800	893,054	(60,746)
Interest on investments	-	5,000	3,190	(1,810)
Other	<u>403,052</u>	<u>458,052</u>	<u>-</u>	<u>(458,052)</u>
Total revenues	<u>3,290,264</u>	<u>3,599,406</u>	<u>2,944,740</u>	<u>(654,666)</u>
Expenditures:				
Public health and human services	<u>3,981,183</u>	<u>4,149,406</u>	<u>3,334,671</u>	<u>814,735</u>
Total expenditures	<u>3,981,183</u>	<u>4,149,406</u>	<u>3,334,671</u>	<u>814,735</u>
Excess of revenues over (under) expenditures	<u>(690,919)</u>	<u>(550,000)</u>	<u>(389,931)</u>	<u>160,069</u>
Other financing sources (uses):				
Operating transfers in	570,000	550,000	480,000	(70,000)
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>570,000</u>	<u>550,000</u>	<u>480,000</u>	<u>(70,000)</u>
Net change in fund balance	(120,919)	-	90,069	90,069
Fund balance - beginning of year	<u>826,849</u>	<u>826,849</u>	<u>826,849</u>	<u>-</u>
Fund balance - end of year	<u>\$ 705,930</u>	<u>\$ 826,849</u>	<u>\$ 916,918</u>	<u>\$ 90,069</u>

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Road Maintenance
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable
				(Unfavorable)
Revenues:				
Licenses and permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	3,895,610	3,895,610	3,892,701	(2,909)
Charges for services	32,000	32,000	27,419	(4,581)
Interest on investments	-	-	578	578
Other	-	-	-	-
Total revenues	<u>3,927,610</u>	<u>3,927,610</u>	<u>3,920,698</u>	<u>(6,912)</u>
Expenditures:				
Highway and public improvements	<u>4,697,610</u>	<u>4,697,610</u>	<u>3,442,646</u>	<u>1,254,964</u>
Total expenditures	<u>4,697,610</u>	<u>4,697,610</u>	<u>3,442,646</u>	<u>1,254,964</u>
Excess of revenues over				
(under) expenditures	<u>(770,000)</u>	<u>(770,000)</u>	<u>478,052</u>	<u>1,248,052</u>
Other financing sources (uses):				
Operating transfers in	<u>770,000</u>	<u>770,000</u>	<u>757,002</u>	<u>(12,998)</u>
Total other financing sources (uses)	<u>770,000</u>	<u>770,000</u>	<u>757,002</u>	<u>(12,998)</u>
Net change in fund balance	-	-	1,235,054	1,235,054
Fund balance - beginning of year	<u>22,777</u>	<u>22,777</u>	<u>22,777</u>	<u>-</u>
Fund balance - end of year	<u>\$ 22,777</u>	<u>\$ 22,777</u>	<u>\$ 1,257,831</u>	<u>\$ 1,235,054</u>

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual -- Municipal Services Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable
				(Unfavorable)
Revenues:				
Taxes				
General property taxes	\$ 1,200,000	\$ 1,825,000	\$ 1,368,278	\$ (456,722)
Sales tax	1,550,000	1,370,000	1,823,825	453,825
Charges for services	-	-	-	-
Total Taxes	<u>2,750,000</u>	<u>3,195,000</u>	<u>3,192,103</u>	<u>(2,897)</u>
Licenses and permits	553,000	436,000	433,876	(2,124)
Intergovernmental revenues	2,487,461		-	
Charges for services	65,000	19,900	6,197	(13,703)
Interest on investments	-	-	1,388	1,388
Total revenues	<u>5,855,461</u>	<u>3,650,900</u>	<u>3,633,564</u>	<u>(20,233)</u>
Expenditures:				
General government	-	-	-	-
Public health and human services	<u>6,692,583</u>	<u>3,650,900</u>	<u>3,637,109</u>	<u>13,791</u>
Total expenditures	<u>6,692,583</u>	<u>3,650,900</u>	<u>3,637,109</u>	<u>13,791</u>
Excess of revenues over (under) expenditures	<u>(837,122)</u>	<u>-</u>	<u>(3,545)</u>	<u>(3,545)</u>
Other financing sources (uses):				
Operating transfers in	575,000	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>575,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(262,122)	-	(3,545)	(3,545)
Fund balance, beginning of year	<u>6,067</u>	<u>6,067</u>	<u>6,067</u>	<u>-</u>
Fund balance, end of year	<u>\$ (256,055)</u>	<u>\$ 6,067</u>	<u>\$ 2,522</u>	<u>\$ (3,545)</u>

TOOELE COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual -- MBA Jail
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable
				(Unfavorable)
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues				-
Charges for services				-
Interest on investments	62,000	62,000	-	(62,000)
Other	-	-	61,267	61,267
	<u>62,000</u>	<u>62,000</u>	<u>61,267</u>	<u>(733)</u>
Total revenues	<u>62,000</u>	<u>62,000</u>	<u>61,267</u>	<u>(733)</u>
Expenditures:				
Capital projects	<u>18,715,000</u>	<u>18,715,000</u>	<u>19,092,776</u>	<u>(377,776)</u>
Total expenditures	<u>18,715,000</u>	<u>18,715,000</u>	<u>19,092,776</u>	<u>(377,776)</u>
Excess of revenues over (under) expenditures	<u>(18,653,000)</u>	<u>(18,653,000)</u>	<u>(19,031,509)</u>	<u>(378,509)</u>
Other financing sources (uses):				
Bond issue proceeds	-	-	452,000	452,000
Discount on bonds	-	-	-	-
Bond issuance costs	(15,000)	(15,000)	(15,600)	(600)
Operating transfers (out)	<u>(934,310)</u>	<u>(934,310)</u>	<u>(934,310)</u>	<u>-</u>
Total other financing sources (uses)	<u>(934,310)</u>	<u>(949,310)</u>	<u>(497,910)</u>	<u>-</u>
Net change in fund balance	(19,587,310)	(19,602,310)	(19,529,419)	(378,509)
Fund balance, beginning of year	<u>23,547,133</u>	<u>23,547,133</u>	<u>23,547,133</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,959,823</u>	<u>\$ 3,944,823</u>	<u>\$ 4,017,714</u>	<u>\$ (378,509)</u>

TOOELE COUNTY
Statement of Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities - Enterprise Funds			Governmental	
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Internal Service Funds	
Assets:					
Current assets:					
Pooled cash and investments	\$ 298,544	\$ 33,203	\$ 367,625	\$ 699,372	\$ 275,512
Accounts receivable, net	373,431	17,300	48,228	438,959	-
Due from other funds	1,365,000	-	-	1,365,000	1,009,000
Inventories	-	-	-	-	9,771
Total current assets	2,036,975	50,503	415,853	2,503,331	1,294,283
Noncurrent assets:					
Restricted assets:					
Cash and investments	-	143,685	210,000	353,685	-
Issuance costs, net	-	53,313	-	53,313	-
Capital assets:					
Property, plant, and equipment, net					
Land	369,045	1,390,575	-	1,759,620	-
Building and improvements	1,308,779	23,086,990	10,229,855	34,625,624	-
Construction in progress	-	-	7,134,493	7,134,493	-
Machinery and equipment	2,870,724	1,380,209	2,013,196	6,264,129	1,454,388
Accumulated depreciation	<u>(2,867,509)</u>	<u>(10,328,343)</u>	<u>(5,274,523)</u>	<u>(18,470,375)</u>	<u>(1,084,255)</u>
Net Capital assets	1,681,039	15,529,431	14,103,021	31,313,491	370,133
Total noncurrent assets	1,681,039	15,726,429	14,313,021	31,720,489	370,133
Total assets	\$ 3,718,014	\$ 15,776,932	\$ 14,728,874	\$ 34,223,820	\$ 1,664,416
Liabilities:					
Accounts payable	\$ 113,095	\$ 38,085	\$ 89,786	\$ 240,966	\$ 35,302
Accrued interest	-	35,896	12,760	48,656	-
Due to other funds	-	4,750,000	-	4,750,000	59,000
Capital lease obligation	139,305	-	-	139,305	-
Current portion of noncurrent liabilities	-	213,000	87,528	300,528	-
Total current liabilities	252,400	5,036,981	190,074	5,479,455	94,302
Noncurrent liabilities:					
Land closure payable	138,588	-	-	138,588	-
Net OPEB obligation	109,116	139,233	94,786	343,135	-
Capital lease obligation	608,524	-	15,548	624,072	-
General obligation bonds	-	2,681,000	1,047,404	3,728,404	-
Total noncurrent liabilities	856,228	2,820,233	1,157,738	4,834,199	-
Total liabilities	1,108,628	7,857,214	1,347,812	10,313,654	94,302
Net Assets:					
Invested in capital assets, net debt	933,210	12,635,431	12,952,541	26,521,182	370,133
Restricted for debt service	-	143,685	-	143,685	-
Unassigned	1,676,176	(4,859,398)	428,521	(2,754,701)	1,199,981
Total net assets	2,609,386	7,919,718	13,381,062	23,910,166	1,570,114
Total liabilities and net assets	\$ 3,718,014	\$ 15,776,932	\$ 14,728,874	\$ 34,223,820	\$ 1,664,416

TOOELE COUNTY
Statement of Revenue, Expenses, and Changes in Net Assets
Proprietary Funds
For the Year ended December 31, 2011

