

TOOELE COUNTY

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

December 31, 2012

TOOELE COUNTY

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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 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, 2012, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles general accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditors' Responsibility

Our responsibility is to express opinions 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. Accordingly, we express not such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

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 and the aggregate remaining fund information of the County, as of December 31, 2012 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Tooele County's basic financial statements. The combining and individual fund statements and schedule of taxable values, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The schedule of taxable values sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing

In accordance with Government Audit Standards, we have also issued our report dated June 29, 2013, on our consideration of Tooele County's internal control over financial reporting and on our tests of its compliance with certain provision 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 internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Tooele County's internal control over financial reporting and compliance.



Salt Lake City, Utah
June 29, 2013

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, 2012. 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 \$94,935,526 (*net assets*). Of this amount, \$0 (*unassigned net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ◆ The government's total Government-Wide net position decreased by \$1,047,472. 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 \$7,597,515, a decrease of \$5,960,852 in comparison with the prior year. Approximately 60% of the ending fund balance, \$1,617,088 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 \$1,564,077, or 8.62% of total general fund expenditures.
- ◆ Tooele County's total bonded debt at the close of the 2012 was \$31,116,924. This represents a 1% 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 position may serve over time as a useful indicator of a government's financial position. In the case of Tooele County, assets exceeded liabilities by \$94,935,526 at the close of the most recent fiscal year.

The largest portion of Tooele County's net position 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 Position					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 11,171,658	\$ 17,709,231	\$ 2,117,730	\$ 1,545,329	\$ 13,289,388	\$ 19,254,560
Capital assets	92,504,980	88,518,105	34,943,075	31,313,491	127,448,055	119,831,596
Total assets	<u>103,676,638</u>	<u>106,227,336</u>	<u>37,060,805</u>	<u>32,858,820</u>	<u>140,737,443</u>	<u>139,086,156</u>
Long-term liabilities outstanding	32,247,884	31,801,386	4,437,856	4,834,199	36,685,740	36,635,585
Other liabilities	2,976,307	2,353,121	8,067,071	4,114,455	11,043,378	6,467,576
Total liabilities	<u>35,224,191</u>	<u>34,154,507</u>	<u>12,504,927</u>	<u>8,948,654</u>	<u>47,729,118</u>	<u>43,103,161</u>
Net Position:						
Invested in capital assets, net of related debt	65,085,460	61,061,506	30,637,148	26,521,182	95,722,608	87,582,688
Nonspendable	83,650	886,777	1,190	-	84,840	886,777
Restricted	3,294,863	5,818,542	50,513	143,685	3,345,376	5,962,227
Unrestricted	(11,526)	4,306,004	(4,205,772)	(2,754,701)	(4,217,298)	1,551,303
Total net position	<u>\$ 68,452,447</u>	<u>\$ 72,072,829</u>	<u>\$ 26,483,079</u>	<u>\$ 23,910,166</u>	<u>\$ 94,935,526</u>	<u>\$ 95,982,995</u>

A portion of Tooele County's net position (2.53%) 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 \$0 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

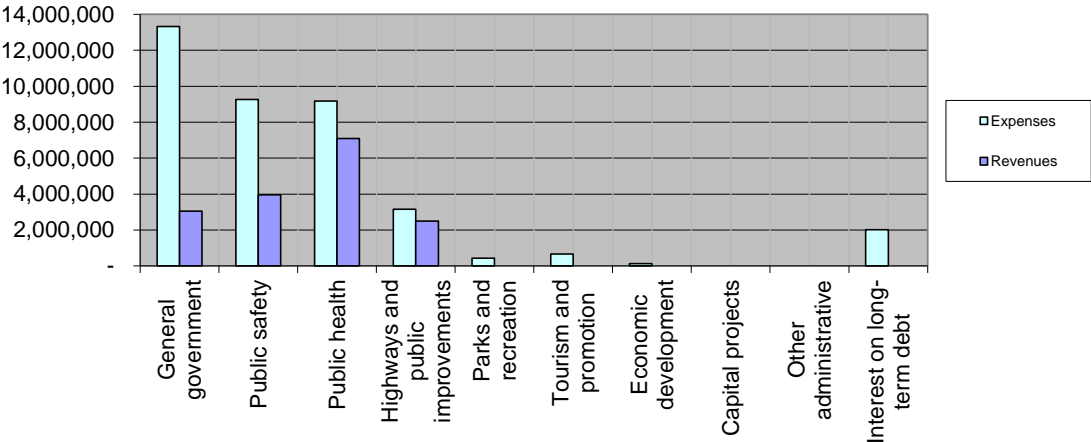
Governmental Activities

Governmental activities decreased Tooele County's net position by \$3,620,386 and the Business-type activities increased net assets by \$2,572,914. The net decrease in total net position was \$1,047,472. Key elements of this net increase are as follows:

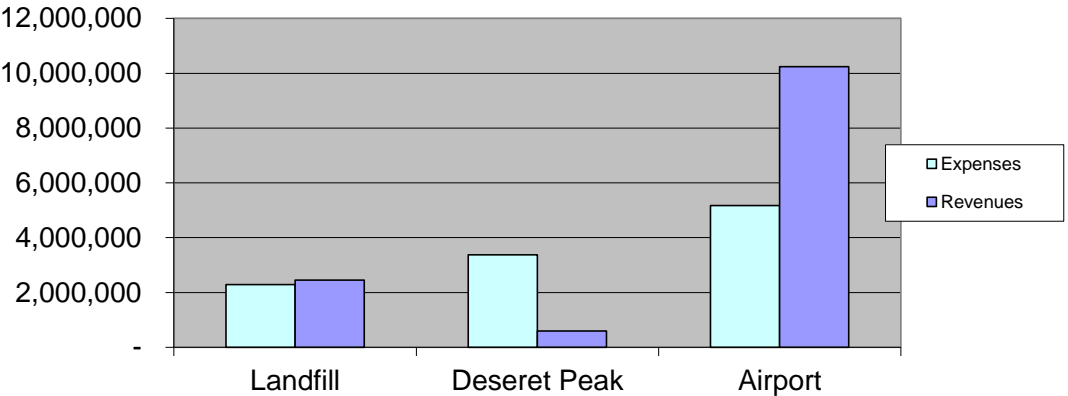
Tooele County's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 4,957,400	\$ 3,951,773	\$ 7,417,025	\$ 7,616,988	\$ 12,374,425	\$ 11,568,761
Operating grants and contributions	10,684,311	12,758,025	349,259	331,378	11,033,570	13,089,403
Capital grants and contributions	939,061	1,173,811	5,465,541	5,185,777	6,404,602	6,359,588
General revenues:						
Taxes	12,178,218	11,356,188	-	-	12,178,218	11,356,188
Earnings on investments	36,381	86,353	7,633	6,042	44,014	92,395
Mitigation fees	4,549,995	7,090,415	-	-	4,549,995	7,090,415
Rental income	801,520	-	-	-	801,520	-
Gain (loss) on capital assets	65,000	6,201	15,730	59,031	80,730	65,232
Miscellaneous	452,276	1,296,290	30,984	-	483,260	1,296,290
Total revenues	34,664,162	37,719,056	13,286,172	13,199,216	47,950,334	50,918,272
Expenses:						
General government	13,321,586	13,635,924	-	-	13,321,586	13,635,924
Tourism and promotion	662,963	486,352	-	-	662,963	486,352
Public safety	9,259,373	8,759,969	-	-	9,259,373	8,759,969
Public health	9,177,593	7,716,661	-	-	9,177,593	7,716,661
Highways and public improvements	3,162,393	3,926,443	-	-	3,162,393	3,926,443
Parks and recreation	428,962	646,425	-	-	428,962	646,425
Economic development	133,546	181,007	-	-	133,546	181,007
Capital projects	-	-	-	-	-	-
Other administrative	-	-	-	-	-	-
Interest on long-term debt	2,013,132	2,021,291	-	-	2,013,132	2,021,291
Landfill	-	-	2,290,561	2,146,780	2,290,561	2,146,780
Deseret Peak	-	-	3,377,321	3,225,954	3,377,321	3,225,954
Airport	-	-	5,170,376	5,366,890	5,170,376	5,366,890
Total expenses	38,159,548	37,374,072	10,838,258	10,739,624	48,997,806	48,113,696
Change in net position before transfers	(3,495,386)	344,984	2,447,914	2,459,592	(1,047,472)	2,804,576
Transfers in (out)	(125,000)	(119,000)	125,000	119,000	-	-
Change in net position	(3,620,386)	225,984	2,572,914	2,578,592	(1,047,472)	2,804,576
Net position - beginning	72,072,833	71,846,845	23,910,165	21,331,574	95,982,998	93,178,419
Net position - ending	\$ 68,452,447	\$ 72,072,829	\$ 26,483,079	\$ 23,910,166	\$ 94,935,526	\$ 95,982,995

Management's Discussion and Analysis

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

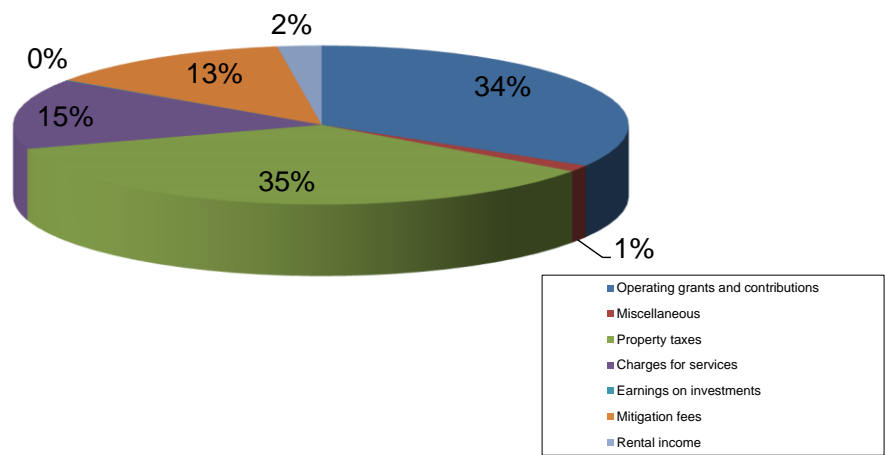


Expenses and Program Revenues -
Business-Type Activities

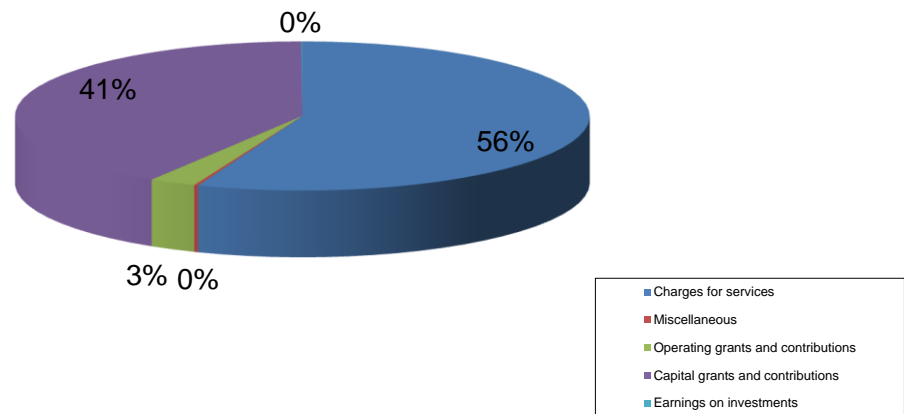


Management's Discussion and Analysis

Revenues by Source - Governmental Activities



Revenues by Source - Business-Type Activities



Management's Discussion and Analysis

- ◆ Charges for governmental services increased by \$1,005,627.
- ◆ Governmental operating grants decreased by \$2,073,714.
- ◆ Tax revenues had a net increase of \$822,030 consisting of a decrease in property taxes of \$818,414, an increase in sales tax of \$360,993, and a increase in transient room and restaurant tax of \$29,451.
- ◆ Mitigations fees decreased by \$2,540,420.
- ◆ Rental income increased by \$801,520.
- ◆ Miscellaneous revenues decreased by \$884,014.

