



Financial Statements

For the Year Ended December 31, 2013

Tooele County, Utah

Financial Statements

With Auditors' Report Thereon

For the Year Ended December 31, 2013

Tooele County, Utah
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

The Honorable County Commission
Tooele County, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Tooele County, Utah, as of and for the year ended December 31, 2013, 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 generally 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.

Auditor's 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 from 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 on the effectiveness of the entity's internal control. Accordingly, we express no 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.

Discretely Presented Component Unit

The financial statements of Tooele County Recreation Special Service District have not been audited, and we were not engaged to audit Tooele County Recreation Special Service District financial statements as part of our audit of the Tooele County, Utah's basic financial statements. Tooele County Recreation Special Service District's financial activities are included in Tooele County, Utah's basic financial statements as a discretely presented component unit. 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.

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, and the aggregate remaining fund information of Tooele County, Utah as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in conformity 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, the information about infrastructure assets reported using the modified approach, other postemployment benefit plan - schedule of funding progress, and budgetary comparison information, as listed in the table of contents, 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 Tooele County, Utah's basic financial statements. The combining and individual nonmajor fund financial statements, combining internal service fund financial statements, Statement of Receipts and Disbursements and the Schedule of Taxes Charged, Collected, and Distributed are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budget to actual statements on nonmajor funds, internal service fund financial statements, schedule of receipts and disbursements, statement of taxes charged, collected, and distributed, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2014, on our consideration of Tooele County, Utah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tooele County, Utah's internal control over financial reporting and compliance.

Ulrich & Associates, P.C.

Ogden, UT
July 1, 2014

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Tooele County, Utah
Management Discussion & Analysis
December 31, 2013

This discussion of Tooele County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2013. 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 \$102,348,889 (*net position*). Of this amount, \$4,555,796 (*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 increased by \$5,757,556.
- At the close of the current year, the Tooele County governmental funds reported combined ending fund balances of \$11,444,416, an increase of \$2,217,479 in comparison with the prior year. Approximately 23% of the ending fund balance, \$2,648,741 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 \$2,649,397, or 17% of total general fund expenditures.
- Tooele County's total long-term liabilities at the close of 2013 was \$31,017,624. This represents a 2% decrease over the prior year, which is attributable to reduction in outstanding principal from debt service payments.
- During 2013, the Deseret Peak Fund repaid \$1,922,650 of the interfund loan. The balance at December 31, 2013 of the interfund loan is \$4,589,640.

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.

Tooele County, Utah
Management Discussion & Analysis - continued
December 31, 2013

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 position* presents information on all of Tooele County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in *net position* 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 position changed during the most recent fiscal year. All changes in net position 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 recreation complex, the solid waste 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.

Tooele County, Utah
Management Discussion & Analysis - continued
December 31, 2013

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 governments 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, and the municipal services fund, which are considered to be major funds. Data from the other eight 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 three types of proprietary funds--Enterprise funds and two types of 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 recreation complex, 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, Solid Waste, and 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.

Tooele County, Utah
Management Discussion & Analysis - continued
December 31, 2013

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.

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 \$102,348,889 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, Utah
Management Discussion & Analysis - continued
December 31, 2013

Tooele County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
	Current and other assets	\$ 15,064,902	12,801,081	3,076,071	4,044,931	18,140,973
Capital assets	91,301,158	92,504,980	36,129,538	34,951,335	127,430,696	127,456,315
Total assets	<u>106,366,060</u>	<u>105,306,061</u>	<u>39,205,609</u>	<u>38,996,266</u>	<u>145,571,669</u>	<u>144,302,327</u>
Long-term liabilities outstanding	27,173,283	32,247,884	5,015,370	4,437,856	32,188,653	36,685,740
Other liabilities	7,189,786	2,976,307	3,844,341	8,048,947	11,034,127	11,025,254
Total liabilities	<u>34,363,069</u>	<u>35,224,191</u>	<u>8,859,711</u>	<u>12,486,803</u>	<u>43,222,780</u>	<u>47,710,994</u>
Net Position						
Invested in capital assets, net of related debt	64,127,875	65,085,460	28,628,212	30,637,148	92,756,087	95,722,608
Restricted	4,498,308	3,378,513	538,698	260,513	5,037,006	3,639,026
Unrestricted	3,376,808	1,617,897	1,178,988	(4,388,198)	4,555,796	(2,770,301)
Total net position	<u>\$ 72,002,991</u>	<u>70,081,870</u>	<u>30,345,898</u>	<u>26,509,463</u>	<u>102,348,889</u>	<u>96,591,333</u>