	Business-Type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Solid Waste Fund	Deseret Peak Fund	Airport Fund		
Operating revenues:					
Service charges	\$ 2,288,335	\$ 481,635	\$ 4,847,018	\$ 7,616,988	\$ -
Intergovernmental revenue	-	-	291,719	291,719	-
Interfund lease payments	-	-	-	-	242,856
Sale of supplies	-	-	-	-	200,542
Other revenue	-	-	59,031	59,031	-
Total operating revenues	<u>2,288,335</u>	<u>481,635</u>	<u>5,197,768</u>	<u>7,967,738</u>	<u>443,398</u>
Operating expenses:					
Solid waste facility	2,015,446	-	-	2,015,446	-
Deseret Peak	-	2,071,736	-	2,071,736	-
Airport	-	-	4,683,075	4,683,075	-
General and administrative	-	-	-	-	207,804
Bad debt expense	-	-	-	-	-
Depreciation	124,515	1,032,687	637,929	1,795,131	270,054
Total operating expenses	<u>2,139,961</u>	<u>3,104,423</u>	<u>5,321,004</u>	<u>10,565,388</u>	<u>477,858</u>
Operating income (loss)	<u>148,374</u>	<u>(2,622,788)</u>	<u>(123,236)</u>	<u>(2,597,650)</u>	<u>(34,460)</u>
Non-operating revenues (expenses):					
Federal and state grants	-	-	5,185,777	5,185,777	-
Interest on investments	3,950	47	2,045	6,042	2,274
Gain on trade-in of capital asset	-	-	-	-	28,000
Interest and fiscal charges	(6,819)	(121,531)	(45,886)	(174,236)	-
Total non-operating revenues (expenses)	<u>(2,869)</u>	<u>(121,484)</u>	<u>5,141,936</u>	<u>5,017,583</u>	<u>30,274</u>
Income (loss) before contributions and transfers	145,505	(2,744,272)	5,018,700	2,419,933	(4,186)
Capital contributions	-	39,659	-	39,659	-
Transfer in	-	119,000	-	119,000	-
Change in net assets	<u>145,505</u>	<u>(2,585,613)</u>	<u>5,018,700</u>	<u>2,578,592</u>	<u>(4,186)</u>
Net assets - beginning of year	<u>2,463,881</u>	<u>10,505,331</u>	<u>8,362,362</u>	<u>21,331,574</u>	<u>1,574,300</u>
Net assets - end of year	<u>\$ 2,609,386</u>	<u>\$ 7,919,718</u>	<u>\$ 13,381,062</u>	<u>\$ 23,910,166</u>	<u>\$ 1,570,114</u>

TOOELE COUNTY
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2011

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>	
	<u>Solid Waste Fund</u>	<u>Deseret Peak Fund</u>	<u>Airport Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:					
Receipts from customers and users	\$ 2,331,469	\$ 464,335	\$ 5,352,190	\$ 8,147,994	\$ -
Receipts from other governments	-	-	291,719	291,719	-
Receipts from interfund leases	-	-	-	-	242,856
Receipts from sale of supplies	-	-	-	-	203,093
Receipts of miscellaneous income	-	-	59,031	59,031	-
Payments for operations	(1,968,505)	(2,062,871)	(5,195,156)	(9,226,532)	(194,170)
Net cash provided (used) by operating activities	<u>362,964</u>	<u>(1,598,536)</u>	<u>507,784</u>	<u>(727,788)</u>	<u>251,779</u>
Cash flows from noncapital financing activities:					
Increases in due to other funds	-	1,800,000	-	1,800,000	-
(Increases) in due from other funds	(365,000)	-	-	(365,000)	-
Net cash provided (used) by noncapital financing activities	<u>(365,000)</u>	<u>1,919,000</u>	<u>-</u>	<u>1,554,000</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Purchase/disposal of capital assets	(781,603)	(10,399)	(5,302,594)	(6,094,596)	(242,500)
Capital contributions	-	39,659	-	39,659	-
Proceeds from federal and state grants	-	-	5,185,777	5,185,777	-
Proceeds from capital lease	770,332	-	-	770,332	-
Payment of bonds & capital lease	(22,503)	(213,000)	(105,506)	(341,009)	-
Interest paid	(6,819)	(124,354)	(46,386)	(177,559)	-
Net cash provided (used) by capital and related financing activities	<u>(40,593)</u>	<u>(308,094)</u>	<u>(268,709)</u>	<u>(617,396)</u>	<u>(214,500)</u>
Cash flows from investing activities:					
Interest income on investments	3,950	47	2,045	6,042	2,274
Net cash provided (used) by investing activities	<u>3,950</u>	<u>47</u>	<u>2,045</u>	<u>6,042</u>	<u>2,274</u>
Net increase (decrease) in cash and cash equivalents	<u>(38,679)</u>	<u>12,417</u>	<u>241,120</u>	<u>214,858</u>	<u>39,553</u>
Cash and cash equivalents, beginning of year	<u>337,223</u>	<u>164,471</u>	<u>336,505</u>	<u>838,199</u>	<u>235,959</u>
Cash and cash equivalents, end of year	<u>\$ 298,544</u>	<u>\$ 176,888</u>	<u>\$ 577,625</u>	<u>\$ 1,053,057</u>	<u>\$ 275,512</u>
Displayed on the statement of net assets as:					
Pooled cash and investments	\$ 298,544	\$ 33,203	\$ 367,625	\$ 699,372	\$ 275,512
Restricted cash and investments	-	143,685	210,000	353,685	-
	<u>\$ 298,544</u>	<u>\$ 176,888</u>	<u>\$ 577,625</u>	<u>\$ 1,053,057</u>	<u>\$ 275,512</u>
Reconciliation of total operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 148,374	\$ (2,622,788)	\$ (123,236)	\$ (2,597,650)	\$ (34,460)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	124,515	1,032,687	637,929	1,795,131	270,054
Changes in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable, net	43,134	(17,300)	510,021	535,855	-
Issuance costs	-	5,551	-	5,551	-
Inventories and prepaids	-	-	-	-	2,552
Increase (decrease) in liabilities:					
Accounts payable	16,697	(32,735)	(542,756)	(558,794)	13,633
Net OPEB obligation	30,244	36,049	25,826	92,119	-
Net cash provided (used) by operating activities	<u>\$ 362,964</u>	<u>\$ (1,598,536)</u>	<u>\$ 507,784</u>	<u>\$ (727,788)</u>	<u>\$ 251,779</u>
Supplemental disclosures:					
Contributed capital from federal / state grants	\$ -	\$ -	\$ 5,185,777	\$ 5,185,777	\$ -
Capital assets trade-in gain	-	-	-	-	-
Total contributed capital	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,185,777</u>	<u>\$ 5,185,777</u>	<u>\$ -</u>

TOOELE COUNTY
Statement of Fiduciary Net Assets
Agency Funds
December 31, 2011

ASSETS

Cash and investments	<u>\$ 22,670,264</u>
----------------------	----------------------

LIABILITIES

Accounts payable and other liabilities	<u>\$ 22,670,264</u>
--	----------------------

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

1. REPORTING ENTITY AND ITS GOVERNMENT ACTIVITY

Tooele County (State of Utah) (the County) was organized on January 31, 1850, under a commission form of government. The County has a total land area of 6,923 square miles and a population of approximately 59,300 residents. The County's major operations include public safety (police and fire), highways and roads, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services. The County's fiscal authority includes responsibility for final approval over budgeting appropriations, for funding deficits and operating deficiencies, disposal of surplus funds, control over the collection and disbursement of funds, and maintenance of title to assets. The financial statements include the various departments, agencies, and other organizational units governed by the County Commission.

Discrete Component Unit - The financial statements include a component unit (Tooele County Recreation Special Service District). The component unit included in this report was selected using positive criteria as defined by the Governmental Accounting Standards Board. The component unit was included due to the County's ability to significantly influence operations, fiscal accountability, and the scope of public service.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Tooele County is presented to assist in understanding the County's financial statements. The financial statements and notes are representations of County officials who are responsible for their integrity and objectivity. The accounting policies of Tooele County conform to accounting principles generally accepted in the United States of America as applicable to governments and have been consistently applied in the preparation of the financial statements.

Government-Wide and Fund Financial Statements

The *government-wide financial statements* (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The *fund financial statements* provide information about the County's funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major, individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (continued)

The County reports the following funds:

Governmental Fund Types - These are the funds through which most governmental functions typically are financed. The acquisition, use, and balances of the County's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The funds included in this category are as follows:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources covering the general services that the County performs for its citizens, except those required to be accounted for in other funds. This fund includes activities of the Payroll Fund.

Special Revenue Funds - These funds are established for the purpose of specific sources other than special assessments, trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

Debt Service Fund - The Debt Service Fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt, other than those payable from Enterprise Funds.

Capital Projects Funds - Capital Projects Funds are used to account for costs of construction and related funding sources other than those financed by proprietary funds and trust funds. Capital improvements are authorized by capital budget ordinances. Projects are funded by General Obligation bonds, Lease Revenue bonds, pay-as-you-go appropriations, and participation by developers, property owners, the State of Utah, and the Federal Government.

Proprietary Fund Types - Proprietary Funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Funds and the Internal Service Funds.

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Enterprise Funds include the Solid Waste Management Facility, Deseret Peak, and the Airport.

Internal Service Funds - These funds are used to account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis. The County has an Internal Equipment Service Fund and a Central Stores Fund that are operated in this manner.

Fiduciary Fund Types - These funds account for assets held by the County as a trustee or agent for individuals, private organizations, and other units of governments. These funds are as follows:

Agency Funds - Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Auditor's Trust is used to collect and disburse funds for various governmental entities. The Treasurer's Trust is used to collect and disburse the taxing funds to the taxing entities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *government-wide, proprietary fund, and fiduciary fund financial statements* are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the County receives value without directly giving equal value in exchange, include property taxes, grants, and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the County are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Tooele County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes are recorded when levied. Property taxes which have not been collected within 60 days, and therefore do not meet the available criterion, are reported as deferred revenue until collected.