Business-type Activities

- ◆ Business-type activities net assets increased by \$2,572,914, a 10.76% increase. Key elements of this increase are as follows:
- ◆ Landfill revenues totaled \$2,412,517, an increase of \$120,232. Deseret Peak revenues totaled \$591,979, an increase of \$110,297. Airport revenues and grants totaled \$10,229,936, a decrease of \$155,654. Landfill expenses totaled \$2,290,561, including depreciation of \$163,227 for an increase of \$143,781. Deseret Peak expenses totaled \$3,377,321, including depreciation of \$1,019,012 for an increase of \$196,514. Airport expenses totaled \$5,170,376 including depreciation of \$629,770, for a decrease of \$196,514.

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 \$68,452,447 a decrease of \$3,620,386, in comparison with the prior year. Approximately .02% of this amount \$1,209,495 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 \$1,209,495 and to debt service \$1,115,848.

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 \$2,596,557 of which \$1,564,077 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 14.3% 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 \$4,205,772. 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 \$19,123,984 were less than final budgeted revenues by \$21,395,581, or 10.6%. Taxes, intergovernmental revenues, charges for services, mitigation fees, and other were below management's projections.

The final adopted budget for General Fund expenditures was \$18,429,847 in 2012, which is \$3,875,953 less than the 2012 adopted budget.

Expenditures in 2012 were \$18,154,006, or approximately 1.5% less than the final adopted budget of \$18,429,847. 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, 2012, was \$92,504,980 (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 \$3,986,875, net of depreciation.

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

- ♦ Building and improvement additions totaled \$24,262,467.
- ♦ Furniture, fixtures, and equipment purchases of \$1,107,658.

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	
	2012	2011	2012	2011	2012	2011
Land	\$ 7,570,720	\$ 7,570,720	\$ 1,759,620	\$ 1,759,620	\$ 9,330,340	\$ 9,330,340
Buildings and improvements	41,622,134	18,573,008	19,045,377	19,409,225	60,667,511	37,982,233
Construction in progress	784,346	19,721,761	12,053,045	7,134,493	12,837,391	26,856,254
Furniture, fixtures, and equipment	1,055,536	1,180,372	2,085,033	3,010,153	3,140,569	4,190,525
Infrastructure	41,472,244	41,472,244	-	-	41,472,244	41,472,244
Total	<u>\$ 92,504,980</u>	<u>\$ 88,518,105</u>	<u>\$ 34,943,075</u>	<u>\$ 31,313,491</u>	<u>\$ 127,448,055</u>	<u>\$ 119,831,596</u>

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 \$31,116,924. The debt represents lease revenue bonds and sales tax revenue bonds.

Tooele County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Lease revenue bonds	\$ 25,010,580	\$ 24,999,599	\$ 1,037,968	\$ 1,134,932	\$ 26,048,548	\$ 26,134,531
Sales tax revenue bonds	2,408,940	2,457,000	2,659,436	2,894,000	5,068,376	5,351,000
Total	<u>\$ 27,419,520</u>	<u>\$ 27,456,599</u>	<u>\$ 3,697,404</u>	<u>\$ 4,028,932</u>	<u>\$ 31,116,924</u>	<u>\$ 31,485,531</u>

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 \$61,605,618.

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 2012 in Tooele County was 6.3%, which is a decrease from a rate of 6.9% a year ago. The State's average unemployment rate in 2012 was 5.5% compared to the the national average rate of 8.1%.

Financial Recovery Plan

The Budget Committee (the Committee), consisting of the County Commissioners, County Auditor, County Treasurer, and County Attorney, has recognized the short term borrowing from various internal funds, including restricted funds, to finance losses at the Deseret Peak facility. The Committee has developed a Financial Recovery Plan to assure that the financial challenges the County has been experiencing are resolved as follows:

1. The workforce has been reduced by approximately 100 employees.
2. General fund expenditures have been reduce by 25% during the past year.
3. A proposed tax increase that will yield an additional \$2.6 million in General Fund Revenue.

It is the intention of the Committee that the following will occur:

- * Creation of a surplus
- * Repayment of restricted funds
- * Creation of a Capital Facilities Fund

The highest priority will be the repayment of restricted funds.

Management's Discussion and Analysis

Financial Recovery Plan (continued)

The Committee anticipates repayment of \$1,000,000 to \$2,000,000 per year toward the noted restricted funds in the following priority:

- Road Fund
- Transient Room Tax Fund
- Public Health Fund
- Municipal Services Fund
- Capital Projects Fund
- General Fund
- Interfund Equipment Lease
- Solid Waste Fund

Based upon these assumptions, the Committee believes the County can successfully have these funds repaid within 3-5 years. The assumptions are as follows:

- * General Fund revenue remaining constant
- * Increase in annual costs of 5%
- * The 2013 Property tax increase

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 Position
December 31, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets and deferred outflows of resources:				
Current assets:				
Cash and investments	\$ 1,612,543	\$ 1,293,128	\$ 2,905,671	\$ 116,142
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):				
Accounts	1,185,623	564,089	1,749,712	-
Taxes	2,095,538	-	2,095,538	-
Due from other governmental units	285,844	552,011	837,855	-
Inventories	9,954	-	9,954	-
Interfund receivables	5,138,290	1,374,000	6,512,290	-
Prepaid expenses	83,650	1,190	84,840	-
Total current assets	10,411,442	3,784,418	14,195,860	116,142
Noncurrent assets:				
Restricted cash and equivalents	760,216	260,513	1,020,729	-
Capital assets:				
Land, roads and construction in progress	49,827,310	13,812,665	63,639,975	-
Buildings improvements equipment and other depreciable assets net of accumulated depreciation	42,677,670	21,130,410	63,808,080	-
Total noncurrent assets	93,265,196	35,203,588	128,468,784	-
Total assets and deferred outflows of resources	\$ 103,676,638	\$ 38,988,006	\$ 142,664,644	\$ 116,142
Liabilities and deferred inflows of resources:				
Current liabilities:				
Accounts payable	\$ 1,661,805	\$ 1,067,948	\$ 2,729,753	\$ -
Accrued expenses	499,262	-	499,262	-
Accrued interest payable	37,407	39,361	76,768	-
Due to other governmental units	-	-	-	-
Interfund payables	-	6,512,290	6,512,290	-
Unearned revenue	143,833	-	143,833	-
Capital lease obligation	-	146,944	146,944	-
Bonds payable	634,000	300,528	934,528	-
Total current liabilities	2,976,307	8,067,071	11,043,378	-
Noncurrent liabilities:				
Accrued compensated absences	1,347,327	-	1,347,327	-
Landfill closure payable	-	138,588	138,588	-
Capital lease obligation	-	461,579	461,579	-
Bonds payable - noncurrent portion	26,785,520	3,396,876	30,182,396	-
Net OPEB Obligation	4,115,037	440,813	4,555,850	-
Total long-term liabilities	32,247,884	4,437,856	36,685,740	-
Total liabilities	35,224,191	12,504,927	47,729,118	-
Net position:				
Net invested in capital assets	65,085,460	30,637,148	95,722,608	-
Nonspendable	83,650	1,190	84,840	-
Restricted for:				
911 Dispatch	703,181	-	703,181	-
Drug enforcement	266,339	-	266,339	-
Capital improvements	1,209,495	-	1,209,495	-
Debt service	1,115,848	50,513	1,166,361	-
Unrestricted	(11,526)	(4,205,772)	(4,217,298)	116,142
Total net position	68,452,447	26,483,079	94,935,526	116,142
Total liabilities and net position	\$ 103,676,638	\$ 38,988,006	\$ 142,664,644	\$ 116,142

TOOELE COUNTY
Statement of Activities
For the Year Ended December 31, 2012

						Net (Expense) Revenues and Changes in Net Position			
						Primary Government			
						Governmental Activities	Business-Type Activities	Total	Component Unit
Expenses	Total Program Revenues	Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions					
Functions:									
Governmental activities:									
General government	\$ 13,321,586	\$ 3,045,853	\$ 1,998,029	\$ 108,763	\$ 939,061	\$ (10,275,733)	\$ -	\$ (10,275,733)	\$ -
Tourism and promotion	662,963	-	-	-	-	(662,963)	-	(662,963)	-
Public safety	9,259,373	3,951,421	1,263,866	2,687,555	-	(5,307,952)	-	(5,307,952)	-
Public health	9,177,593	7,082,461	1,609,538	5,472,923	-	(2,095,132)	-	(2,095,132)	-
Highways and public improvements	3,162,393	2,501,037	85,967	2,415,070	-	(661,356)	-	(661,356)	-
Parks and recreation	428,962	-	-	-	-	(428,962)	-	(428,962)	-
Conservation and economic development	133,546	-	-	-	-	(133,546)	-	(133,546)	-
Interest on long-term debt	2,013,132	-	-	-	-	(2,013,132)	-	(2,013,132)	-
Total governmental activities	38,159,548	16,580,772	4,957,400	10,684,311	939,061	(21,578,776)	-	(21,578,776)	-
Business-type activities:									
Solid waste	2,290,561	2,447,432	2,409,192	-	38,240	-	156,871	156,871	-
Deseret Peak	3,377,321	587,274	585,274	2,000	-	-	(2,790,047)	(2,790,047)	-
Airport	5,170,376	10,197,119	4,422,559	347,259	5,427,301	-	5,026,743	5,026,743	-
Total business-type activities	10,838,258	13,231,825	7,417,025	349,259	5,465,541	-	2,393,567	2,393,567	-
Total primary government	\$ 48,997,806	\$ 29,812,597	\$ 12,374,425	\$ 11,033,570	\$ 6,404,602	\$ (21,578,776)	\$ 2,393,567	\$ (19,185,209)	\$ -
Component unit:									
Recreation district	\$ 403,281	\$ 278,657	\$ 39,226	\$ 239,431	\$ -	\$ -	\$ -	\$ -	\$ (124,624)
Total component unit	\$ 403,281	\$ 278,657	\$ 39,226	\$ 239,431	\$ -	\$ -	\$ -	\$ -	\$ (124,624)
General revenues:									
Taxes:									
Property taxes						6,153,708	-	6,153,708	-
Fee-in-lieu of property taxes						1,250,000	-	1,250,000	-
Sales and restaurant taxes						4,464,071	-	4,464,071	-
Transient room						285,998	-	285,998	-
Grants and contributions not restricted to specific programs						-	-	-	-
Franchise tax						24,441	-	24,441	-
Total tax						12,178,218	-	12,178,218	-
Earnings on investments						36,381	7,633	44,014	206
Gain (loss) on disposal of capital assets						65,000	15,730	80,730	-
Mitigation fees						4,549,995	-	4,549,995	-
Rental income						801,520	-	801,520	-
Miscellaneous						452,276	30,984	483,260	-
Transfers						(125,000)	125,000	-	-
Total general revenues and transfers						17,958,390	179,347	18,137,737	206
Change in net position						(3,620,386)	2,572,914	(1,047,472)	(124,418)
Net position - beginning						72,072,833	23,910,165	95,982,998	240,560
Net position - ending						\$ 68,452,447	\$ 26,483,079	\$ 94,935,526	\$ 116,142

See accompanying notes to financial statements.