A portion of Tooele County's net position (3.83%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unassigned net position in the amount of \$4,555,796 may be used to meet the government's ongoing obligations to citizens and creditors.

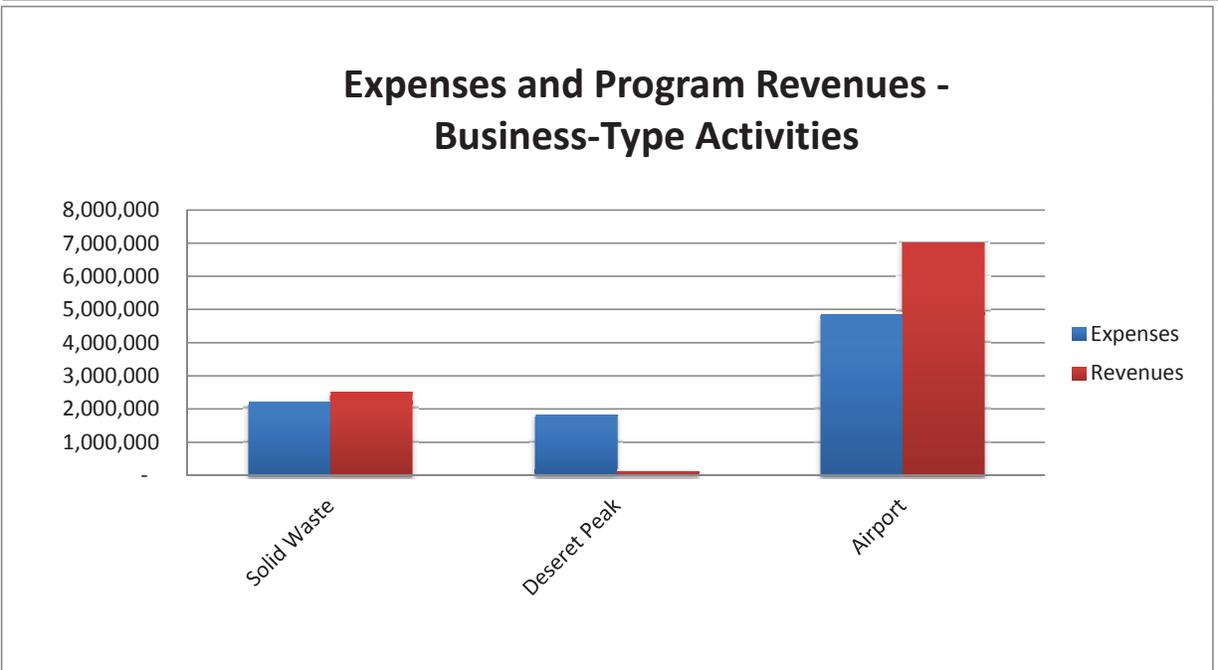
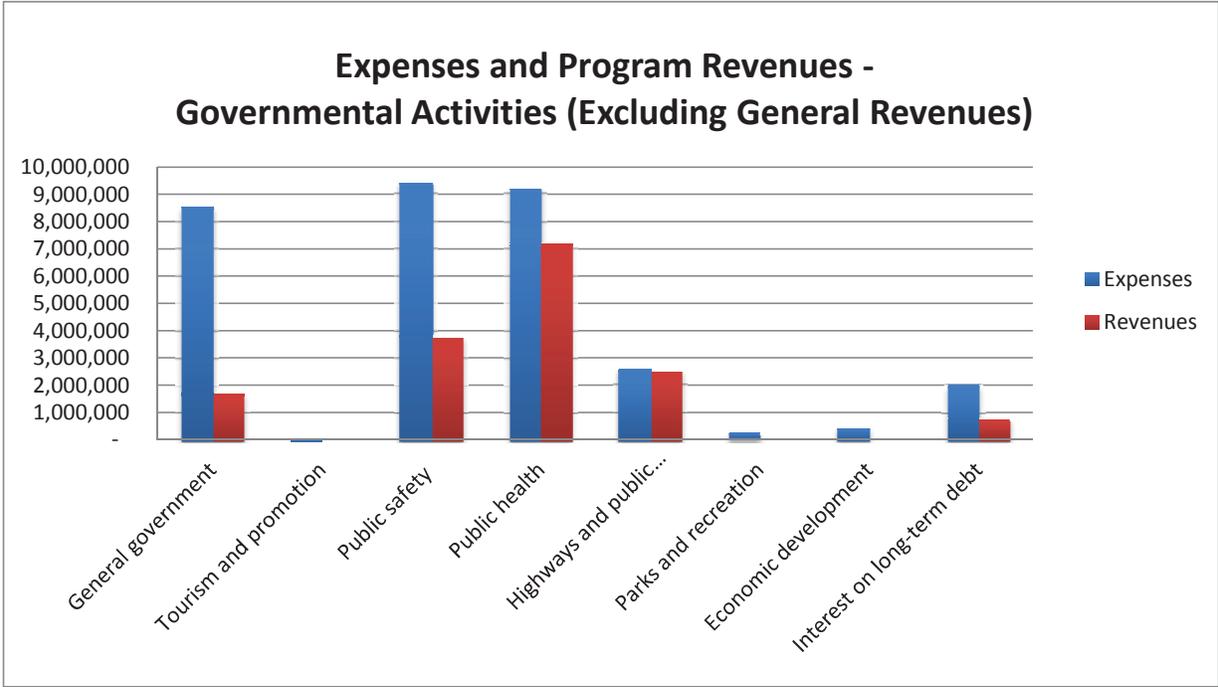
At the end of the year, Tooele County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