Sales taxes, franchise taxes, transient room taxes, licenses, and interest associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items (licenses and permits, charges for services, fines and forfeitures, etc.) are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments and other post employment benefits, are recognized when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the County applies all Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements. Those FASB statements and interpretations issued subsequent to November 30, 1989, are not applied.

Budget and Budgetary Accounting

Budgets for the General and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are prepared and adopted by the County Commission on or before December 15, for the fiscal year commencing the following January 1, in accordance with State law. The operation budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to December 15, a public hearing is conducted to obtain taxpayer input. Budgets are adopted and control of budget appropriations is exercised, under State law, at the department level. Budget amendments are required to increase expenditure budgets. The budgets presented in the financial statements are as amended as of December 6, 2011.

The General Fund budget is prepared using the modified accrual basis of accounting. Budgets for the Special Revenue Funds and Capital Projects Funds are also prepared using the modified accrual basis of accounting. Budgets for the Proprietary Fund types are prepared using the accrual basis of accounting, except that depreciation for all Proprietary Fund types was not budgeted.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments with original maturities to the County of 90 days or less.

Investments

Investments are stated at cost or amortized cost, which approximates market.

Short-Term Interfund Receivables/Payables

During the course of operations, transactions occur that result in amounts owed to a particular fund by another fund, other than for goods provided or services rendered. These receivables and payables are due within a year and are classified as "due from or to other funds" on the balance sheet.

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories and prepaid items

Inventories of the Internal Service Funds (Central Stores Fund) and of the Special Revenue Funds (Aging and Adult Services Fund) are stated at cost on the first-in, first-out basis. Certain payments to vendors reflect costs applicable to future accounting periods and are included as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, curbs, gutters, streets, sidewalks, drainage systems, lighting systems, and similar items) are reported in the applicable governmental or business-type columns in the government-wide financial statements. Proprietary fund capital assets are also reported in the appropriate fund statements. Capital assets acquired by governmental funds are recorded as expenditures in the governmental fund financial statements. The County defines capital assets acquired by governmental funds as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of at least one year and for proprietary funds with initial costs of more than \$200. Purchased or constructed capital assets are reported at cost or estimated historical cost. Interest expense for capital asset construction related to governmental activities is not capitalized. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the balance sheets. Depreciation has been provided using the straight-line method of depreciation over the following estimated useful lives:

Buildings	40 years
Improvements other than buildings	10-20 years
Machinery and equipment	7 years
Automobiles and trucks	3-7 years
Office furniture and equipment	3-5 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, other governments, or other funds.

Compensated Absences

For governmental funds, amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated unpaid vacation pay of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Sick pay, which does not vest, is recorded as an expense in all funds when leave is taken.

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the government to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Comparative Data

Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the County's financial position and operation. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Concentration of Credit Risk

The County received about 19% of its governmental fund revenue from mitigation fees amounting to \$7,090,415. The mitigation fees are received from three sources. Accounts receivable from these sources totaled \$1,064,321 at December 31, 2011.

3. CASH AND CASH EQUIVALENTS

The State of Utah Money Management Council has the responsibility to advise the State Treasurer's about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

Tooele County follows the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of the County's funds in a qualified depository. The Act defines qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and that has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. At December 31, 2011, \$32,708,602 of the County's bank balances was uninsured and uncollateralized. The market value is equivalent to the below stated carrying amount.

The County maintains a cash and investment pool that is available for use by all funds. In addition, investments are separately held by several of the County's funds.

Cash deposits are carried at cost plus accrued interest. The carrying amount of deposits is displayed on the balance sheet as "Cash and investments." Utah State statutes do not require deposits to be collateralized; however, financial institutions must be approved by the State Money Management Council.

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

3. CASH AND CASH EQUIVALENTS (Continued)

<u>Cash and cash equivalents, including Agency Fund Accounts</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash on hand	\$ 9,625	\$ -
Deposits - insured (FDIC)	750,000	750,000
Deposits - uninsured and uncollateralized	<u>31,523,580</u>	<u>32,724,913</u>
Total cash and deposits	32,283,205	33,474,913
Utah Public Treasurer's Investment Fund	<u>25,397,491</u>	<u>25,401,271</u>
Total cash and investments	<u>\$ 57,680,696</u>	<u>\$ 58,876,184</u>

Restricted cash amounting to \$895,739 is included in total cash and investments.

4. INVESTMENTS

The Money Management Act defines the types of securities authorized as appropriate investments for the County and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the County to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard and Poor's; bankers' acceptances; obligations of the U.S. Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer's Investment Fund. All investments held by the County at December 31, 2010 comply with the provisions of the Act.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, Utah Code Annotated, 1953, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses - net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

As of December 31, 2011, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Utah Public Treasurer's Investment Fund	\$ 4,757,708	\$ 4,757,708	\$ -	\$ -	\$ -
Utah Public Treasurer's Investment Fund	20,639,783	20,639,783	-	-	-
Certificates of Deposit	-	-	-	-	-
Investment Sweeps	<u>1,656,056</u>	<u>1,656,056</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 27,053,547</u>	<u>\$ 27,053,547</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

4. INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act as previously discussed.

As of December 31, 2011, the County had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AA	BBB-	BBB	Unrated
Utah Public Treasurer's Investment Fund	\$ 4,757,708	\$ -	\$ -	\$ -	\$ 4,757,708
Utah Public Treasurer's Investment Fund	20,639,783	-	-	-	20,639,783
Certificates of Deposit	-	-	-	-	-
Investment Sweeps	1,656,056	-	1,656,056	-	-
Total Investments	\$ 27,053,547	\$ -	\$ 1,656,056	\$ -	\$ 25,397,491

5. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at December 31, 2011, were as follows:

	Interfund Receivables	Interfund Payables
General fund	\$ 1,000,000	\$ -
Payroll fund	-	-
Special revenue fund:		
Human services	-	220,000
Public health	-	-
Road maintenance	1,100,000	-
Municipal services	50,000	-
Aging and adult services	-	50,000
Transient room tax	700,000	-
Debt service	-	365,000
County Redevelopment Agency	-	-
Debt service	-	-
Capital projects	220,000	-
Proprietary funds:		
Enterprise funds:		
Solid waste management	1,365,000	-
Deseret Peak	-	4,750,000
Airport	-	-
Internal service funds:		
Intergovernmental service equipment	1,009,000	-
Central stores	-	59,000
Total interfund balances	\$ 5,444,000	\$ 5,444,000

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

6. ACCOUNTS RECEIVABLE

Accounts receivable, net of allowance for estimated uncollectible amounts consist of the following at December 31, 2011:

	<u>Proprietary Funds</u>			<u>Fiduciary Funds</u>	<u>Total</u>
	<u>Gen./Special Revenue, and Capital Projects Funds</u>	<u>Solid Waste, Deseret Peak, and Airport Enterprise Funds</u>	<u>Internal Services</u>	<u>Agency - Auditor's Trust and Treasurer's Trust</u>	
Accounts receivable	\$ 1,778,081	\$ 448,987	\$ -	\$ 48,067	\$ 2,275,135
Less allowance for uncollectible amounts	-	10,028	-	-	10,028
Net accounts receivable	<u>\$ 1,778,081</u>	<u>\$ 438,959</u>	<u>\$ -</u>	<u>\$ 48,067</u>	<u>\$ 2,265,107</u>

7. PROPERTY TAX

The County assesses, bills, collects, and distributes property taxes for all taxing jurisdictions within its boundaries, including cities, school districts, and special districts, in accordance with State law. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is considered necessary. Property taxes are assessed and become a lien against the property as of January 1 in the year in which due. The property taxes valuation notice is sent in July, but it is not a billing. Property owners are billed in October with a payment due date of November 30th. Tax collections are recorded as funds held in a trust until disbursement.

The portion invested and not turned over to the County funds has been set up as property taxes receivable on the governmental funds balance sheets at December 31, 2011. This amounted to \$0 at December 31, 2011 for the General Fund.

8. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,570,720	\$ -	\$ -	\$ 7,570,720
Infrastructure	41,472,244	-	-	41,472,244
Construction in progress	210,677	19,511,084	-	19,721,761
Total capital assets, not being depreciated	<u>49,253,641</u>	<u>19,511,084</u>	<u>-</u>	<u>68,764,725</u>
Capital assets, being depreciated:				
Buildings and improvements	29,892,812	-	-	29,892,812
Water rights	-	-	-	-
Furniture, fixtures, and equipment	12,084,491	1,071,395	(1,072,060)	12,083,826
Total capital assets, being depreciated	<u>41,977,303</u>	<u>1,071,395</u>	<u>(1,072,060)</u>	<u>41,976,638</u>
Accumulated depreciation for:				
Buildings and improvements	(10,573,307)	(746,497)	-	(11,319,804)
Water rights	-	-	-	-
Furniture, fixtures, and equipment	(11,382,964)	(543,551)	1,023,061	(10,903,454)
Total accumulated depreciation	<u>(21,956,271)</u>	<u>(1,290,048)</u>	<u>1,023,061</u>	<u>(22,223,258)</u>
Total capital assets, being depreciated, net	<u>20,021,032</u>	<u>(218,653)</u>	<u>(48,999)</u>	<u>19,753,380</u>
Governmental activities capital assets, net	<u>\$ 69,274,673</u>	<u>\$ 19,292,431</u>	<u>\$ (48,999)</u>	<u>\$ 88,518,105</u>

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

8. CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions & Transfers</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,759,620	\$ -	\$ -	\$ 1,759,620
Construction in progress	<u>1,840,029</u>	<u>5,294,464</u>	<u>-</u>	<u>7,134,493</u>
Total capital assets, not being depreciated	<u>3,599,649</u>	<u>5,294,464</u>	<u>-</u>	<u>8,894,113</u>
Capital assets, being depreciated:				
Buildings and improvements	34,625,624		-	34,625,624
Furniture, fixtures, and equipment	<u>5,417,784</u>	<u>846,345</u>	<u>-</u>	<u>6,264,129</u>
Total capital assets, being depreciated	40,043,408	846,345	-	40,889,753
Accumulated depreciation for:				
Buildings and improvements	(13,745,109)	(1,471,290)	-	(15,216,399)
Furniture, fixtures, and equipment	<u>(2,879,072)</u>	<u>(323,842)</u>	<u>(51,062)</u>	<u>(3,253,976)</u>
Total accumulated depreciation	<u>(16,624,181)</u>	<u>(1,795,132)</u>	<u>(51,062)</u>	<u>(18,470,375)</u>
Total capital assets being depreciated, net	<u>23,419,227</u>	<u>(948,787)</u>	<u>(51,062)</u>	<u>22,419,378</u>
Business-type activities capital assets, net	<u>\$ 27,018,876</u>	<u>\$ 4,345,677</u>	<u>\$ (51,062)</u>	<u>\$ 31,313,491</u>

Depreciation expense is charged to functions of the County as follows:

Governmental activities:	
General government	\$ 459,709
Tourism and promotion	18,827
Public safety	330,538
Public health	292,752
Highways and public improvements	141,043
Parks and recreation	24,888
Conservation and economic development	6,539
Other administrative	<u>15,753</u>
Total depreciation expense - governmental activities	<u>\$ 1,290,048</u>
Business-type activities:	
Solid waste	\$ 124,515
Deseret Peak	1,032,687
Airport	<u>637,930</u>
Total depreciation expense - business-type activities	<u>\$ 1,795,132</u>

The County has a jail construction project in process at December 31, 2011 with total construction costs of \$19,721,761 at that date. Cost to complete construction of the project at December 31, 2011 is \$2,372,260.

9. LONG-TERM DEBT

The following is a summary of transactions affecting long-term liabilities for the year ended December 31, 2011:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Lease revenue bonds	161,000	-	(161,000)	-	-
Sales tax revenue bonds	2,120,000	452,000	(115,000)	2,457,000	162,000
Lease revenue bonds	25,340,000	-	-	25,340,000	-
Unamortized discount	<u>(351,382)</u>	<u>-</u>	<u>10,981</u>	<u>(340,401)</u>	<u>-</u>
Total governmental long-term liabilities	<u>27,269,618</u>	<u>452,000</u>	<u>(276,000)</u>	<u>27,456,599</u>	<u>162,000</u>

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

9. LONG-TERM DEBT (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Enterprise fund lease revenue bonds	655,000	-	(65,000)	590,000	60,000
Enterprise fund lease revenue bonds	427,788	-	(7,783)	420,005	8,161
Enterprise fund lease revenue bonds	142,843	-	(17,916)	124,927	20,698
Enterprise fund sales tax revenue bonds	434,000	-	(40,000)	394,000	40,000
Enterprise fund sales tax revenue bonds	652,000	-	(54,000)	598,000	54,000
Enterprise fund sales tax revenue bonds	<u>2,021,000</u>	<u>-</u>	<u>(119,000)</u>	<u>1,902,000</u>	<u>119,000</u>
Total business-type long-term liabilities	4,332,631	-	(303,699)	4,028,932	301,859
Total long-term debt	<u>\$ 31,602,249</u>	<u>\$ 452,000</u>	<u>\$ (579,699)</u>	<u>\$ 31,485,531</u>	<u>\$ 463,859</u>

Sales tax revenue issues at December 31, 2011 consist of the following:

<u>Series</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Interest Rate Range</u>	<u>Final Maturity Date</u>	<u>Current Outstanding Balance</u>
2005	Finance the costs of construction of the county court house	\$ 2,645,000	3.25% - 5.00%	2024	\$ 2,005,000
2003A	Finance costs associated with the expansion of the water lines at Deseret Peak	700,000	1.70%	2020	394,000
2003 B	Finance costs associated with the expansion of the water lines at Deseret Peak	978,000	2.35% - 4.50%	2020	598,000
2008	Finance the construction and equipping of the convention facilities at Deseret Peak	2,275,000	4.29%	2023	1,902,000
2011	Finance costs associated with the jail construction	452,000	1.55%-4.37%	2021	<u>452,000</u>
					<u>\$ 5,351,000</u>
	Governmental activities				\$ 2,457,000
	Business type activities				<u>2,894,000</u>
					<u>\$ 5,351,000</u>

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

9. LONG-TERM DEBT (Continued)

Lease revenue issues at December 31, 2011 consist of the following:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
1989	Finance the renovation of the county jail	\$ 2,500,000	3.00%	2011	\$ -
1998 A	Finance the construction of the Airport	1,200,000	6.00%	2018	590,000
1998 B	Finance the construction of the Airport	500,000	4.75%	2038	420,005
1998 C	Finance the construction of the Airport	331,800	4.75%	2018	124,927
2010 ABC	Finance the construction of the jail	25,340,000	4.0 to 8.00%	2042	<u>25,340,000</u>
					<u>\$ 26,474,932</u>
	Governmental activities				\$ 25,340,000
	Business type activities				<u>1,134,932</u>
					<u>\$ 26,474,932</u>

Debt service requirements of bonds at December 31, 2011 are as follows:

Years ending December 31	Governmental Activities - Bonds			
	Sales tax revenue		Lease revenue	
	Principal	Interest	Principal	Interest
2012	120,000	83,408	-	1,933,055
2013	125,000	79,043	360,000	1,933,054
2014	130,000	74,259	430,000	1,922,256
2015	135,000	69,040	440,000	1,903,765
2016	140,000	63,750	455,000	1,884,845
2017 - 2021	785,000	230,380	2,550,000	8,986,550
2022 - 2026	570,000	43,750	3,170,000	8,032,863
2027 - 2031	-	-	4,070,000	6,658,138
2032 - 2036	-	-	5,190,000	4,854,938
2037 - 2041	-	-	6,455,000	2,568,878
2042 - 2046	-	-	2,220,000	185,370
Total	<u>\$ 2,005,000</u>	<u>\$ 643,630</u>	<u>\$ 25,340,000</u>	<u>\$ 40,863,712</u>

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

9. LONG-TERM DEBT (Continued)

Debt service requirements of bonds at December 31, 2011 are as follows:

<u>Years ending December 31</u>	<u>Business-type Activities - Bonds</u>			
	<u>Sales tax revenue</u>		<u>Lease revenue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	264,000	114,860	98,860	60,301
2013	271,000	106,466	105,253	54,706
2014	279,000	98,012	111,718	48,742
2015	290,000	90,113	118,251	42,409
2016	301,000	80,580	123,297	35,701
2017 - 2021	1,554,000	234,687	259,517	100,757
2022 - 2026	387,000	16,795	72,265	67,275
2027 - 2031	-	-	91,610	48,190
2032 - 2036	-	-	115,929	23,664
2037 - 2041	-	-	38,232	1,377
Total	<u>3,346,000</u>	<u>741,513</u>	<u>1,134,932</u>	<u>483,122</u>

10. PENSION PLANS

Tooele County - Local Governmental - Cost Sharing Defined Benefit Pension Plans

Plan Description: Tooele County contributes to the Local Governmental Contributory Retirement System and the Local Governmental Noncontributory Retirement System, the Public Safety Retirement System for employers with/without Social Security coverage, and the Firefighters Retirement System for employers with/without Social Security coverage, all of which are cost-sharing multiple employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended, which also establishes the Utah State Retirement Office (Office) for the administration of the Utah Retirement Systems and Plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102, or by calling 1-800-365-8772.

Funding policy: Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee), and Tooele County is required to contribute 9.36% for the six months January 2011 - June 2011 and 9.76% for the six months July 2011 - December 2011 of their annual covered salary. In the Local Governmental Noncontributory Retirement System, Tooele County is required to contribute 13.37% for the six months January 2011 - June 2011 and 13.77% for the six months July 2011 - December 2011 of their annual covered salary. In the Public Safety Retirement System, Tooele County is required to contribute 26.13% for the six months January 2011 - June 2011 and 26.13% for the six months July 2011 - December 2011 of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Tooele County contributions to the Local Governmental Contributory Retirement System for the years ending December 31, 2011, 2010, and 2009 were \$16,493, \$14,817, and \$13,363, respectively. Noncontributory Retirement System contributions for the years ending December 31, 2011, 2010, and 2009 were \$1,442,327, \$1,300,135, and \$1,239,034, respectively. For the Public Safety Retirement System, the contributions for the years ending December 31, 2011, 2010, and 2009 were \$833,365, \$660,758, and \$608,389, respectively. The contributions were equal to the required contributions for each year.

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

10. PENSION PLANS (Continued)

Tooele County - Local Governmental - Cost Sharing Defined Benefit Pension Plans (Continued)

Tooele County participates in a Section 457 Deferred Compensation Plan and a 401(k) Deferred Compensation Plan. The accumulated amount of the employees deferred compensation contributed for the years ending December 31, 2011, 2010, and 2009 were \$136,995 and \$387,171, \$139,094 and \$403,137, and \$143,111 and \$417,315 respectively. The assets of the Section 457 Deferred Compensation Plan are trust funds held in trust for the exclusive benefit of the participants or their beneficiaries rather than the assets of the employer.

11. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 10, The County provides postemployment health care and life insurance benefits, through a single employer defined benefit plan, to all employees who retire from the County and qualify to retire from the Systems. The benefits, benefit levels, employee contributions, and employer contributions are governed by County policy, and can be amended at any time. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to count for the plan. The plan does not issue a separate report.

The County currently pays for postemployment benefits on a "pay-as-you-go" basis. Although the County is studying the establishment of a trust that would be used to cumulate and invest assets necessary to pay for the accumulated liability, these financial statements assume that "pay-as-you-go" funding will continue.

The County's annual other postemployment benefit (OPEB) costs (expense) is calculated based on the employer's annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is project to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For the year December 31, 2011, the County's annual OPEB cost (expense) is \$1,107,418. The following table shows the components of the County's net annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation.

Annual required contribution	\$ 1,106,991
Interest on net OPEB obligation	65,975
Adjustment to annual required contribution	<u>(60,333)</u>
Annual OPEB cost (expense)	1,112,633
Contributions made	<u>(219,942)</u>
Increase in net OPEB obligation	892,691
Net OPEB obligation beginning of year	<u>2,536,406</u>
Net OPEB obligation end of year	<u>\$ 3,429,097</u>

The funded status of the plan as of December 31, 2011 is as follows:

Actuarial accrued liability (AAL)	\$ 9,860,253
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 9,860,253
Funded ration (actuarial value of plan assets/AAL)	0%
Covered Payroll (active plan members)	\$ 13,320,300
UAAL as percentage of covered payroll	74.0%

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

11. OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of an occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of fund progress, shown as required supplementary information following the notes to the financial statements, present the results of OPEB valuations as of December 31, 2011 and looking forward, the schedule will eventually provide multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2011 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% unfunded discount rate and an annual healthcare costs trend rate of 8% initially, reduced by decrements to an intimate rate of 5.0% after eleven years. Both rates included a 4.5% inflation assumption. The actuarial value of assets was not determined as the County has not advance funded it obligations. The UAAL is being amortized as a level percentage of payroll over an open thirty year period.

12. INTERFUND TRANSFERS

The following table provides a reconciliation of all interfund transfers for the year ended December 31, 2011:

	Transfers out					
Transfers in:	General Fund	Human Services	MBA Jail	Nonmajor Governmental Funds	Enterprise Funds	Transfers In
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Road Maintenance	757,002	-	-	-	-	757,002
Human service	370,000	-	-	-	-	370,000
Public Health	480,000	-	-	-	-	480,000
Nonmajor Funds:						
Capital Projects	500,000	-	-	-	-	500,000
Aging & adult services	600,000	-	-	-	-	600,000
Debt service	371,279	-	934,310	-	-	1,305,589
Total nonmajor funds	1,471,279	-	934,310	-	-	2,405,589
Total Transfers out	\$ 3,078,281	\$ -	\$ 934,310	\$ -	\$ -	\$ 4,012,591

Transfers from the General Fund to the Road maintenance fund relates primarily to servicing the roads . Transfers from the General Fund to nonmajor governmental funds relate primarily to debt service and capital projects and funds administration expenditures of the Aging and Adult service fund.

13. COMMITMENTS AND CONTINGENCIES

Litigation

There are several cases against the County that are currently being handled by their insurance carrier, and should not have a material affect upon Tooele County's financial statements.

14. RESERVATION AND DESIGNATION OF FUND BALANCES

The County has classified as reserved fund balance amounts applicable to Debt Service and capital projects in relation to their specific purposes or designations for use. Such items are not available as net current assets for other general purposes.

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

16. LANDFILL CLOSURE COSTS

Tooele County owns and maintains a landfill site located in the Tooele, Utah area. State and federal laws and regulations require the County to place a final cover on its 4-A landfill site when it stops accepting construction waste and perform certain maintenance and monitoring factian at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date the landfill stops accepting waste, the County reported a liability at December 31, 2011 of \$138,588, which represents the cumulative amount reported to date based on the use of 9 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post closure care of the \$139,800 as the remaining estimated capacity is filled. The amounts are based on what it would cost to perform all post closure care in 2041. The County expects to close the landfill in 2041. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. At December 31, 2011 The County has \$138,588 of investments which are held for these purposes. These are reported as restricted assets on the Land fill propriety fund statement of net assets.

17. CHANGE IN PRIOR YEAR CLASSIFICATION

The County's management determined to combined the 911 Emergency fund, a special revenue fund, into the General fund in the current year. In the prior year, the 911 Emergency fund ending total net assets were \$401,846. The 2011 beginning fund balance for the General fund is reported with the inclusion of the ending balance of the 911 Emergency fund from the prior year.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

TOOELE COUNTY
Condition and Ratings for the County's Road System
For the Year Ended December 31, 2011

As allowed by GASB Statement 34, Tooele County has adopted the modified approach for reporting, where infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction or major replacements under the modified approach.

Tooele County's entire Asphalt Pavement road network is 401.4 centerline miles of road, or approximately 6.3 million square yards. The purpose of this report is to document how Tooele County has met all the requirements of the modified approach including:

1. Keeping a current inventory of assets,
2. Completing a condition assessment at least once every three years based on an industry standard or measurement scale, and
3. Estimating the annual amount required to maintain and preserve the asset at or above an established level of service.

Tooele County has a program in place to track and manage the Asphalt Pavement road network. This information is updated on a regular basis. The inventory information maintained by the County includes road names, to and from roads, length, width, functional class, and importance.

The road department performs a condition assessment of the entire road network every 3 years. Asphalt pavement distresses are identified and the condition of the road is recorded. The pavement distress identification process is based on the Distress Identification Manual for Long-Term Pavement Performance Projects (SHRP Distress Manual) published by the Strategic Highway Research Program (SHRP), which is the research arm of the Federal Highway Administration.

According to the SHRP Distress Manual, "The Distress Identification Manual for Long-Term Pavement Performance Projects was developed to provide a consistent, uniform basis for collecting distress data for the Long-Term Pavement Performance (LTPP) Program." The manual defines each type of pavement distress including specific distress severity levels. Using this information, Tooele County can determine the condition of each road and give each road a Remaining Service Life (RSL) value.

The years of service that exist in a road without accounting for potential treatments is referred to as remaining service life (RSL). Remaining service life is the value that can be used to express how many years this road will last if there are no treatments applied.

TOOELE COUNTY
Condition and Ratings for the County's Road System
For the Year Ended December 31, 2011

Using the condition information, the County categorizes its roads into Excellent, Good, Fair, and Poor condition. Excellent roads have low severity distresses, require little or no maintenance, and have an RSL of 17-20. Good roads have medium severity distresses, can be preserved for an extended period of time with a surface treatment, and have an RSL of 9-16. Fair roads require rehabilitation such as thick overlay and have an RSL of 5-8. Poor roads require reconstruction and have an RSL of 0-4. The distribution of Tooele County's paved roads is listed below.

<u>Category</u>	<u>RSL</u>	<u>Description</u>
Excellent	17 to 20	New or nearly new pavement which provides a very smooth ride and is mainly free of distress and requires no maintenance
Good	9 to 16	Pavement that provides an adequate ride, and exhibits few, if any visible signs of distress. Minor maintenance may be needed.
Fair	5 to 8	Surface defects such as cracking, rutting, and raveling affect the ride of the user. Major maintenance is likely needed.
Poor	0 to 4	Roadways have deteriorated to such extent that they need resurfacing, and the ride is noticeably rough. Structural improvements, and major maintenance are likely needed.

The service level that will be maintained by the County is an average RSL of 8 or above with less than 30% in the Poor condition category.

There are 832 miles of gravel roads and 237 miles of dirt roads in Tooele County. These roads are maintained so that a passenger car can travel these roads under dry conditions.

Established Condition Level

As stated above, It is the County's policy to maintain an average RSL of 8 or above for all roads with less than 30% in the Poor condition category.

Assessed Conditions

The following table reports the average assessment level of all roads pavement, as well as the percentage of roads in the Poor condition category as assessed in 2011, 2008, and 2005.

<u>Category</u>	<u>2011</u>	<u>2008</u>	<u>2005</u>
Average assessment	12.5	9.3	7.9
Poor	28.3%	13.2%	27.4%

TOOELE COUNTY
Condition and Ratings for the County's Road System
For the Year Ended December 31, 2011

The following table represents the County's estimated amounts need to maintain and preserve its road network at or above the established condition levels, as well as the actual amounts expended on road maintenance and preservation, for each of the past five reporting periods (in thousands).