TOOELE COUNTY
Balance Sheet
Governmental Funds
December 31, 2012

	<u>Major Special Revenue Funds</u>			
	<u>General</u>	<u>Human Services</u>	<u>Public Health</u>	<u>Road Maintenance</u>
<u>ASSETS</u>				
Cash and investments	\$ 98,259	\$ 318,162	\$ 90,285	\$ 83,945
Restricted cash	-	-	-	-
Receivables:				
Accounts	812,929	296,595	8,848	-
Taxes	2,095,538	-	-	-
Due from other governmental units	285,276	-	-	53
Due from other funds	640,140	-	972,650	176,000
Inventory	-	-	-	-
Prepaid expenses	62,960	-	20,690	-
Total assets	\$ 3,995,102	\$ 614,757	\$ 1,092,473	\$ 259,998
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 872,741	\$ 357,857	\$ 101,298	\$ 109,229
Accrued expenditures	386,550	12,025	-	-
Due to other funds	-	215,000	-	-
Total liabilities	1,398,545	589,461	101,298	109,229
Deferred inflows of resources	139,254	4,579	-	-
Fund balances:				
Fund balance:				
Restricted				
911 Dispatch	703,181	-	-	-
Drug Enforcement	266,339	-	-	-
Public Health	-	-	991,175	-
Road Maintenance	-	-	-	150,769
Transient Room Tax	-	-	-	-
Transportation	-	-	-	-
County Redevelopment Agency	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Nonspendable	62,960	-	-	-
Unassigned	1,564,077	25,296	-	-
Total fund equity	2,596,557	25,296	991,175	150,769
Total liabilities and fund equity	\$ 3,995,102	\$ 614,757	\$ 1,092,473	\$ 259,998

TOOELE COUNTY
Balance Sheet
Governmental Funds
December 31, 2012

	<u>Major Special (Continued)</u>		
	<u>Municipal Services</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 23,154	\$ 919,977	\$ 1,533,782
Restricted cash	-	760,216	760,216
Receivables:			
Accounts	-	67,251	1,185,623
Taxes	-	-	2,095,538
Due from other governmental units	515	-	285,844
Due from other funds	124,000	2,260,000	4,172,790
Inventory	-	2,328	2,328
Prepaid expenses	-	-	83,650
Total assets	\$ 147,669	\$ 4,009,772	\$ 10,119,771
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	24,743	\$ 163,793	\$ 1,629,661
Accrued expenditures	100,687	-	499,262
Due to other funds	-	34,500	249,500
Total liabilities	125,430	198,293	2,522,256
Deferred inflows of resources	-	-	143,833
Fund balances:			
Fund balance:			
Restricted			
911 Dispatch	-	-	703,181
Drug Enforcement	-	-	266,339
Public Health	-	-	991,175
Road Maintenance	-	-	150,769
Transient Room Tax	-	1,224,781	1,224,781
Transportation	-	841	841
County Redevelopment Agency	-	252,710	252,710
Capital projects	-	1,209,495	1,209,495
Debt service	-	1,115,848	1,115,848
Nonspendable	-	2,328	65,288
Unassigned	22,239	5,476	1,617,088
Total fund equity	22,239	3,811,479	7,597,515
Total liabilities and fund equity	\$ 147,669	\$ 4,009,772	\$ 10,119,771

TOOELE COUNTY
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2012

Total Fund Balances - Governmental Funds \$ 7,597,515

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

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 \$12,533,145.		41,622,135	
Construction in progress		784,346	
Furniture, and equipment, net of accumulated depreciation of \$10,688,393.		754,291	
		92,203,736	92,203,736

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 position. 1,570,487

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: (37,407)

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, net of bond discount	(25,010,580)		
Sales tax revenue bonds	(2,408,940)		
Compensated absences payable	(1,347,327)		
Net OPEB obligation	(4,115,037)		
	(32,881,884)		(32,881,884)

Total Net Position - Governmental Activities **\$ 68,452,447**

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	Major Special Revenue Funds			
	General	Human Services	Public Health	Road Maintenance
REVENUES:				
Taxes				
General property taxes	\$ 6,094,149	\$ -	\$ -	\$ -
Sales taxes	2,031,559	-	-	-
Transient room tax	-	-	-	-
Franchise tax	24,441	-	-	-
Total taxes	8,150,149	-	-	-
Licenses and permits	19,018	-	-	-
Intergovernmental revenues	2,838,682	1,756,602	3,058,109	2,415,070
Charges for services	2,121,555	-	1,132,656	85,967
Fines and forfeitures	664,823	-	-	-
Interest on investments	3,215	917	4,697	2,529
Mitigation fees	4,549,995	-	-	-
Other	776,547	46,897	454,490	-
Total revenues	19,123,984	1,804,416	4,649,952	2,503,566
EXPENDITURES:				
General government	7,950,553	-	-	-
Tourism and promotion	-	-	-	-
Public safety	9,018,620	-	-	-
Public health and human services	-	2,521,958	4,825,695	-
Highways and public improvements	194,057	-	-	2,696,974
Parks and recreation	426,129	-	-	-
Conservation and economic development	133,546	-	-	-
Capital projects	-	-	-	-
Other administrative	431,101	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	18,154,006	2,521,958	4,825,695	2,696,974
Excess of revenues over (under) expenditures	969,978	(717,542)	(175,743)	(193,408)
Other financing sources (uses):				
Proceeds from refunding bonds	-	-	-	-
Payment to refunding bond escrow	-	-	-	-
Bond Issuance costs	-	-	-	-
Operating transfers in	-	710,000	250,000	-
Operating transfers (out)	(2,910,000)	-	-	(913,653)
Total other financing sources (uses)	(2,910,000)	710,000	250,000	(913,653)
Net change in fund balance	(1,940,022)	(7,542)	74,257	(1,107,061)
Fund balances - beginning	4,536,579	32,838	916,918	1,257,830
Fund balances - ending	\$ 2,596,557	\$ 25,296	\$ 991,175	\$ 150,769

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, 2012

	Major Special Revenue Funds(Cont)		
	Municipal Services	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes			
General property taxes	\$ 1,250,000	\$ 57,420	\$ 7,401,569
Sales taxes	1,976,582	455,930	4,464,071
Transient room tax	-	285,998	285,998
Franchise tax	-	-	24,441
Total taxes	3,226,582	799,348	12,176,079
Licenses and permits	361,620	-	380,638
Intergovernmental revenues	-	1,577,417	11,645,880
Charges for services	5,162	476,882	3,822,222
Fines and forfeitures	-	-	664,823
Interest on investments	1,940	19,271	32,569
Mitigation fees	-	-	4,549,995
Other	-	37,441	1,315,375
Total revenues	3,595,304	2,910,359	34,587,581
EXPENDITURES:			
General government	3,575,588	149,405	11,675,546
Tourism and promotion	-	662,963	662,963
Public safety	-	-	9,018,620
Public health and human services	-	1,637,528	8,985,181
Highways and public improvements	-	-	2,891,031
Parks and recreation	-	-	426,129
Conservation and economic development	-	-	133,546
Capital projects	-	3,817,292	3,817,292
Other administrative	-	-	431,101
Debt service:			
Principal retirement	-	162,000	162,000
Interest and fiscal charges	-	2,034,551	2,034,551
Total expenditures	3,575,588	8,463,739	40,237,960
Excess of revenues over (under) expenditures	19,716	(5,553,380)	(5,650,379)
Other financing sources (uses):			
Proceeds from refunding bonds	-	2,408,940	2,408,940
Payment to refunding bond escrow	-	(2,446,871)	(2,446,871)
Bond Issuance costs	-	(38,779)	(38,779)
Operating transfers in	-	3,285,153	4,245,153
Operating transfers (out)	-	(655,263)	(4,478,916)
Total other financing sources (uses)	-	2,553,180	(310,473)
Net change in fund balance	19,716	(3,000,200)	(5,960,852)
Fund balances - beginning	2,523	6,811,679	13,558,367
Fund balances - ending	\$ 22,239	\$ 3,811,479	\$ 7,597,515

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, 2012

Net Change in Fund Balances - Total Governmental Funds \$ (5,960,852)

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	4,722,402	
Depreciation expense	<u>(1,436,547)</u>	
		3,285,855

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. (322,390)

Other governmental revenues differences (230,113)

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. 73,498

Proceeds of bond issued net of discounts and bond issuance costs. (2,916,120)

Amortization of bond discount (29,056)

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	2,457,000	
Accrued interest	<u>21,419</u>	
		2,478,419

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. 373

Change in Net Position of Governmental Activities **\$ (3,620,386)**

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, 2012

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Taxes	\$ 5,941,500	8,191,500	\$ 8,150,149	\$ (41,351)
Licenses and permits	-	19,500	19,018	(482)
Intergovernmental revenues	3,895,904	3,300,904	2,838,682	(462,222)
Charges for services	3,747,950	2,192,950	2,121,555	(71,395)
Fines and forfeitures	762,000	737,000	664,823	(72,177)
Interest on investments	5,000	5,000	3,215	(1,785)
Mitigation fees	6,435,000	6,218,237	4,549,995	(1,668,242)
Other	588,500	730,490	776,547	46,057
Total revenues	21,375,854	21,395,581	19,123,984	(2,271,597)
Expenditures:				
General government	8,498,606	8,077,234	7,950,553	126,681
Public safety	9,377,220	9,131,801	9,018,620	113,181
Human services	152,383			
Highways and public improvements	414,866	202,927	194,057	8,870
Parks and recreation	666,428	453,746	426,129	27,617
Conservation and economic development	176,358	136,759	133,546	3,213
Other administrative	256,500	427,380	431,101	(3,721)
Total expenditures	19,542,361	18,429,847	18,154,006	275,841
Excess of revenues over (under) expenditures	1,833,493	2,965,734	969,978	(1,995,756)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	(3,241,882)	(2,965,734)	(2,910,000)	55,734
Total other financing sources (uses)	(3,241,882)	(2,965,734)	(2,910,000)	55,734
Net change in fund balance	(1,408,389)	-	(1,940,022)	(1,940,022)
Fund balance - beginning of year	4,536,579	4,536,579	4,536,579	-
Fund balance - end of year	\$ 3,128,190	\$ 4,536,579	\$ 2,596,557	\$ (1,940,022)

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, 2012

	<u>Budgeted Amounts</u>			Variance Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:				
Intergovernmental revenues	\$ 1,659,731	\$ 2,003,090	\$ 1,756,602	\$ (246,488)
Interest on investments	-	17,642	917	(16,725)
Other	33,000	50,000	46,897	(3,103)
Total revenues	<u>1,692,731</u>	<u>2,070,732</u>	<u>1,804,416</u>	<u>(266,316)</u>
Expenditures:				
General government	-	-	-	-
Public health and human services	<u>2,152,731</u>	<u>2,530,732</u>	<u>2,521,958</u>	<u>8,774</u>
Total expenditures	<u>2,152,731</u>	<u>2,530,732</u>	<u>2,521,958</u>	<u>8,774</u>
Excess of revenues over (under) expenditures	<u>(460,000)</u>	<u>(460,000)</u>	<u>(717,542)</u>	<u>(257,542)</u>
Other financing sources (uses):				
Operating transfers in	460,000	460,000	710,000	250,000
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>460,000</u>	<u>460,000</u>	<u>710,000</u>	<u>250,000</u>
Net change in fund balance	-	-	(7,542)	(7,542)
Fund balance, beginning of year	<u>32,838</u>	<u>32,838</u>	<u>32,838</u>	<u>-</u>
Fund balance, end of year	<u>\$ 32,838</u>	<u>\$ 32,838</u>	<u>\$ 25,296</u>	<u>\$ (7,542)</u>