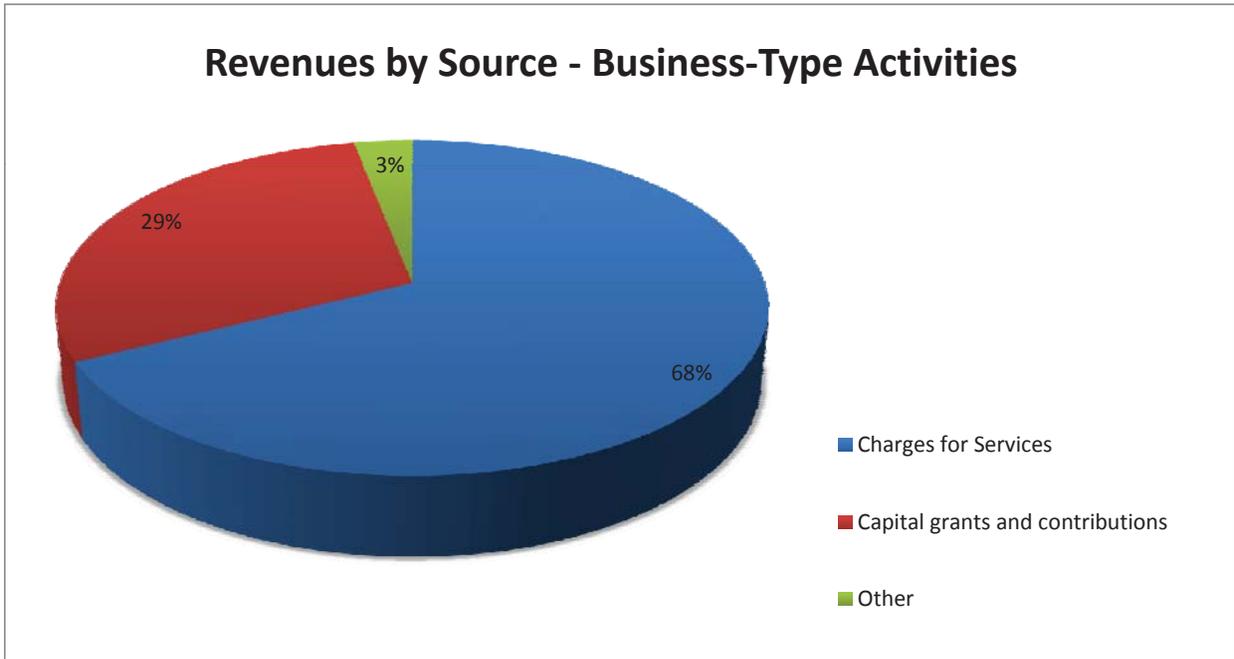
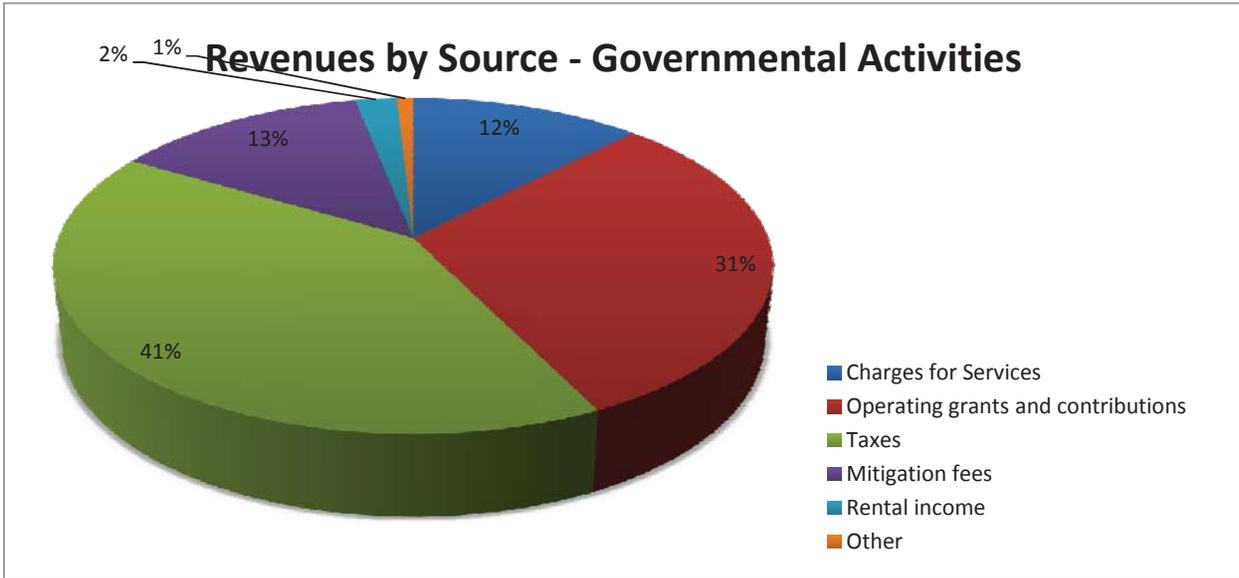
Tooele County, Utah
Management Discussion & Analysis - continued
December 31, 2013