<u>YEAR</u>	<u>Estimated Expenditures</u>	<u>Actual Expenditures</u>
2011	\$ 3,528	\$ 3,443
2010	\$ 3,124	\$ 3,061
2009	\$ 4,257	\$ 4,107
2008	\$ 3,264	\$ 3,232
2007	\$ 3,892	\$ 3,578

TOOELE COUNTY
Postemployment Benefit Plan -Schedule of Funding Progress
For the year ended December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UALL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2008	\$ -	\$ 8,255,860	\$ 8,255,860	0%	\$ 12,801,276	64.5%
12/31/2009	\$ -	\$ 9,057,199	\$ 9,057,199	0%	\$ 13,185,314	68.7%
12/31/2010	\$ -	\$ 9,458,726	\$ 9,458,726	0%	\$ 13,301,269	71.1%
12/31/2011	\$ -	\$ 9,860,253	\$ 9,860,253	0%	\$ 13,320,300	74.0%

SUPPLEMENTARY INFORMATION

TOOELE COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011

Special Revenue Funds

ASSETS

Assets:

	<u>Aging and Adult Services</u>	<u>Transient Room Tax</u>	<u>Transpor- tation Fund</u>	<u>County Redevelopment Agency</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Cash and investments	\$ 98,282	\$ 600,793	\$ 841	\$ 352,796	\$ 4,792	\$ 172,928	\$ 1,230,432
Restricted Cash and investments		-	-	-	1,144,513		\$ 1,144,513
Accounts receivable	53,290	-	-	-	-	-	53,290
Taxes receivable	-	-	-	-	-	-	-
Due from other governmental units	-	2,749	-	-	-	-	2,749
Due from other funds	-	700,000	-	-	-	220,000	920,000
Inventory	-	-	-	-	-	-	-
Prepaid expenses	2,210	-	-	-	-	-	2,210
Total assets	<u>\$ 153,782</u>	<u>\$ 1,303,542</u>	<u>\$ 841</u>	<u>\$ 352,796</u>	<u>\$ 1,149,305</u>	<u>\$ 392,928</u>	<u>\$ 3,353,194</u>

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	\$ 99,263	\$ 36,867	\$ -	\$ 8,101	\$ -	\$ -	\$ 144,231
Accrued expenditures	-	-	-	-	-	-	-
Due to other funds	50,000	-	-	-	365,000	-	415,000
	-	-	-	-	-	-	-
Total liabilities	<u>149,263</u>	<u>36,867</u>	<u>-</u>	<u>8,101</u>	<u>365,000</u>	<u>-</u>	<u>559,231</u>

Fund equity:

Fund balances:

Restricted for:

Capital projects	-	-	-	-	-	392,928	392,928
Debt service	-	-	-	-	784,305	-	784,305
Nonspendable	2,210	-	-	-	-	-	2,210
Unassigned	2,309	1,266,675	841	344,695	-	-	1,614,520
Total fund equity	<u>4,519</u>	<u>1,266,675</u>	<u>841</u>	<u>344,695</u>	<u>784,305</u>	<u>392,928</u>	<u>2,793,963</u>

Total liabilities and fund equity

<u>\$ 153,782</u>	<u>\$ 1,303,542</u>	<u>\$ 841</u>	<u>\$ 352,796</u>	<u>\$ 1,149,305</u>	<u>\$ 392,928</u>	<u>\$ 3,353,194</u>
--------------------------	----------------------------	----------------------	--------------------------	----------------------------	--------------------------	----------------------------

TOOELE COUNTY
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	<u>Special Revenue Funds</u>						<u>Total</u>
	<u>Aging and Adult Services</u>	<u>Transient Room Tax</u>	<u>Transportation Fund</u>	<u>County Redevelopment Agency</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Revenues:							
Taxes							
General property taxes	\$ -	\$ -	\$ -	\$ 57,824	\$ -	\$ -	\$ 57,824
Sales taxes	-	431,631	-	-	-	-	431,631
Transient room tax	-	259,469	-	-	-	-	259,469
Franchise tax	-	-	-	-	-	-	-
Total taxes	-	691,100	-	57,824	-	-	748,924
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenues	546,429	-	122,002	-	764,421	84,745	1,517,597
Charges for services	463,362	-	-	-	-	-	463,362
Interest on investments	-	3,655	-	-	2,056	3,161	8,872
Other	50,993	-	-	-	-	-	50,993
Total revenues	<u>1,060,784</u>	<u>694,755</u>	<u>122,002</u>	<u>57,824</u>	<u>766,477</u>	<u>87,906</u>	<u>2,789,748</u>
Expenditures:							
General government	-	-	-	187,743	-	-	187,743
Tourism & promotion	-	486,352	-	-	-	-	486,352
Public health & human services	1,656,748	-	-	-	-	-	1,656,748
Highways and public improvements	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	537,260	537,260
Debt service:							
Principal retirement	-	-	-	-	276,000	-	276,000
Interest and fiscal charges	-	-	-	-	1,994,393	-	1,994,393
Total expenditures	<u>1,656,748</u>	<u>486,352</u>	<u>-</u>	<u>187,743</u>	<u>2,270,393</u>	<u>537,260</u>	<u>5,138,496</u>
Excess (deficiency) of revenues over expenditures	<u>(595,964)</u>	<u>208,403</u>	<u>122,002</u>	<u>(129,919)</u>	<u>(1,503,916)</u>	<u>(449,354)</u>	<u>(2,348,748)</u>
Other financing resources:							
Bond issue proceeds	-	-	-	-	-	-	-
Discount on bonds	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Contributions from privates sources	-	-	-	-	-	324,645	324,645
Operating transfers in	600,000	-	-	-	1,305,589	500,000	2,405,589
Operating transfers (out)	-	(119,000)	(122,002)	-	-	-	(241,002)
Total other financing sources (uses)	<u>600,000</u>	<u>(119,000)</u>	<u>(122,002)</u>	<u>-</u>	<u>1,305,589</u>	<u>824,645</u>	<u>2,489,232</u>
Excess (deficiency) of revenue and other sources over expenditures and other use:	4,036	89,403	-	(129,919)	(198,327)	375,291	140,484
Fund balances (deficit) - beginning	483	1,177,272	841	474,614	982,632	17,637	2,653,479
Fund balances (deficit) - ending	<u>\$ 4,519</u>	<u>\$ 1,266,675</u>	<u>\$ 841</u>	<u>\$ 344,695</u>	<u>\$ 784,305</u>	<u>\$ 392,928</u>	<u>\$ 2,793,963</u>

TOOELE COUNTY
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

	Special Revenue Funds					
	Aging and Adult Services			Transient Room Tax		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	440,000	431,631	(8,369)
Transient room tax	-	-	-	260,000	259,469	(531)
Franchise tax	-	-	-	-	-	-
Total taxes	-	-	-	700,000	691,100	(8,900)
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	548,648	546,429	(2,219)	-	-	-
Charges for services	483,370	463,362	(20,008)	-	-	-
Interest on investments	-	-	-	5,000	3,655	(1,345)
Other	49,500	50,993	1,493	-	-	-
Total revenues	<u>1,081,518</u>	<u>1,060,784</u>	<u>(20,734)</u>	<u>705,000</u>	<u>694,755</u>	<u>(10,245)</u>
Expenditures:						
General government	-	-	-	-	-	-
Tourism and promotion	-	-	-	705,000	486,352	218,648
Public health and human services	1,682,104	1,656,748	25,356	-	-	-
Highways and public improvements	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Debt Service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,682,104</u>	<u>1,656,748</u>	<u>25,356</u>	<u>705,000</u>	<u>486,352</u>	<u>218,648</u>
Excess (deficiency) of revenues over expenditures	<u>(600,586)</u>	<u>(595,964)</u>	<u>4,622</u>	<u>-</u>	<u>208,403</u>	<u>208,403</u>
Other financing sources:						
Contributions from privates sources	-	-	-	-	-	-
Operating transfers in	600,586	600,000	(586)	-	-	-
Operating transfers (out)	-	-	-	-	(119,000)	(119,000)
Total other financing sources (uses)	<u>600,586</u>	<u>600,000</u>	<u>(586)</u>	<u>-</u>	<u>(119,000)</u>	<u>(119,000)</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	-	4,036	4,036	-	89,403	89,403
Fund balance (deficit) - beginning	483	483	-	1,177,272	1,177,272	-
Fund balance (deficit) - ending	<u>\$ 483</u>	<u>\$ 4,519</u>	<u>\$ 4,036</u>	<u>\$ 1,177,272</u>	<u>\$ 1,266,675</u>	<u>\$ 89,403</u>

TOOELE COUNTY
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

(Continued)

	Special Revenue Funds					
	Transportation Fund			County Redevelopment Agency		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ 190,000	\$ 57,824	\$ (132,176)
Sales Taxes	-	-	-	-	-	-
Transient room tax	-	-	-	-	-	-
Franchise tax	-	-	-	-	-	-
Total taxes	-	-	-	190,000	57,824	(132,176)
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	-	-	-	-	-	-
Other	123,000	122,002	(998)	-	-	-
Total revenues	<u>123,000</u>	<u>122,002</u>	<u>(998)</u>	<u>190,000</u>	<u>57,824</u>	<u>(132,176)</u>
Expenditures:						
General government	-	-	-	190,000	187,743	2,257
Tourism and promotion	-	-	-	-	-	-
Public health and human services	-	-	-	-	-	-
Highways and public improvements	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Debt Service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,000</u>	<u>187,743</u>	<u>2,257</u>
Excess (deficiency) of revenues over expenditures	<u>123,000</u>	<u>122,002</u>	<u>(998)</u>	<u>-</u>	<u>(129,919)</u>	<u>(129,919)</u>
Other financing sources:						
Contributions from privates sources	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	(123,000)	(122,002)	998	-	-	-
Total other financing sources (uses)	<u>(123,000)</u>	<u>(122,002)</u>	<u>998</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(129,919)</u>	<u>(129,919)</u>
Fund balance (deficit) - beginning	841	841	-	474,614	474,614	-
Fund balance (deficit) - ending	<u>\$ 841</u>	<u>\$ 841</u>	<u>\$ -</u>	<u>\$ 474,614</u>	<u>\$ 344,695</u>	<u>\$ (129,919)</u>

TOOELE COUNTY
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Nonmajor Governmental Funds
For the Year Ended December 31, 2011 (Continued)