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Public Health Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			Variance Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:				
Intergovernmental revenues	\$ 2,441,371	2,518,222	\$ 3,058,109	\$ 539,887
Charges for services	823,440	833,940	1,132,656	298,716
Interest on investments	-	5,000	4,697	(303)
Other	454,000	454,000	454,490	490
Total revenues	<u>3,718,811</u>	<u>3,811,162</u>	<u>4,649,952</u>	<u>838,790</u>
Expenditures:				
Public health and human services	<u>4,261,161</u>	<u>4,211,162</u>	<u>4,825,695</u>	<u>(614,533)</u>
Total expenditures	<u>4,261,161</u>	<u>4,211,162</u>	<u>4,825,695</u>	<u>(614,533)</u>
Excess of revenues over (under) expenditures	<u>(542,350)</u>	<u>(400,000)</u>	<u>(175,743)</u>	<u>224,257</u>
Other financing sources (uses):				
Operating transfers in	542,350	400,000	250,000	(150,000)
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>542,350</u>	<u>400,000</u>	<u>250,000</u>	<u>(150,000)</u>
Net change in fund balance	-	-	74,257	74,257
Fund balance - beginning of year	<u>916,918</u>	<u>916,918</u>	<u>916,918</u>	<u>-</u>
Fund balance - end of year	<u>\$ 916,918</u>	<u>\$ 916,918</u>	<u>\$ 991,175</u>	<u>\$ 74,257</u>

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Road Maintenance
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			Variance Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Intergovernmental revenues	\$ 2,874,340	\$ 2,874,340	\$ 2,415,070	\$ (459,270)
Charges for services	87,000	87,000	85,967	(1,033)
Interest on investments	3,000	3,000	2,529	(471)
Total revenues	<u>2,964,340</u>	<u>2,964,340</u>	<u>2,503,566</u>	<u>(460,774)</u>
Expenditures:				
Highway and public improvements	<u>2,964,340</u>	<u>2,964,340</u>	<u>2,696,974</u>	<u>267,366</u>
Total expenditures	<u>2,964,340</u>	<u>2,964,340</u>	<u>2,696,974</u>	<u>267,366</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(193,408)</u>	<u>(193,408)</u>
Other financing sources (uses):				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>(913,653)</u>	<u>(913,653)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(913,653)</u>	<u>(913,653)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(1,107,061)</u>	<u>(1,107,061)</u>
Fund balance - beginning of year	<u>1,257,830</u>	<u>1,257,830</u>	<u>1,257,830</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,257,830</u>	<u>\$ 1,257,830</u>	<u>\$ 150,769</u>	<u>\$ (1,107,061)</u>

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual -- Municipal Services Fund
For the Year Ended December 31, 2012

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Taxes				
General property taxes	\$ 1,800,000	\$ 2,000,000	\$ 1,250,000	\$ (750,000)
Sales tax	-	1,250,000	1,976,582	726,582
Total Taxes	1,800,000	3,250,000	3,226,582	(23,418)
Licenses and permits	401,000	401,000	361,620	(39,380)
Intergovernmental revenues	3,627,339		-	
Charges for services	18,000	6,000	5,162	(838)
Interest on investments	-	2,000	1,940	(60)
Total revenues	5,846,339	3,659,000	3,595,304	(63,696)
Expenditures:				
Public health and human services	6,532,500	3,659,000	3,575,588	83,412
Total expenditures	6,532,500	3,659,000	3,575,588	83,412
Excess of revenues over (under) expenditures	(686,161)	-	19,716	19,716
Other financing sources (uses):				
Operating transfers in	686,161	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	686,161	-	-	-
Net change in fund balance	-	-	19,716	19,716
Fund balance, beginning of year	2,523	2,523	2,523	-
Fund balance, end of year	\$ 2,523	\$ 2,523	\$ 22,239	\$ 19,716

TOOELE COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual -
MBA Jail
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Capital projects	<u>-</u>	<u>53,000</u>	<u>3,434,037</u>	<u>(3,381,037)</u>
Total expenditures	<u>-</u>	<u>53,000</u>	<u>3,434,037</u>	<u>(3,381,037)</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(53,000)</u>	<u>(3,434,037)</u>	<u>(3,381,037)</u>
Other financing sources (uses):				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(421,500)</u>	<u>(421,500)</u>
Net change in fund balance	<u>-</u>	<u>(53,000)</u>	<u>(3,855,537)</u>	<u>(3,802,537)</u>
Fund balance, beginning of year	<u>4,017,714</u>	<u>4,017,714</u>	<u>4,017,714</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,017,714</u>	<u>\$ 3,964,714</u>	<u>\$ 162,177</u>	<u>\$ (3,802,537)</u>

TOOELE COUNTY
Statement of Net Position
Proprietary Funds
December 31, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Total Enterprise Funds	Internal Service Funds
Assets:					
Current assets:					
Pooled cash and investments	\$ 487,795	\$ 108,939	\$ 696,394	\$ 1,293,128	\$ 78,761
Restricted cash and investments	-	-	-	-	-
Accounts receivable, net	379,352	10,097	174,640	564,089	-
Due from other governments	-	-	552,011	552,011	-
Due from other funds	1,374,000	-	-	1,374,000	1,215,000
Inventories	-	-	-	-	7,626
Total current assets	2,241,147	119,036	1,423,045	3,783,228	1,301,387
Noncurrent assets:					
Restricted assets:					
Cash and investments	-	50,513	210,000	260,513	-
Prepaid costs, net	1,190	-	-	1,190	-
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	10,719,820	35,115,589	-
Construction in progress	-	-	12,053,045	12,053,045	-
Machinery and equipment	2,932,385	1,364,804	2,015,285	6,312,474	1,044,954
Accumulated depreciation	(3,070,694)	(11,322,666)	(5,904,293)	(20,297,653)	(743,710)
Net Capital assets	1,539,515	14,519,703	18,883,857	34,943,075	301,244
Total noncurrent assets	1,540,705	14,570,216	19,093,857	35,204,778	301,244
Total assets	\$ 3,781,852	\$ 14,689,252	\$ 20,516,902	\$ 38,988,006	\$ 1,602,631
Liabilities:					
Accounts payable	\$ 124,244	\$ 49,714	\$ 893,990	\$ 1,067,948	\$ 32,144
Accrued interest	-	27,136	12,225	39,361	-
Due to other funds	-	6,512,290	-	6,512,290	-
Capital lease obligation	146,944	-	-	146,944	-
Current portion of noncurrent liabilities	-	213,000	87,528	300,528	-
Total current liabilities	271,188	6,802,140	993,743	8,067,071	32,144
Noncurrent liabilities:					
Land closure payable	138,588	-	-	138,588	-
Net OPEB obligation	140,915	179,301	120,597	440,813	-
Capital lease obligation	461,579	-	-	461,579	-
General obligation bonds	-	2,446,436	950,440	3,396,876	-
Total noncurrent liabilities	741,082	2,625,737	1,071,037	4,437,856	-
Total liabilities	1,012,270	9,427,877	2,064,780	12,504,927	32,144
Net position:					
Invested in capital assets, net of debt	930,992	11,860,267	17,845,889	30,637,148	301,244
Unassigned	1,837,400	(6,649,405)	606,233	(4,205,772)	1,269,243
Total net position	2,769,582	5,261,375	18,452,122	26,483,079	1,570,487
Total liabilities and net position	\$ 3,781,852	\$ 14,689,252	\$ 20,516,902	\$ 38,988,006	\$ 1,602,631

TOOELE COUNTY
Statement of Revenue, Expenses, and Changes in Net Position
Proprietary Funds
For the Year ended December 31, 2012

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Total Enterprise Funds	
Operating revenues:					
Service charges	\$ 2,409,192	\$ 585,274	\$ 4,422,559	\$ 7,417,025	\$ -
Intergovernmental revenue	-	-	347,259	347,259	-
Interfund lease payments	-	-	-	-	230,113
Sale of supplies	-	-	-	-	180,921
Other revenue	-	1,645	29,339	30,984	-
Total operating revenues	<u>2,409,192</u>	<u>586,919</u>	<u>4,799,157</u>	<u>7,795,268</u>	<u>411,034</u>
Operating expenses:					
Solid waste facility	2,090,709	-	-	2,090,709	-
Deseret Peak	-	2,198,461	-	2,198,461	-
Airport	-	-	4,497,826	4,497,826	-
General and administrative	-	-	-	-	177,393
Depreciation	163,227	1,019,012	629,770	1,812,009	235,552
Total operating expenses	<u>2,253,936</u>	<u>3,217,473</u>	<u>5,127,596</u>	<u>10,599,005</u>	<u>412,945</u>
Operating income (loss)	<u>155,256</u>	<u>(2,630,554)</u>	<u>(328,439)</u>	<u>(2,803,737)</u>	<u>(1,911)</u>
Non-operating revenues (expenses):					
Federal and state grants	38,240	-	5,427,301	5,465,541	-
Interest on investments	3,325	830	3,478	7,633	2,284
Gain on trade-in of capital asset	-	4,230	11,500	15,730	-
Interest and fiscal charges	(36,625)	(159,848)	(42,780)	(239,253)	-
Total non-operating revenues (expenses)	<u>4,940</u>	<u>(154,788)</u>	<u>5,399,499</u>	<u>5,249,651</u>	<u>2,284</u>
Income (loss) before contributions and transfers	160,196	(2,785,342)	5,071,060	2,445,914	373
Contributions	-	2,000	-	2,000	-
Transfer in	-	125,000	-	125,000	-
Change in net position	<u>160,196</u>	<u>(2,658,342)</u>	<u>5,071,060</u>	<u>2,572,914</u>	<u>373</u>
Net position - beginning of year	<u>2,609,386</u>	<u>7,919,717</u>	<u>13,381,062</u>	<u>23,910,165</u>	<u>1,570,114</u>
Net position - end of year	<u>\$ 2,769,582</u>	<u>\$ 5,261,375</u>	<u>\$ 18,452,122</u>	<u>\$ 26,483,079</u>	<u>\$ 1,570,487</u>

TOOELE COUNTY
Statement of Cash Flows - Proprietary Funds
For the Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Receipts from customers and users	\$ 2,403,271	\$ 592,477	\$ 4,296,147	\$ 7,291,895	\$ -
Receipts from other governments	-	-	347,259	347,259	-
Receipts from interfund leases	-	-	-	-	230,113
Receipts from sale of supplies	-	-	-	-	180,921
Receipts of miscellaneous income	-	1,645	29,339	30,984	-
Payments for operations	(2,048,951)	(2,093,451)	(3,667,811)	(7,810,213)	(178,405)
Net cash provided (used) by operating activities	354,320	(1,499,329)	1,004,934	(140,075)	232,629
Cash flows from noncapital financing activities:					
Operating transfers in	-	125,000	-	125,000	-
Increases in due to other funds	-	1,762,290	-	1,762,290	(59,000)
(Increases) in due from other funds	(9,000)	-	(552,011)	(561,011)	(206,000)
Net cash provided (used) by noncapital financing activities	(9,000)	1,887,290	(552,011)	1,326,279	(265,000)
Cash flows from capital and related financing activities:					
Purchase/disposal of capital assets	(21,703)	(49,608)	(5,410,606)	(5,481,917)	(166,664)
Proceeds from sale of capital assets	-	-	11,500	11,500	-
Capital contributions	-	2,000	-	2,000	-
Proceeds from federal and state grants	38,240	-	5,427,301	5,465,541	-
Proceeds from capital lease	(139,306)	-	-	(139,306)	-
Payment of bonds & capital lease	-	(234,564)	(112,512)	(347,076)	-
Issuance costs	-	53,313	-	53,313	-
Interest paid	(36,625)	(177,368)	(43,315)	(257,308)	-
Net cash provided (used) by capital and related financing activities	(159,394)	(406,227)	(127,632)	(693,253)	(166,664)
Cash flows from investing activities:					
Interest income on investments	3,325	830	3,478	7,633	2,284
Net cash provided (used) by investing activities	3,325	830	3,478	7,633	2,284
Net increase (decrease) in cash and cash equivalents	189,251	(17,436)	328,769	500,584	(196,751)
Cash and cash equivalents, beginning of year	298,544	176,888	577,625	1,053,057	275,512
Cash and cash equivalents, end of year	\$ 487,795	\$ 159,452	\$ 906,394	\$ 1,553,641	\$ 78,761
Displayed on the statement of net position as:					
Pooled cash and investments	\$ 487,795	\$ 108,939	\$ 696,394	\$ 1,293,128	\$ 78,761
Restricted cash and investments	-	50,513	210,000	260,513	-
	<u>\$ 487,795</u>	<u>\$ 159,452</u>	<u>\$ 906,394</u>	<u>\$ 1,553,641</u>	<u>\$ 78,761</u>
Reconciliation of total operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 155,256	\$ (2,630,554)	\$ (328,439)	\$ (2,803,737)	\$ (1,911)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	163,227	1,019,012	629,770	1,812,009	235,552
Changes in assets and liabilities:					
(Increase) decrease in assets:					
Accounts receivable, net	(5,921)	7,203	(121,563)	(120,281)	-
Due from other governments	-	-	-	-	-
Issuance costs	(1,190)	53,313	-	52,123	-
Inventories and prepaids	-	-	-	-	2,146
Increase (decrease) in liabilities:					
Accounts payable	11,149	11,629	804,204	826,982	(3,158)
Net OPEB obligation	31,799	40,068	25,811	97,678	-
Net cash provided (used) by operating activities	\$ 354,320	\$ (1,499,329)	\$ 1,009,783	\$ (135,226)	\$ 232,629
Supplemental disclosures:					
Contributed capital from federal / state grants	\$ 38,240	\$ -	\$ 5,427,301	\$ 5,465,541	\$ -
Capital assets trade-in gain	-	-	-	-	-
Total contributed capital	\$ 38,240	\$ -	\$ 5,427,301	\$ 5,465,541	\$ -