Governmental Activities

Governmental activities increased Tooele County's net position by \$1,921,121 and the Business-type activities increased net position by \$3,836,435. The net increase in total net position was \$5,757,556. Key elements of this net increase are as follows:

Tooele County's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	\$ 4,551,684	4,957,400	6,740,505	7,417,025	11,292,189	12,374,425
Operating grants and contributions	11,397,607	10,684,311	-	349,259	11,397,607	11,033,570
Capital grants and contributions	-	939,061	2,928,256	5,465,541	2,928,256	6,404,602
General Revenues:						
Taxes	15,242,613	12,178,218	-	-	15,242,613	12,178,218
Earnings on investments	16,351	36,381	10,674	7,633	27,025	44,014
Mitigation fees	5,012,247	4,549,995	-	-	5,012,247	4,549,995
Rental income	819,862	801,520	279,309	-	1,099,171	801,520
Gain (loss) on capital assets	28,782	65,000	800	15,730	29,582	80,730
Miscellaneous	272,922	452,276	15,599	30,984	288,521	483,260
Total revenues	<u>37,342,068</u>	<u>34,664,162</u>	<u>9,975,143</u>	<u>13,286,172</u>	<u>47,317,211</u>	<u>47,950,334</u>
Expenses:						
General government	8,545,837	13,321,586	-	-	8,545,837	13,321,586
Tourism and promotion	17,382	662,963	-	-	17,382	662,963
Public safety	9,453,078	9,259,373	-	-	9,453,078	9,259,373
Public health	9,245,813	9,177,593	-	-	9,245,813	9,177,593
Highways and public improvement	2,630,537	3,162,393	-	-	2,630,537	3,162,393
Parks and recreation	286,163	428,962	-	-	286,163	428,962
Economic development	438,602	133,546	-	-	438,602	133,546
Capital projects	-	-	-	-	-	-
Other administrative	-	-	-	-	-	-
Interest on long-term debt	2,004,435	2,013,132	156,173	-	2,160,608	2,013,132
Solid waste	-	-	2,194,812	2,290,561	2,194,812	2,290,561
Deseret Peak	-	-	1,778,009	3,377,321	1,778,009	3,377,321
Airport	-	-	4,808,814	5,170,376	4,808,814	5,170,376
Total expenses	<u>32,621,847</u>	<u>38,159,548</u>	<u>8,937,808</u>	<u>10,838,258</u>	<u>41,559,655</u>	<u>48,997,806</u>
Change in net position before transfers	4,720,221	(3,495,386)	1,037,335	2,447,914	5,757,556	(1,047,472)
Transfers in (out)	(2,799,100)	(125,000)	2,799,100	125,000	-	-
Change in net position	1,921,121	(3,620,386)	3,836,435	2,572,914	5,757,556	(1,047,472)
Net position - beginning	70,081,870	73,702,256	26,509,463	23,936,549	96,591,333	97,638,805
Net position - ending	<u>\$ 72,002,991</u>	<u>70,081,870</u>	<u>30,345,898</u>	<u>26,509,463</u>	<u>102,348,889</u>	<u>96,591,333</u>





Tooele County, Utah
Management Discussion & Analysis - continued
December 31, 2013

Governmental Activities

- Charges for governmental services decreased by \$405,716.
- Governmental operating grants decreased by \$713,296.
- Tax revenues had a net increase of \$3,064,395 consisting of a increase in property taxes of \$3,084,570, and decrease in sales tax of \$495,533, and an increase in transient room and restaurant tax of \$478,382.
- Mitigations fees increased by \$462,252.
- Rental income increased by \$18,342.
- Miscellaneous revenues decreased by \$179,354.

Business-type Activities

Business-type activities net position increased by \$3,836,435, a 14.47% increase. Key elements of this increase are as follows:

- Solid Waste revenues totaled \$2,505,413, and increase of 54,656. Solid Waste expenses totaled \$2,194,812, including depreciation of \$160,498 for a decrease of \$95,749.
- Deseret Peak revenues totaled \$148,661, a decrease of \$443,318. Deseret Peak expenses totaled \$1,778,009, including depreciation of \$972,711 for a decrease of \$1,599,312.
- Airport revenues and grants totaled \$7,014,687, a decrease of \$3,226,749. Airport expenses totaled \$4,808,814, including depreciation of \$650,206 for a decrease of \$361,562.

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.