	Debt Service		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes			
General property taxes	\$ -	\$ -	\$ -
Sales Taxes	-	-	-
Transient room tax	-	-	-
Franchise tax	-	-	-
Total taxes	-	-	-
Licenses and permits	-	-	-
Intergovernmental revenues	-	764,421	764,421
Charges for services	-	-	-
Interest on investments	2,100	2,056	(44)
Other	-	-	-
Total revenues	2,100	766,477	764,377
 Expenditures:			
General government	-	-	-
Tourism and promotion	-	-	-
Public health and human services	-	-	-
Highways and public improvements	-	-	-
Capital projects	-	-	-
Debt Service:			
Principal retirement	276,000	276,000	-
Interest and fiscal charges	2,249,379	1,994,393	254,986
Total expenditures	2,525,379	2,270,393	254,986
 Excess (deficiency) of revenues over expenditures	(2,523,279)	(1,503,916)	1,019,363
 Other financing sources:			
Contributions from privates sources	-	-	-
Operating transfers in	2,523,279	1,305,589	(1,217,690)
Operating transfers (out)	-	-	-
Total other financing sources (uses)	2,523,279	1,305,589	(1,217,690)
 Excess (deficiency) of revenue and other sources over expenditures and other uses	-	(198,327)	(198,327)
 Fund balance (deficit) - beginning	982,632	982,632	-
 Fund balance (deficit) - ending	\$ 982,632	\$ 784,305	\$ (198,327)

TOOELE COUNTY
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Nonmajor Governmental Funds
For the Year Ended December 31, 2011

(Continued)

	Capital Projects			Totals		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ 190,000	\$ 57,824	\$ (132,176)
Sales Taxes	-	-	-	440,000	431,631	(8,369)
Transient room tax	-	-	-	260,000	259,469	(531)
Franchise tax	-	-	-	-	-	-
Total taxes	-	-	-	890,000	748,924	(141,076)
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	91,800	84,745	(7,055)	640,448	1,395,595	755,147
Charges for services	-	-	-	483,370	463,362	(20,008)
Interest on investments	3,200	3,161	(39)	10,300	8,872	(1,428)
Other	-	-	-	172,500	172,995	495
Total revenues	<u>95,000</u>	<u>87,906</u>	<u>(7,094)</u>	<u>2,196,618</u>	<u>2,789,748</u>	<u>593,130</u>
Expenditures:						
General government	-	-	-	190,000	187,743	2,257
Tourism and promotion	-	-	-	705,000	486,352	218,648
Public health and human services	-	-	-	1,682,104	1,656,748	25,356
Highways and public improvements	-	-	-	-	-	-
Capital projects	920,000	537,260	382,740	920,000	537,260	382,740
Debt Service:				-	-	-
Principal retirement	-	-	-	276,000	276,000	-
Interest and fiscal charges	-	-	-	2,249,379	1,994,393	254,986
Total expenditures	<u>920,000</u>	<u>537,260</u>	<u>382,740</u>	<u>6,022,483</u>	<u>5,138,496</u>	<u>883,987</u>
Excess (deficiency) of revenues over expenditures	<u>(825,000)</u>	<u>(449,354)</u>	<u>375,646</u>	<u>(3,825,865)</u>	<u>(2,348,748)</u>	<u>1,477,117</u>
Other financing sources:						
Contributions from privates sources	325,000	324,645	355	325,000	324,645	355
Operating transfers in	500,000	500,000	-	3,623,865	2,405,589	(1,218,276)
Operating transfers (out)	-	-	-	(123,000)	(241,002)	(118,002)
Total other financing sources (uses)	<u>825,000</u>	<u>824,645</u>	<u>355</u>	<u>3,825,865</u>	<u>2,489,232</u>	<u>(1,335,923)</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	-	375,291	376,001	-	140,484	141,194
Fund balance (deficit) - beginning	<u>2,666</u>	<u>17,637</u>	<u>14,971</u>	<u>2,638,508</u>	<u>2,653,479</u>	<u>14,971</u>
Fund balance (deficit) - ending	<u>\$ 2,666</u>	<u>\$ 392,928</u>	<u>\$ 390,972</u>	<u>\$ 2,638,508</u>	<u>\$ 2,793,963</u>	<u>\$ 156,165</u>

TOOELE COUNTY
Combing Statement Net Assets
Internal Service Funds
December 31, 2011

	Service Equipment	Central Stores	Total
<u>ASSETS</u>			
Assets:			
Current assets:			
Cash and investments	\$ 187,661	\$ 87,851	\$ 275,512
Due from other funds	1,009,000	-	1,009,000
Inventories	-	9,771	9,771
Total current assets	1,196,661	97,622	1,294,283
Noncurrent assets			
Capital assets			
Machinery and equipment	1,454,388	-	1,454,388
Accumulated depreciation	(1,084,255)	-	(1,084,255)
Total noncurrent assets	370,133	-	370,133
Total assets	\$ 1,566,794	\$ 97,622	\$ 1,664,416
<u>LIABILITIES</u>			
Liabilities:			
Accounts payable	\$ -	\$ 35,302	\$ 35,302
Due to other funds	-	59,000	59,000
Total liabilities	\$ -	\$ 94,302	\$ 94,302
<u>NET ASSETS</u>			
Net assets:			
Invested in capital assets, net of related debt	\$ 370,133	\$ -	\$ 370,133
Unassigned	1,196,661	3,320	1,199,981
Total net assets	\$ 1,566,794	\$ 97,622	\$ 1,664,416

TOOELE COUNTY
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Internal Service Funds
For the Year Ended December 31, 2011

	<u>Service Equipment</u>	<u>Central Stores</u>	<u>Total</u>
Operating revenues:			
Interfund lease payments	\$ 242,856	\$ -	\$ 242,856
Sale of supplies	<u>-</u>	<u>200,542</u>	<u>200,542</u>
Total operating revenues	<u>242,856</u>	<u>200,542</u>	<u>443,398</u>
Operating expenses:			
General and administrative	-	207,804	207,804
Depreciation	<u>270,054</u>	<u>-</u>	<u>270,054</u>
Total operating expenses	<u>270,054</u>	<u>207,804</u>	<u>477,858</u>
Operating income (loss)	<u>(27,198)</u>	<u>(7,262)</u>	<u>(34,460)</u>
Non-operating revenues (expenses):			
Interest on investments	2,042	232	2,274
Gain on disposition of assets	<u>28,000</u>	<u>-</u>	<u>28,000</u>
Total non-operating revenues	<u>30,042</u>	<u>232</u>	<u>30,274</u>
Income before contributions	2,844	(7,030)	(4,186)
Capital contributions	-	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	2,844	(7,030)	(4,186)
Net assets (liabilities), beginning of year	<u>1,563,950</u>	<u>10,350</u>	<u>1,574,300</u>
Net assets (liabilities), end of year	<u>\$ 1,566,794</u>	<u>\$ 3,320</u>	<u>\$ 1,570,114</u>

TOOELE COUNTY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2011

	<u>Service Equipment</u>	<u>Central Stores</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from interfund leases	\$ 242,856	\$ -	\$ 242,856
Receipts from sale of supplies	-	203,093	203,093
Payments for administration	-	(194,170)	(194,170)
Net cash provided (used) by operating activities	<u>242,856</u>	<u>8,923</u>	<u>251,779</u>
Cash flows from noncapital financing activities:			
Due (from) to other funds	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(242,500)	-	(242,500)
Cash on disposition of assets	28,000	-	28,000
Net cash provided (used) by capital and related financing activities	<u>(214,500)</u>	<u>-</u>	<u>(214,500)</u>
Cash flows from investing activities:			
Interest income on investments	2,042	232	2,274
Net cash provided (used) by investing activities	<u>2,042</u>	<u>232</u>	<u>2,274</u>
Net increase (decrease) in cash and cash equivalents	30,398	9,155	39,553
Cash and cash equivalents, beginning of year	<u>157,263</u>	<u>78,696</u>	<u>235,959</u>
Cash and cash equivalents, end of year	<u>\$ 187,661</u>	<u>\$ 87,851</u>	<u>\$ 275,512</u>
Reconciliation of total operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (27,198)	\$ (7,262)	\$ (34,460)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	270,054	-	270,054
(Increase) decrease in operating assets:			
Accounts receivable, net	-	-	-
Prepaid expenses	-	-	-
Inventories	-	2,552	2,552
Due from other funds	-	-	-
Increase (decrease) in operating liabilities:			
Accounts payable	-	13,633	13,633
Due to other funds	-	-	-
Net cash provided (used) by operating activities	<u>\$ 242,856</u>	<u>\$ 8,923</u>	<u>\$ 251,779</u>

TOOELE COUNTY
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2011

	<u>Balance at beginning of the year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at end of the year</u>
CRIMINAL JUSTICE AGENCY FUND				
Assets - cash and investments	\$ 186,837	\$ 224,196	\$ 198,142	\$ 212,891
Liabilities - funds held in trust	\$ 186,837	\$ 224,196	\$ 198,142	\$ 212,891
TREASURER'S TAX COLLECTION AGENCY FUND				
Assets - cash and investments	\$ 19,520,581	\$ 39,227,496	\$ 36,759,332	\$ 21,988,745
Liabilities - funds held in trust	\$ 19,520,581	\$ 39,227,496	\$ 36,759,332	\$ 21,988,745
SPECIAL DEPOSITS AGENCY FUND				
Assets - cash and investments	\$ 346,163	\$ 1,064,805	\$ 942,340	\$ 468,628
Liabilities - funds held in trust	\$ 346,163	\$ 1,064,805	\$ 942,340	\$ 468,628
TOTALS - ALL AGENCY FUNDS				
Assets - cash and investments	\$ 20,053,581	\$ 40,516,497	\$ 37,899,814	\$ 22,670,264
Liabilities - funds held in trust	\$ 20,053,581	\$ 40,516,497	\$ 37,899,814	\$ 22,670,264