TOOELE COUNTY
Statement of Fiduciary Net Position
Agency Funds
December 31, 2012

ASSETS

Cash and investments	<u>\$ 26,693,225</u>
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LIABILITIES

Accounts payable and other liabilities	<u>\$ 26,693,225</u>
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TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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 6,930 square miles and a population of approximately 61,046 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 position and statement of changes in net position) 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, 2012

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, 2012

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 amended as of December 6, 2012.

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 short term, and management's is to have these paid within three to five years 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, 2012

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 position.

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 position 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, 2012

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 13% of its governmental fund revenue from mitigation fees amounting to \$4,549,995. The mitigation fees are received from three sources. Accounts receivable from these sources totaled \$364,225 at December 31, 2012.

3. CASH AND CASH EQUIVALENTS

The State of Utah Money Management Council has the responsibility to advise the State Treasurer 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, 2012, \$30,057,441 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, 2012

3. CASH AND CASH EQUIVALENTS (Continued)

<u>Cash and cash equivalents, including Agency Fund Accounts</u>	Carrying Amount	Bank Balance
Cash on hand	\$ 9,625	\$ -
Deposits - insured (FDIC)	615,974	619,939
Deposits - uninsured and uncollateralized	<u>2,230,497</u>	<u>2,052,622</u>
Total cash and deposits	2,856,096	2,672,561
Utah Public Treasurer's Investment Fund	<u>27,990,299</u>	<u>28,004,819</u>
Total cash and investments	<u>\$ 30,846,395</u>	<u>\$ 30,677,380</u>

Restricted cash amounting to \$1,020,729 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, 2012 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, 2012, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1-5	6-10	More than 10
Utah Public Treasurer's Investment Fund	\$ 2,455,303	\$ 2,455,303	\$ -	\$ -	\$ -
Utah Public Treasurer's Investment Fund	25,549,516	25,549,516	-	-	-
Certificates of Deposit	-	-	-	-	-
Investment Sweeps	<u>414,533</u>	<u>414,533</u>	-	-	-
Total Investments	<u>\$ 28,419,352</u>	<u>\$ 28,419,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, 2012, 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	\$ 2,455,303	\$ -	\$ -	\$ -	\$ 2,455,303
Utah Public Treasurer's Investment Fund	25,549,516	-	-	-	25,549,516
Utah Public Treasurer's Investment Fund	414,533	-	-	-	414,533
Total Investments	<u>\$ 28,419,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,419,352</u>

5. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at December 31, 2012, were as follows:

	Interfund Receivables	Interfund Payables
General fund	\$ 640,140	\$ -
Payroll fund	-	-
Special revenue fund:		
Human services	-	215,000
Public health	972,650	-
Road maintenance	176,000	-
Municipal services	124,000	-
Aging and adult services	-	34,500
Transient room tax	650,000	-
Debt service	-	-
County Redevelopment Agency	-	-
Debt service	351,500	-
Capital projects	1,096,323	-
MBA Jail	162,177	-
Proprietary funds:		
Enterprise funds:		
Solid waste management	1,374,000	-
Deseret Peak	-	6,512,290
Airport	-	-
Internal service funds:		
Intergovernmental service equipment	1,215,000	-
Central stores	-	-
Total interfund balances	<u>\$ 6,761,790</u>	<u>\$ 6,761,790</u>

The Budget Committee has developed a Financial Recovery Plan consisting of reducing workforce by approximately 100 employees, decreasing General Fund expenditures by 25% , and a proposed tax increase that will yield an additional \$2.6 million General Fund revenue. The intention of the plan is creation of a surplus, repayment of restricted fund, creation of a Capital Facilities fund. The highest priority will be the repayment of restricted funds. The Committee anticipates repayment of \$1,000,000 to \$2,000,000 per year towards the restricted funds. The priority of repayment by fund is Road Fund, Transient Room Tax Fund, Public Health Fund, Municipal Services Funds, Capital Projects Fund, Jail Capital Projects Fund, General Fund, Interfund Equipment Lease, and Solid Waste Fund.

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

6. ACCOUNTS RECEIVABLE

Accounts receivable, net of allowance for estimated uncollectible amounts consist of the following at December 31, 2012:

		Proprietary Funds		Fiduciary Funds	
	Gen./Special Revenue, and Capital Projects Funds	Solid Waste, Deseret Peak, and Airport Enterprise Funds	Internal Services	Agency - Auditor's Trust and Treasurer's Trust	Total
Accounts receivable	\$ 1,185,623	\$ 574,117	\$ -	\$ 6,102	\$ 1,765,842
Less allowance for uncollectible amounts	-	10,028	-	-	10,028
Net accounts receivable	<u>\$ 1,185,623</u>	<u>\$ 564,089</u>	<u>\$ -</u>	<u>\$ 6,102</u>	<u>\$ 1,755,814</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, 2012. This amounted to \$2,095,538 at December 31, 2012 for the General Fund.

8. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,570,720	\$ -	\$ -	\$ 7,570,720
Infrastructure	41,472,244	-	-	41,472,244
Construction in progress	19,721,761	366,040	(19,303,455)	784,346
Total capital assets, not being depreciated	<u>68,764,725</u>	<u>366,040</u>	<u>(19,303,455)</u>	<u>49,827,310</u>
Capital assets, being depreciated:				
Buildings and improvements	29,892,812	24,262,467	-	54,155,279
Water rights	-	-	-	-
Furniture, fixtures, and equipment	12,085,629	1,034,623	(1,376,323)	11,743,929
Total capital assets, being depreciated	<u>41,978,441</u>	<u>25,297,090</u>	<u>(1,376,323)</u>	<u>65,899,208</u>
Accumulated depreciation for:				
Buildings and improvements	(11,319,805)	(1,213,340)	-	(12,533,145)
Water rights	-	-	-	-
Furniture, fixtures, and equipment	(10,903,457)	(462,044)	677,108	(10,688,393)
Total accumulated depreciation	<u>(22,223,262)</u>	<u>(1,675,384)</u>	<u>677,108</u>	<u>(23,221,538)</u>
Total capital assets, being depreciated, net	<u>19,755,179</u>	<u>23,621,706</u>	<u>(699,215)</u>	<u>42,677,670</u>
Governmental activities capital assets, net	<u>\$ 88,519,904</u>	<u>\$ 23,987,746</u>	<u>\$ (20,002,670)</u>	<u>\$ 92,504,980</u>

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

8. CAPITAL ASSETS (Continued)

	Beginning Balance	Additions	Deletions & Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,759,620	\$ -	\$ -	\$ 1,759,620
Construction in progress	7,134,493	5,408,517	(489,965)	12,053,045
Total capital assets, not being depreciated	<u>8,894,113</u>	<u>5,408,517</u>	<u>(489,965)</u>	<u>13,812,665</u>
Capital assets, being depreciated:				
Buildings and improvements	34,625,624	489,965	-	35,115,589
Furniture, fixtures, and equipment	6,264,129	73,035	(24,690)	6,312,474
Total capital assets, being depreciated	<u>40,889,753</u>	<u>563,000</u>	<u>(24,690)</u>	<u>41,428,063</u>
Accumulated depreciation for:				
Buildings and improvements	(14,598,870)	(1,471,342)	-	(16,070,212)
Furniture, fixtures, and equipment	(3,871,506)	(340,667)	(15,268)	(4,227,441)
Total accumulated depreciation	<u>(18,470,376)</u>	<u>(1,812,009)</u>	<u>(15,268)</u>	<u>(20,297,653)</u>
Total capital assets being depreciated, net	<u>22,419,377</u>	<u>(1,249,009)</u>	<u>(39,958)</u>	<u>21,130,410</u>
Business-type activities capital assets, net	<u>\$ 31,313,490</u>	<u>\$ 4,159,508</u>	<u>\$ (529,923)</u>	<u>\$ 34,943,075</u>

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

Governmental activities:	
General government	\$ 1,213,340
Public safety	10,604
Public health	23,253
Highways and public improvements	186,517
Parks and recreation	2,833
Total depreciation expense - governmental activities	<u>\$ 1,436,546</u>
Business-type activities:	
Solid waste	\$ 163,227
Deseret Peak	1,019,012
Airport	629,770
IFEL	235,552
Total depreciation expense - business-type activities	<u>\$ 2,047,561</u>

9. LONG-TERM DEBT

The following is a summary of transactions affecting long-term liabilities for the year ended December 31, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Lease revenue bonds	-	-	-	-	-
Sales tax revenue bonds	2,457,000	2,408,940	(2,457,000)	2,408,940	274,000
Lease revenue bonds	25,340,000	-	-	25,340,000	360,000
Unamortized discount	(340,401)	-	10,981	(329,420)	-
Total governmental long-term liabilities	<u>27,456,599</u>	<u>2,408,940</u>	<u>(2,446,019)</u>	<u>27,419,520</u>	<u>634,000</u>

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

9. LONG-TERM DEBT (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Enterprise fund lease revenue bonds	590,000	-	(70,000)	520,000	75,000
Enterprise fund lease revenue bonds	420,005	-	(8,161)	411,844	8,557
Enterprise fund lease revenue bonds	124,927	-	(18,803)	106,124	21,697
Enterprise fund sales tax revenue bonds	394,000	-	(41,000)	353,000	42,000
Enterprise fund sales tax revenue bonds	598,000	(542,000)	(56,000)	-	-
Enterprise fund sales tax revenue bonds	1,902,000	-	(125,000)	1,777,000	130,000
Enterprise fund sales tax revenue bonds	-	565,060	-	565,060	-
Deferred amount of refunding	-	-	(35,624)	(35,624)	-
Total business-type long-term liabilities	<u>4,028,932</u>	<u>23,060</u>	<u>(354,588)</u>	<u>3,697,404</u>	<u>277,254</u>
Total long-term debt	<u>\$ 31,485,531</u>	<u>\$ 2,432,000</u>	<u>\$ (2,800,607)</u>	<u>\$ 31,116,924</u>	<u>\$ 911,254</u>