**TOOELE COUNTY
Balance Sheet
Component Unit
December 31, 2011**

**Tooele County
Recreation
Special Service
District**

ASSETS

Assets:

Cash and investments

\$ 240,560

Total assets

\$ 240,560

LIABILITIES AND FUND EQUITY

Fund equity:

Fund balances:

Reserved

Unassigned

\$ 240,560

Total fund equity

240,560

Total liabilities and fund equity

\$ 240,560

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Component Unit
For the Year Ended December 31, 2011

	<u>Tooele County Recreation Special Service District</u>
Revenues:	
Mineral lease payment	\$ 88,567
Intergovernmental revenue	220,830
Interest on investments	<u>429</u>
Total revenues	<u>309,826</u>
 Expenditures:	
General government	2,103
Recreation support	277,229
Capital projects	<u>-</u>
Total expenditures	<u>279,332</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>30,494</u>
 Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	 30,494
Fund balance, beginning of year	<u>210,066</u>
Fund balance, end of year	<u>\$ 240,560</u>

TOOELE COUNTY
Schedule of Taxable Values, Taxes Charged, and Taxes Collected
For the Year Ended December 31, 2011

Taxing Unit	Year-End Taxable Value										Treasurer's Relief					
	Year-End Real Value (After BOE)	Year-End CA Value (After BOE)	Total Real & CA RDA Value	Adjusted Real & CA Value	Year-End Pers. Prop. Value	Adjusted Pers. Prop. Value	Total Adjusted Value	Current Tax Rate	Prior Tax Rate	Real & CA Charged	Pers. Prop. Charged	Taxes Charged	Unpaid Taxes	Abate-ments	Other	Total
Tooele City	\$ 1,186,680,235	\$ 39,736,025	\$ 119,539,574	\$ 1,106,876,686	\$ 96,549,657	\$ 96,549,657	\$ 1,203,426,343	0.002111	0.002013	\$ 2,336,617	\$ 194,354	\$ 2,530,971	\$ 132,194	\$ 69,783	\$ (15,763)	\$ 186,214
Grantsville City	337,381,386	15,907,130	56,862,961	296,425,555	28,982,443	28,982,443	325,407,998	0.003368	0.003306	998,361	95,816	1,094,177	82,284	24,056	(3,507)	102,833
Wendover City	40,738,541	7,817,989	48,556,530	3,678,672	3,678,672	3,678,672	52,235,202	0.003825	0.003368	185,729	12,390	198,118	24,383	-	(257)	24,126
Stockton Town	18,472,351	2,164,306	20,636,657	174,836	174,836	174,836	20,811,493	0.002522	0.002694	52,046	471	52,517	5,041	2,066	(57)	7,051
Vernon Town	5,687,461	1,551,504	7,238,965	51,611	51,611	51,611	7,290,576	0.000912	0.000934	6,602	48	6,650	593	223	(34)	782
Lakepoint Improvement District	63,359,327	6,949,013	70,308,340	4,789,479	4,789,479	4,789,479	75,097,819	0.000163	0.000169	11,460	809	12,270	461	102	153	717
Stansbury Park Improvement District	320,173,341	7,330,411	327,503,752	3,399,269	3,399,269	3,399,269	330,903,021	0.000106	0.000095	34,715	323	35,038	846	718	(139)	1,425
Ophir Town	6,669,399	42,519	6,711,918	303	303	303	6,712,221	0.000063	0.000058	423	0	423	14	7	6	27
Rush Valley Town	12,533,118	4,551,454	17,084,572	47,125	47,125	47,125	17,131,697	0.001044	0.001055	17,836	50	17,886	626	352	(285)	693
Tooele County	2,561,478,678	397,729,410	551,124,869	2,408,083,219	438,720,780	438,720,780	2,846,803,999	0.000670	0.000641	1,613,416	281,220	1,894,636	102,761	35,340	(11,548)	126,553
Tooele Valley Mosquito Abatement District	1,167,923,071	185,988,519	431,585,295	922,326,295	304,623,988	304,623,988	1,226,950,283	0.000384	0.000367	354,173	111,797	465,970	26,488	7,232	(529)	33,191
Stansbury Greenbelt Service Area	314,412,670	5,210,500	319,623,170	3,399,269	3,399,269	3,399,269	323,022,439	0.001104	0.000996	352,864	3,386	356,250	8,210	7,327	(1,445)	14,092
Stansbury Recreation Service Area	314,412,670	5,210,500	319,623,170	3,399,269	3,399,269	3,399,269	323,022,439	0.001099	0.000990	351,266	3,365	354,631	8,173	7,294	(1,444)	14,023
No. Tooele County Fire Service District	896,875,602	174,958,320	374,722,334	697,111,588	304,784,154	304,784,154	1,001,895,742	0.000613	0.000584	427,329	177,994	605,323	20,836	6,257	(1,158)	25,935
Lakepoint Cemetery and Park Service Area	58,800,409	6,949,013	65,749,422	4,787,660	4,787,660	4,787,660	70,537,082	0.000382	0.000389	25,116	1,862	26,979	615	240	349	1,204
No. Tooele City Special Service District	86,867,985	1,648,967	88,516,952	1,064,210	1,064,210	1,064,210	89,581,162	0.000289	0.000256	25,581	272	25,854	1,199	649	(421)	1,427
Tooele County - Statewide A & C	2,561,478,678	397,729,410	551,124,869	2,408,083,219	438,720,780	438,720,780	2,846,803,999	0.000172	0.000162	414,190	71,073	485,263	26,381	9,072	(4,086)	31,367
Tooele County - Local A & C	2,561,478,678	397,729,410	551,124,869	2,408,083,219	438,720,780	438,720,780	2,846,803,999	0.000333	0.000316	801,892	138,636	940,527	51,074	17,564	(6,874)	61,764
Totals	\$ 17,730,531,853	\$ 2,506,738,457	\$ 3,738,334,509	\$ 16,498,935,801	\$ 2,954,130,516	\$ 2,954,130,516	\$ 19,453,066,317			\$ 27,898,973	\$ 4,851,118	\$ 32,750,091	\$ 1,759,339	\$ 623,882	\$ 102,436	\$ 2,485,657

TOOELE COUNTY
Schedule of Taxable Values, Taxes Charged, and Taxes Collected
For the Year Ended December 31, 2011

<u>Taxing Unit</u>	<u>Taxes Collected</u>	<u>Collection Rate</u>	<u>Other Collections</u>					<u>Total Collections</u>	<u>Total Collections</u>
			<u>Fee in Lieu</u>	<u>Misc. Collection</u>	<u>Delinquencies</u>		<u>Total Other Collections</u>		
					<u>Tax</u>	<u>Interest/ Penalty</u>			
Tooele City	\$ 2,344,757	92.64%	\$ 325,521	\$ 17,791	\$ 121,459	\$ 17,270	\$ 482,040	\$ 2,826,797	
Grantsville City	991,345	90.60%	158,573	6,461	107,598	12,460	285,093	1,276,437	
Wendover City	173,993	87.82%	14,639	1,190	20,086	1,966	37,880	211,873	
Stockton Town	45,466	86.57%	13,923	698	2,273	326	17,220	62,686	
Vernon Town	5,868	88.24%	1,728	45	101	15	1,889	7,757	
Lakepoint Improvement District	11,553	94.16%	1,404	21	363	25	1,813	13,365	
Stansbury Park Improvement District	33,613	95.93%	4,702	110	1,050	75	5,937	39,550	
Ophir Town	396	93.66%	15	(111)	9	1	(85)	311	
Rush Valley Town	17,193	96.12%	3,319	211	588	142	4,259	21,452	
Tooele County	1,768,083	93.32%	202,164	10,654	88,239	10,824	311,882	2,079,965	
Tooele County School District - Basic	4,198,537	93.57%	480,065	23,940	209,535	25,704	739,244	4,937,781	
Tooele Valley Mosquito Abatement District	432,780	92.88%	49,873	2,415	24,561	2,691	79,539	512,319	
Stansbury Greenbelt Service Area	342,158	96.04%	48,912	1,172	8,237	747	59,068	401,226	
Stansbury Recreation Service Area	340,608	96.05%	48,690	1,163	8,200	744	58,798	399,406	
No. Tooele County Fire Service District	579,388	95.72%	47,137	3,110	18,933	1,888	71,068	650,456	
Rush Valley Water Conservancy District	7,371	89.16%	684	(51)	277	32	941	8,312	
Lakepoint Cemetery and Park Service Area	25,774	95.54%	3,253	76	516	27	3,872	29,646	
No. Tooele City Special Service District	24,426	94.48%	1,888	180	1,370	448	3,886	28,312	
Tooele County School District - Local	17,588,466	91.84%	2,011,083	113,851	877,782	107,679	3,110,395	20,698,861	
Tooele County - Statewide A & C	453,896	93.54%	51,899	2,594	22,652	2,779	79,925	533,821	
Tooele County - Local A & C	878,764	93.43%	100,479	5,063	43,856	5,380	154,777	1,033,541	
Totals	\$ 30,264,434		\$ 3,569,950	\$ 190,581	\$ 1,557,687	\$ 191,223	\$ 5,509,441	\$ 35,773,874	