Sales tax revenue issues at December 31, 2012 consist of the following:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2003A	Finance costs associated with the expansion of the water lines at Deseret Peak	700,000	1.70%	2020	353,000
2008	Finance the construction and equipping of the convention facilities at Deseret Peak	2,275,000	4.29%	2023	1,777,000
2012	Advance refunding bond used to defease other bonds	2,974,000	2.15%	2024	<u>2,974,000</u>
					<u>\$ 5,104,000</u>
Governmental activities					\$ 2,408,940
Business type activities					<u>2,695,060</u>
					<u>\$ 5,104,000</u>

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

9. LONG-TERM DEBT (Continued)

Lease revenue issues at December 31, 2012 consist of the following:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
1998 A	Finance the construction of the Airport	1,200,000	6.00%	2018	520,000
1998 B	Finance the construction of the Airport	500,000	4.75%	2038	411,844
1998 C	Finance the construction of the Airport	331,800	4.75%	2018	106,124
2010 ABC	Finance the construction of the jail	25,340,000	4.0 to 8.00%	2042	25,340,000
					<u>\$ 26,377,968</u>
Governmental activities					\$ 25,340,000
Business type activities					<u>1,037,968</u>
					<u>\$ 26,377,968</u>

Debt service requirements of bonds at December 31, 2012 are as follows:

Years ending December 31	Governmental Activities - Bonds			
	Sales tax revenue		Lease revenue	
	Principal	Interest	Principal	Interest
2013	274,000	41,577	360,000	1,933,054
2014	260,000	55,178	430,000	1,922,256
2015	266,000	49,531	440,000	1,903,765
2016	272,000	43,756	455,000	1,884,845
2017	277,000	37,862	470,000	1,865,591
2018 - 2022	1,625,000	108,220	2,080,000	7,120,959
2023 - 2027	-	-	3,170,000	8,032,863
2028 - 2032	-	-	4,070,000	6,658,138
2033 - 2037	-	-	5,190,000	4,854,938
2038 - 2042	-	-	6,455,000	2,568,878
2043 - 2047	-	-	2,220,000	185,370
Total	\$ 2,974,000	\$ 336,124	\$ 25,340,000	\$ 38,930,657

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

9. LONG-TERM DEBT (Continued)

Debt service requirements of bonds at December 31, 2012 are as follows:

Years ending December 31	Business-type Activities - Bonds			
	Sales tax revenue		Lease revenue	
	Principal	Interest	Principal	Interest
2013	172,000	79,446	105,253	54,706
2014	177,000	73,048	111,718	48,742
2015	184,000	66,413	118,251	42,409
2016	191,000	59,505	132,706	35,701
2017	198,000	52,300	105,364	32,678
2018 - 2022	1,208,000	148,098	191,169	115,353
2023 - 2027	-	-	91,380	31,311
2028 - 2032	-	-	91,560	30,421
2033 - 2037	-	-	90,567	30,123
2038 - 2042	-	-	-	-
Total	2,130,000	478,810	1,037,968	421,444

Bond Advance Refunding

On November 20, 2012 the County issued \$2,974,000 in sales tax revenue refunding bonds with an interest rate of 2.147%. The County issued the bonds to advance refund \$2,837,000 of the outstanding sales tax revenue bonds with interest rate ranging between 1.55% and 5%. As a result, that portion of the sales tax revenue bonds is considered defeased, and the County has removed the liability from its accounts. There is no outstanding principal balance for the defeased bonds. The advance refunding reduced total debt service payments over the next 12 years by \$246,456. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$117,625.

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 2012 - June 2012 and 9.76% for the six months July 2012 - December 2012 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 2012 - June 2012 and 13.77% for the six months July 2012 - December 2012 of their annual covered salary. In the Public Safety Retirement System, Tooele County is required to contribute 26.13% for the six months January 2012 - June 2012 and 26.13% for the six months July 2012 - December 2012 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, 2012, 2011, and 2010 were \$52,712, \$20,346, and \$14,817, respectively. Noncontributory Retirement System contributions for the years ending December 31, 2012, 2011, and 2010 were \$1,492,963, \$1,442,327, and \$1,300,135 respectively. For the Public Safety Retirement System, the contributions for the years ending December 31, 2012, 2011, and 2010 were \$932,415, \$833,365, and \$660,758 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, 2012

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, 2012, 2011, and 2010 were \$148,726 and \$136,995, \$139,094 and \$349,162, and \$387,171 and \$403,138 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 account 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, 2012, the County's annual OPEB cost (expense) is \$1,294,890. 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	\$ 1,294,002
Interest on net OPEB obligation	137,164
Adjustment to annual required contribution	<u>(136,276)</u>
Annual OPEB cost (expense)	1,294,890
Contributions made	<u>(168,137)</u>
Increase in net OPEB obligation	1,126,753
Net OPEB obligation beginning of year	<u>3,429,097</u>
Net OPEB obligation end of year	<u><u>\$ 4,555,850</u></u>

The funded status of the plan as of December 31, 2012 is as follows:

Actuarial accrued liability (AAL)	\$ 10,523,213
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 10,523,213
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered Payroll (active plan members)	\$ 12,717,747
UAAL as percentage of covered payroll	82.7%

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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, 2012 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 among 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, 2012 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 its 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, 2012:

Transfers out						
	General Fund	Road Maintenance	Transportation Fund	Transient Room Fund	Enterprise Funds	Transfers In
Transfers in:						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	-
Road Maintenance			108,763	-	-	108,763
Human service	710,000			-	-	710,000
Public Health	250,000			-	-	250,000
Nonmajor Funds:						
Capital Projects		913,653		-	-	913,653
Aging & adult services	550,000			-	-	550,000
Debt service	1,400,000			-	-	1,400,000
Total nonmajor funds	1,950,000	913,653	-	-	-	2,863,653
Enterprise funds:						
Deseret Peak		-	-	125,000	-	125,000
Total enterprise funds	-	-	-	125,000	-	125,000
Total Transfers out	\$ 2,910,000	\$ 913,653	\$ 108,763	\$ 125,000	\$ -	\$ 4,057,416

Transfers from the General Fund to the Human Services and Public Health funds related primarily to administration expenditures. 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 Services fund. Transfer from the Road fund to Capital Projects relates to monies received through settlement with a utility company earmarked for road construction.

TOOELE COUNTY
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

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.

15. 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 action 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, 2012 of \$138,588, which represents the cumulative amount reported to date based on the use of 12.5 percent of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post closure care of the \$273,183 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, 2012 The County has \$414,533 of investments which are held for these purposes. These are reported as restricted assets on the Land fill proprietary fund statement of net assets.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

TOOELE COUNTY
Condition and Ratings for the County's Road System
For the Year Ended December 31, 2012

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, 2012

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, 2012

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>
2012	\$ 2,964	\$ 2,697
2011	\$ 3,528	\$ 3,443
2010	\$ 3,124	\$ 3,061
2009	\$ 4,257	\$ 4,107
2008	\$ 3,264	\$ 3,232

TOOELE COUNTY
Postemployment Benefit Plan -Schedule of Funding Progress
For the year ended December 31, 2012

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%
12/31/2012	\$ -	\$ 10,523,213	\$ 10,523,313	0%	\$ 12,717,747	82.7%

SUPPLEMENTARY INFORMATION

TOOELE COUNTY
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2012

ASSETS

Assets:

	Special Revenue Funds							
	Aging and Adult Services	Transient Room Tax	Transpor- tation Fund	County Redevelopment Agency	Debt Service	MBA Jail	Capital Projects	Total
Cash and investments	\$ 30,562	\$ 611,729	\$ 841	\$ 271,718	\$ 4,132	\$ -	\$ 995	\$ 919,977
Restricted Cash and investments		-	-	-	760,216			\$ 760,216
Accounts receivable	67,251	-	-	-	-	-	-	67,251
Due from other funds	-	650,000	-	-	351,500	162,177	1,096,323	2,260,000
Inventory	2,328	-	-	-	-	-	-	2,328
Total assets	\$ 100,141	\$ 1,261,729	\$ 841	\$ 271,718	\$ 1,115,848	\$ 162,177	\$ 1,097,318	\$ 4,009,772

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	\$ 57,837	\$ 36,948	\$ -	\$ 19,008	\$ -	\$ -	\$ 50,000	\$ 163,793
Accrued expenditures	-	-	-	-	-	-	-	-
Due to other funds	34,500	-	-	-	-	-	-	34,500
Total liabilities	92,337	36,948	-	19,008	-	-	50,000	198,293

Fund equity:

Fund balances:

Restricted for:

Public Health								-
Road Maintenance								
Transient Room Tax	-	1,224,781						1,224,781
Transportation	-		841					841
County Redevelopment Agency				252,710				252,710
Capital projects	-	-	-	-	-	162,177	1,047,318	1,209,495
Debt service	-	-	-	-	1,115,848		-	1,115,848
								-
Nonspendable	2,328	-	-	-	-	-	-	2,328
Unassigned	5,476	-	-	-	-	-	-	5,476
Total fund equity	7,804	1,224,781	841	252,710	1,115,848	162,177	1,047,318	3,811,479

Total liabilities and fund equity

\$ 100,141	\$ 1,261,729	\$ 841	\$ 271,718	\$ 1,115,848	\$ 162,177	\$ 1,097,318	\$ 4,009,772
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TOOELE COUNTY
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Special Revenue Funds							
	Aging and Adult Services	Transient Room Tax	Transpor- tation Fund	County Redevelopment Agency	Debt Service	MBA Jail	Capital Projects	Total
Revenues:								
Taxes								
General property taxes	\$ -	\$ -	\$ -	\$ 57,420	\$ -	\$ -	\$ -	\$ 57,420
Sales taxes	-	455,930	-	-	-	-	-	455,930
Transient room tax	-	285,998	-	-	-	-	-	285,998
Franchise tax	-	-	-	-	-	-	-	-
Total taxes	-	741,928	-	57,420	-	-	-	799,348
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	576,490	-	108,763	-	773,472	-	118,692	1,577,417
Charges for services	476,882	-	-	-	-	-	-	476,882
Interest on investments	-	4,141	-	-	9,831	-	5,299	19,271
Other	37,441	-	-	-	-	-	-	37,441
Total revenues	1,090,813	746,069	108,763	57,420	783,303	-	123,991	2,910,359
Expenditures:								
General government	-	-	-	149,405	-	-	-	149,405
Tourism & promotion	-	662,963	-	-	-	-	-	662,963
Public health & human services	1,637,528	-	-	-	-	-	-	1,637,528
Highways and public improvements	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	3,434,037	383,255	3,817,292
Debt service:								
Principal retirement	-	-	-	-	162,000	-	-	162,000
Interest and fiscal charges	-	-	-	-	2,034,551	-	-	2,034,551
Total expenditures	1,637,528	662,963	-	149,405	2,196,551	3,434,037	383,255	8,463,739
Excess (deficiency) of revenues over expenditures	(546,715)	83,106	108,763	(91,985)	(1,413,248)	(3,434,037)	(259,264)	(5,553,380)
Other financing resources(uses):								
Proceeds from refunding bonds	-	-	-	-	2,408,940	-	-	2,408,940
Payment to refunding bond escrow	-	-	-	-	(2,446,871)	-	-	(2,446,871)
Bond Issuance costs	-	-	-	-	(38,779)	-	-	(38,779)
Operating transfers in	550,000	-	-	-	1,821,500	-	913,653	3,285,153
Operating transfers (out)	-	(125,000)	(108,763)	-	-	(421,500)	-	(655,263)
Total other financing sources (uses)	550,000	(125,000)	(108,763)	-	1,744,790	(421,500)	913,653	2,553,180
Excess (deficiency) of revenue and other sources over expenditures and other use:	3,285	(41,894)	-	(91,985)	331,542	(3,855,537)	654,389	(3,000,200)
Fund balances (deficit) - beginning	4,519	1,266,675	841	344,695	784,306	4,017,714	392,929	6,811,679
Fund balances (deficit) - ending	\$ 7,804	\$ 1,224,781	\$ 841	\$ 252,710	\$ 1,115,848	\$ 162,177	\$ 1,047,318	\$ 3,811,479

TOOELE COUNTY
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	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	-	-	-	460,000	455,930	(4,070)
Transient room tax	-	-	-	290,000	285,998	(4,002)
Franchise tax	-	-	-	-	-	-
Total taxes	-	-	-	750,000	741,928	(8,072)
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	579,335	576,490	(2,845)	-	-	-
Charges for services	526,925	476,882	(50,043)	-	-	-
Interest on investments	-	-	-	5,000	4,141	(859)
Other	-	37,441	37,441	0	-	-
Total revenues	<u>1,106,260</u>	<u>1,090,813</u>	<u>(15,447)</u>	<u>755,000</u>	<u>746,069</u>	<u>(8,931)</u>
Expenditures:						
General government	-	-	-	-	-	-
Tourism and promotion	-	-	-	630,000	662,963	(32,963)
Public health and human services	1,657,981	1,637,528	20,453	-	-	-
Highways and public improvements	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Debt Service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,657,981</u>	<u>1,637,528</u>	<u>20,453</u>	<u>630,000</u>	<u>662,963</u>	<u>(32,963)</u>
Excess (deficiency) of revenues over expenditures	<u>(551,721)</u>	<u>(546,715)</u>	<u>5,006</u>	<u>125,000</u>	<u>83,106</u>	<u>(41,894)</u>
Other financing sources:						
Contributions from privates sources	-	-	-	-	-	-
Operating transfers in	551,721	550,000	(1,721)	-	-	-
Operating transfers (out)	-	-	-	(125,000)	(125,000)	-
Total other financing sources (uses)	<u>551,721</u>	<u>550,000</u>	<u>(1,721)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	-	3,285	3,285	-	(41,894)	(41,894)
Fund balance (deficit) - beginning	<u>4,519</u>	<u>4,519</u>	<u>-</u>	<u>1,266,675</u>	<u>1,266,675</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ 4,519</u>	<u>\$ 7,804</u>	<u>\$ 3,285</u>	<u>\$ 1,266,675</u>	<u>\$ 1,224,781</u>	<u>\$ (41,894)</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, 2012

(Continued)

	Special Revenue Funds					
	Transportation Fund			County Redevelopment Agency		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ 348,671	\$ 57,420	\$ (291,251)
Sales Taxes	-	-	-	-	-	-
Transient room tax	-	-	-	-	-	-
Franchise tax	-	-	-	-	-	-
Total taxes	-	-	-	348,671	57,420	(291,251)
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest on investments	-	-	-	-	-	-
Other	120,000	108,763	(11,237)	-	-	-
Total revenues	<u>120,000</u>	<u>108,763</u>	<u>(11,237)</u>	<u>348,671</u>	<u>57,420</u>	<u>(291,251)</u>
Expenditures:						
General government	-	108,763	-	170,000	149,405	20,595
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>108,763</u>	<u>-</u>	<u>170,000</u>	<u>149,405</u>	<u>20,595</u>
Excess (deficiency) of revenues over expenditures	<u>120,000</u>	<u>-</u>	<u>(11,237)</u>	<u>178,671</u>	<u>(91,985)</u>	<u>(270,656)</u>
Other financing sources:						
Contributions from privates sources	-	-	-	-	-	-
Operating transfers in	-	-	-	-	-	-
Operating transfers (out)	(120,000)	-	120,000	(178,671)	-	178,671
Total other financing sources (uses)	<u>(120,000)</u>	<u>-</u>	<u>120,000</u>	<u>(178,671)</u>	<u>-</u>	<u>178,671</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	-	-	108,763	-	(91,985)	(91,985)
Fund balance (deficit) - beginning	841	841	-	344,695	344,695	-
Fund balance (deficit) - ending	<u>\$ 841</u>	<u>\$ 841</u>	<u>\$ 108,763</u>	<u>\$ 344,695</u>	<u>\$ 252,710</u>	<u>\$ (91,985)</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, 2012

(Continued)

	Debt Service			Capital Projects		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-
Transient room tax	-	-	-	-	-	-
Franchise tax	-	-	-	-	-	-
Total taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	-	773,472	773,472	123,000	118,692	(4,308)
Charges for services	-	-	-	-	-	-
Interest on investments	10,000	9,831	(169)	7,500	5,299	(2,201)
Other	-	-	-	-	-	-
Total revenues	<u>10,000</u>	<u>783,303</u>	<u>773,303</u>	<u>130,500</u>	<u>123,991</u>	<u>(6,509)</u>
Expenditures:						
General government	-	-	-	-	-	-
Tourism and promotion	-	-	-	-	-	-
Public health and human services	-	-	-	-	-	-
Highways and public improvements	-	-	-	-	-	-
Capital projects	-	-	-	1,094,500	383,255	711,245
Debt Service:						
Principal retirement	175,000	162,000	13,000	-	-	-
Interest and fiscal charges	<u>1,528,000</u>	<u>2,034,551</u>	<u>(506,551)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,703,000</u>	<u>2,196,551</u>	<u>(493,551)</u>	<u>1,094,500</u>	<u>383,255</u>	<u>711,245</u>
Excess (deficiency) of revenues over expenditures	<u>(1,693,000)</u>	<u>(1,413,248)</u>	<u>279,752</u>	<u>(964,000)</u>	<u>(259,264)</u>	<u>704,736</u>
Other financing sources:						
Contributions from privates sources	-	-	-	-	-	-
Operating transfers in	1,693,000	4,230,440	2,537,440	964,000	913,653	(50,347)
Operating transfers (out)	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,693,000</u>	<u>4,230,440</u>	<u>2,537,440</u>	<u>964,000</u>	<u>913,653</u>	<u>(50,347)</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	-	2,817,192	2,817,192	-	654,389	654,389
Fund balance (deficit) - beginning	<u>784,306</u>	<u>784,306</u>	<u>-</u>	<u>2,666</u>	<u>392,929</u>	<u>390,263</u>
Fund balance (deficit) - ending	<u>\$ 784,306</u>	<u>\$ 3,601,498</u>	<u>\$ 2,817,192</u>	<u>\$ 2,666</u>	<u>\$ 1,047,318</u>	<u>\$ 1,044,652</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, 2012 **(Continued)**

	Totals		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes			
General property taxes	\$ 348,671	\$ 57,420	\$ (291,251)
Sales Taxes	460,000	455,930	(4,070)
Transient room tax	290,000	285,998	(4,002)
Franchise tax	-	-	-
Total taxes	1,098,671	799,348	(299,323)
Licenses and permits	-	-	-
Intergovernmental revenues	702,335	1,468,654	766,319
Charges for services	526,925	476,882	(50,043)
Interest on investments	22,500	19,271	(3,229)
Other	120,000	146,204	26,204
Total revenues	2,470,431	2,910,359	439,928
Expenditures:			
General government	170,000	258,168	20,595
Tourism and promotion	630,000	662,963	(32,963)
Public health and human services	1,657,981	1,637,528	20,453
Highways and public improvements	-	-	-
Capital projects	1,094,500	383,255	711,245
Debt Service:	-	-	-
Principal retirement	175,000	162,000	13,000
Interest and fiscal charges	1,528,000	2,034,551	(506,551)
Total expenditures	5,255,481	5,138,465	225,779
Excess (deficiency) of revenues over expenditures	(2,785,050)	(2,228,106)	665,707
Other financing sources:			
Contributions from privates sources	-	-	-
Operating transfers in	3,208,721	5,694,093	2,485,372
Operating transfers (out)	(423,671)	(125,000)	298,671
Total other financing sources (uses)	2,785,050	5,569,093	2,784,043
Excess (deficiency) of revenue and other sources over expenditures and other uses	-	3,340,987	3,449,750
Fund balance (deficit) - beginning	2,403,702	2,793,965	390,263
Fund balance (deficit) - ending	\$ 2,403,702	\$ 6,134,952	\$ 3,840,013

TOOELE COUNTY
Combing Statement Net Position
Internal Service Funds
December 31, 2012

	<u>Service Equipment</u>	<u>Central Stores</u>	<u>Total</u>
<u>ASSETS</u>			
Assets:			
Current assets:			
Cash and investments	\$ 47,173	\$ 31,588	\$ 78,761
Accounts receivable, net	-	-	-
Due from other funds	1,215,000	-	1,215,000
Inventories	-	7,626	7,626
Total current assets	<u>1,262,173</u>	<u>39,214</u>	<u>1,301,387</u>
Noncurrent assets			
Capital assets			
Machinery and equipment	1,044,954	-	1,044,954
Accumulated depreciation	<u>(743,710)</u>	<u>-</u>	<u>(743,710)</u>
Total noncurrent assets	<u>301,244</u>	<u>-</u>	<u>301,244</u>
Total assets	<u>\$ 1,563,417</u>	<u>\$ 39,214</u>	<u>\$ 1,602,631</u>
<u>LIABILITIES</u>			
Liabilities:			
Accounts payable	\$ -	\$ 32,144	\$ 32,144
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ -</u>	<u>\$ 32,144</u>	<u>\$ 32,144</u>
<u>NET POSITION</u>			
Net position:			
Invested in capital assets, net of related debt	\$ 301,244	\$ -	\$ 301,244
Unassigned	<u>1,262,173</u>	<u>7,070</u>	<u>1,269,243</u>
Total net position	<u>1,563,417</u>	<u>7,070</u>	<u>1,570,487</u>
Total liabilities and net position	<u>\$ 1,563,417</u>	<u>\$ 39,214</u>	<u>\$ 1,602,631</u>

TOOELE COUNTY
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2012

	<u>Service Equipment</u>	<u>Central Stores</u>	<u>Total</u>
Operating revenues:			
Interfund lease payments	\$ 230,113	\$ -	\$ 230,113
Sale of supplies	<u>-</u>	<u>180,921</u>	<u>180,921</u>
Total operating revenues	<u>230,113</u>	<u>180,921</u>	<u>411,034</u>
Operating expenses:			
General and administrative	-	177,393	177,393
Depreciation	<u>235,552</u>	<u>-</u>	<u>235,552</u>
Total operating expenses	<u>235,552</u>	<u>177,393</u>	<u>412,945</u>
Operating income (loss)	<u>(5,439)</u>	<u>3,528</u>	<u>(1,911)</u>
Non-operating revenues (expenses):			
Interest on investments	2,063	221	2,284
Gain on disposition of assets	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues	<u>2,063</u>	<u>221</u>	<u>2,284</u>
Income before contributions	(3,376)	3,749	373
Capital contributions	-	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(3,376)	3,749	373
Net position, beginning of year	<u>1,566,793</u>	<u>3,321</u>	<u>1,570,114</u>
Net position, end of year	<u><u>\$ 1,563,417</u></u>	<u><u>\$ 7,070</u></u>	<u><u>\$ 1,570,487</u></u>

TOOELE COUNTY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2012

	<u>Service Equipment</u>	<u>Central Stores</u>	<u>Total</u>
Cash flows from operating activities:			
Receipts from interfund leases	\$ 230,113	\$ -	\$ 230,113
Receipts from sale of supplies	-	180,921	180,921
Payments for administration	<u>-</u>	<u>(178,405)</u>	<u>(178,405)</u>
Net cash provided (used) by operating activities	<u>230,113</u>	<u>2,516</u>	<u>232,629</u>
Cash flows from noncapital financing activities:			
Due from other funds	(206,000)	-	(206,000)
Due to other funds	<u>-</u>	<u>(59,000)</u>	<u>(59,000)</u>
Net cash provided (used) by noncapital financing activities	<u>(206,000)</u>	<u>(59,000)</u>	<u>(265,000)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(166,664)	-	(166,664)
Cash on disposition of assets	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(166,664)</u>	<u>-</u>	<u>(166,664)</u>
Cash flows from investing activities:			
Interest income on investments	<u>2,063</u>	<u>221</u>	<u>2,284</u>
Net cash provided (used) by investing activities	<u>2,063</u>	<u>221</u>	<u>2,284</u>
Net increase (decrease) in cash and cash equivalents	(140,488)	(56,263)	(196,751)
Cash and cash equivalents, beginning of year	<u>187,661</u>	<u>87,851</u>	<u>275,512</u>
Cash and cash equivalents, end of year	<u><u>\$ 47,173</u></u>	<u><u>\$ 31,588</u></u>	<u><u>\$ 78,761</u></u>
Reconciliation of total operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (5,439)	\$ 3,528	\$ (1,911)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	235,552	-	235,552
(Increase) decrease in operating assets:			
Accounts receivable, net	-	-	-
Prepaid expenses	-	-	-
Inventories	-	2,146	2,146
Due from other funds	-	-	-
Increase (decrease) in operating liabilities:			
Accounts payable	-	(3,158)	(3,158)
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by operating activities	<u><u>\$ 230,113</u></u>	<u><u>\$ 2,516</u></u>	<u><u>\$ 232,629</u></u>

TOOELE COUNTY
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2012

	<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	\$ 212,891	\$ 212,092	\$ 198,142	\$ 226,841
Liabilities - funds held in trust	\$ 212,891	\$ 212,092	\$ 198,142	\$ 226,841
TREASURER'S TAX COLLECTION AGENCY FUND				
Assets - cash and investments	\$ 21,988,745	\$ 113,272,271	\$ 109,205,323	\$ 26,055,693
Liabilities - funds held in trust	\$ 21,988,745	\$ 113,272,271	\$ 109,205,323	\$ 26,055,693
SPECIAL DEPOSITS AGENCY FUND				
Assets - cash and investments	\$ 468,628	\$ 884,403	\$ 942,340	\$ 410,691
Liabilities - funds held in trust	\$ 468,628	\$ 884,403	\$ 942,340	\$ 410,691
TOTALS - ALL AGENCY FUNDS				
Assets - cash and investments	\$ 22,670,263	\$ 114,368,766	\$ 110,345,805	\$ 26,693,225
Liabilities - funds held in trust	\$ 22,670,264	\$ 114,368,766	\$ 110,345,805	\$ 26,693,225

**TOOELE COUNTY
Balance Sheet
Component Unit
December 31, 2012**

**Tooele County
Recreation
Special Service
District**

ASSETS

Assets:

Cash and investments

\$ 116,142

Total assets

\$ 116,142

LIABILITIES AND FUND EQUITY

Fund equity:

Fund balances:

Reserved

Unassigned

\$ 116,142

Total fund equity

116,142

Total liabilities and fund equity

\$ 116,142

TOOELE COUNTY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Component Unit
For the Year Ended December 31, 2012

	Tooele County Recreation Special Service District
Revenues:	
Mineral lease payment	\$ 39,226
Intergovernmental revenue	239,431
Interest on investments	<u>206</u>
Total revenues	<u>278,863</u>
Expenditures:	
General government	1,972
Recreation support	401,309
Capital projects	<u>-</u>
Total expenditures	<u>403,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(124,418)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(124,418)
Fund balance, beginning of year	<u>240,560</u>
Fund balance, end of year	<u>\$ 116,142</u>

TOOELE COUNTY
Schedule of Taxable Values, Taxes Charged, and Taxes Collected
For the Year Ended December 31, 2012

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	\$ 1,098,702,109	\$ 38,315,037	\$ 126,571,065	\$ 1,010,446,081	\$ 88,370,965	\$ 88,370,965	\$ 1,098,817,046	0.002576	0.002111	\$ 2,602,909	\$ 186,551	\$ 2,789,460	\$ 143,699	\$ 69,783	\$ (15,763)	\$ 197,719
Grantsville City	326,753,955	15,564,851	2,749,381	339,569,425	24,674,168	24,674,168	364,243,593	0.003368	0.003368	1,143,670	83,103	1,226,772	81,896	24,056	(3,507)	102,445
Wendover City	41,283,668	9,130,302		50,413,970	3,829,557	3,829,557	54,243,527	0.002990	0.003825	150,738	14,648	165,386	12,721	-	(257)	12,464
Stockton Town	18,442,052	2,320,719		20,762,771	150,859	150,859	20,913,630	0.002879	0.002522	59,776	380	60,156	4,624	2,066	(57)	6,633
Vernon Town	5,798,859	1,561,376		7,360,235	32,821	32,821	7,393,056	0.000868	0.000912	6,389	30	6,419	624	223	(34)	813
Lakepoint Improvement District	64,083,049	7,137,488		71,220,537	5,527,410	5,527,410	76,747,947	0.000166	0.000163	11,823	901	12,724	595	102	153	851
Stansbury Park Improvement District	314,694,624	7,865,711	7,553,940	315,006,395	3,593,355	3,593,355	318,599,750	0.000138	0.000106	43,471	381	43,852	1,246	718	(139)	1,825
Ophir Town	6,736,710	36,205		6,772,915	253	253	6,773,168	0.000077	0.000063	522	0	522	14	7	6	27
Rush Valley Town	13,042,519	6,216,412		19,258,931	28,840	28,840	19,287,771	0.001050	0.001044	20,222	30	20,252	937	352	(285)	1,005
Tooele County	2,467,559,363	558,381,156	484,712,975	2,541,227,544	539,053,337	539,053,337	3,080,280,881	0.000758	0.000670	1,926,250	361,166	2,287,416	106,667	35,340	(11,548)	130,459
Tooele County School District - Basic	2,467,559,363	558,381,156	484,712,975	2,541,227,544	539,053,337	539,053,337	3,080,280,881	0.001651	0.001591	4,195,567	857,634	5,053,201	232,331	83,918	(39,327)	276,922
Tooele Valley Mosquito Abatement District	1,154,561,283	256,752,610	358,151,156	1,053,162,737	403,792,459	403,792,459	1,456,955,196	0.000400	0.000384	421,265	155,056	576,321	27,132	7,232	(529)	33,835
Stansbury Greenbelt Service Area	307,767,537	20,612,939	7,553,940	320,826,536	3,593,355	3,593,355	324,419,891	0.001433	0.001104	459,744	3,967	463,711	12,023	7,294	(1,445)	17,872
Stansbury Recreation Service Area	307,767,537	20,612,939	7,553,940	320,826,536	3,593,355	3,593,355	324,419,891	0.001435	0.001099	460,386	3,949	464,335	12,040	9,291	(1,444)	19,887
No. Tooele County Fire Service District	898,419,106	249,296,837	355,401,775	792,314,168	406,258,151	406,258,151	1,198,572,319	0.000744	0.000613	589,482	249,036	838,518	25,349	7,187	(1,155)	31,378
Rush Valley Water Conservancy District	94,832,463	49,805,991		144,638,454	11,873,823	11,873,823	156,512,277	0.000063	0.000057	9,112	677	9,789	948	150	(129)	969
Lakepoint Cemetery and Park Service Area	58,383,609	7,019,283		65,402,892	5,076,655	5,076,655	70,479,547	0.000383	0.000382	25,049	1,939	26,989	983	205	349	1,537
No. Tooele City Special Service District	79,053,068	1,733,376		80,786,444	1,017,406	1,017,406	81,803,850	0.000408	0.000289	32,961	294	33,255	1,786	908	(421)	2,273
Tooele County School District - Local	2,467,559,363	558,381,156	484,712,975	2,541,227,544	539,053,337	539,053,337	3,080,280,881	0.008394	0.006665	21,331,064	3,592,790	24,923,854	1,181,213	401,026	188,931	1,771,170
Tooele County - Statewide A & C	2,467,559,363	558,381,156	484,712,975	2,541,227,544	539,053,337	539,053,337	3,080,280,881	0.000168	0.000172	426,926	92,717	519,643	23,641	8,026	(4,086)	27,581
Tooele County - Local A & C	2,467,559,363	558,381,156	484,712,975	2,541,227,544	539,053,337	539,053,337	3,080,280,881	0.000376	0.000333	955,502	179,505	1,135,006	52,911	17,963	(6,874)	64,000
Totals	\$ 17,128,118,963	\$ 3,485,887,856	\$ 3,289,100,072	\$ 17,324,906,747	\$ 3,656,680,117	\$ 3,656,680,117	\$ 20,981,586,864			\$ 34,872,827	\$ 5,784,755	\$ 40,657,582	\$ 1,923,380	\$ 675,849	\$ 102,436	\$ 2,701,665

TOOELE COUNTY
Schedule of Taxable Values, Taxes Charged, and Taxes Collected
For the Year Ended December 31, 2012

Taxing Unit	Taxes Collected	Collection Rate	Other Collections					
			Fee in Lieu	Misc. Collection	Delinquencies		Total Other Collections	Total Collections
					Tax	Interest/ Penalty		
Tooele City	\$ 2,569,767	92.12%	\$ 317,786	\$ 5,408	\$ 167,432	\$ 8,265	\$ 498,891	\$ 3,068,658
Grantsville City	1,113,923	90.80%	138,036	10,936	113,220	5,463	267,655	1,381,578
Wendover City	147,180	88.99%	10,735	2,372	28,755	1,786	43,648	190,828
Stockton Town	53,478	88.90%	13,143	1,036	8,738	416	23,333	76,811
Vernon Town	5,581	86.95%	1,449	73	218	21	1,761	7,342
Lakepoint Improvement District	11,904	93.56%	1,232	301	235	10	1,778	13,682
Stansbury Park Improvement District	41,533	94.71%	5,019	607	823	28	6,477	48,010
Ophir Town	491	94.15%	17	3	19	1	40	531
Rush Valley Town	18,872	93.19%	2,773	236	305	42	3,356	22,228
Tooele County	2,032,504	88.86%	188,829	181,429	127,674	173,311	671,243	2,703,747
Tooele County School District - Basic	4,426,998	87.61%	415,185	22,507	278,086	13,315	729,093	5,156,091
Tooele Valley Mosquito Abatement District	482,623	83.74%	44,622	6,910	30,159	1,454	83,145	565,768
Stansbury Greenbelt Service Area	456,682	98.48%	52,056	2,482	8,226	289	63,053	519,735
Stansbury Recreation Service Area	457,319	98.49%	52,100	2,471	8,238	290	63,099	520,418
No. Tooele County Fire Service District	733,323	87.45%	48,002	4,521	28,492	1,406	82,421	815,744
Rush Valley Water Conservancy District	7,118	72.71%	647	81	564	21	1,313	8,431
Lakepoint Cemetery and Park Service Area	26,003	96.35%	2,806	672	298	12	3,788	29,791
No. Tooele City Special Service District	30,282	91.06%	2,313	256	1,553	88	4,210	34,492
Tooele County School District - Local	22,507,706	90.31%	2,068,738	105,539	1,413,841	67,698	3,655,816	26,163,522
Tooele County - Statewide A & C	450,476	86.69%	42,547	2,455	28,297	1,355	74,654	525,130
Tooele County - Local A & C	1,008,208	88.83%	93,686	4,717	63,331	3,032	164,766	1,172,974
Totals	\$ 36,581,971		\$ 3,501,721	\$ 355,012	\$ 2,308,504	\$ 278,303	\$ 6,443,540	\$ 43,025,511