Tooele County, Utah
Management Discussion & Analysis - continued
December 31, 2013

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 funds reported combined ending fund balances of \$11,444,416, an increase of \$2,217,479, in comparison with the prior year. Approximately 23% of this amount \$2,648,741 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is restricted and not available for new spending:

Debt	\$ 741,344
Class B roads	742,757
Transient/restaurant room	1,533,557
E911 Dispatch	828,237
Public Safety	598,786
Other	53,627
	<u>\$ 4,498,308</u>

The general fund is the primary operating fund of Tooele County. At the end of the current year, the fund balance of the general fund was \$4,362,492 of which \$2,649,397 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 unassigned fund balance represents 17.03% 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.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$1,439,520. Other factors concerning the finances of these funds have already been addressed in the discussion of Tooele County's business-type activities.

Tooele County, Utah
Management Discussion & Analysis - continued
December 31, 2013

General Fund Budgetary Highlights

Actual revenues of \$22,387,167 were more than final budgeted revenues by \$1,348,862, or 6.03%. Taxes, intergovernmental revenues, charges for services, mitigation fees, and rental income were above management's projections.

The final adopted budget for General Fund expenditures was \$14,301,116 in 2013, which is \$1,161,090 less than the 2013 original adopted budget.

Expenditures in 2013 were \$15,555,635, or approximately 8% more than the final adopted budget of \$14,301,116. The over-expended amounts occurred in the following County departments: general government, public safety, highways and public improvements, conservation and economic development, and parks and recreation.

Capital Asset and Debt Administration

Capital Assets

Tooele County's investment in capital assets for its governmental activities, as of December 31, 2013, was \$91,301,158 (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 \$1,203,823, net of depreciation.

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

- The Airport Fund added an emergency vehicle \$563,755, emergency building \$605,836, and runway extension for \$5,127,291.
- Governmental activities added \$420,289 in vehicles.

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, Utah
Management Discussion & Analysis - continued
December 31, 2013

Tooele County's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 7,570,720	7,570,720	1,759,620	1,759,620	9,330,340	9,330,340
Buildings and improvements	40,261,437	41,622,134	30,046,567	19,045,376	70,308,004	60,667,510
Construction in progress	784,347	784,347	1,897,365	12,053,045	2,681,712	12,837,392
Furniture, fixtures, and equipment	1,212,410	1,055,536	2,425,986	2,085,034	3,638,396	3,140,570
Infrastructure	41,472,244	41,472,244	-	-	41,472,244	41,472,244
Total	<u>\$ 91,301,158</u>	<u>92,504,981</u>	<u>36,129,538</u>	<u>34,943,075</u>	<u>127,430,696</u>	<u>127,448,056</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 \$31,017,624. The debt represents lease revenue bonds, sales tax revenue bonds, and capital leases.

Tooele County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Lease revenue bonds	\$ 24,661,561	25,010,580	924,365	1,037,968	25,585,926	26,048,548
Sales tax revenue bonds	2,187,000	2,408,940	2,471,000	2,659,436	4,658,000	5,068,376
Capital leases	324,722	-	448,976	608,523	773,698	608,523
Total	<u>\$ 27,173,283</u>	<u>27,419,520</u>	<u>3,844,341</u>	<u>4,305,927</u>	<u>31,017,624</u>	<u>31,725,447</u>

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

Tooele County, Utah
Management Discussion & Analysis - continued
December 31, 2013

Economic Factors and Next Year's Budgets and Rates

- The average unemployment rate for December 2013 in Tooele County was 4.7%, which is a decrease from a rate of 5.4% a year ago. The State's average unemployment rate for December 2013 was 4.0% compared to the national average rate of 6.7%.

Interfund loan

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

	2013	2012
1. Road Fund	\$ -	176,000
2. Transient Room Tax Fund	-	650,000
3. Public Health Fund	-	972,650
4. Municipal Services Fund	-	124,000
5. Capital Projects Fund	1,096,323	1,096,323
6. General Fund	390,640	640,140
7. Interfund Equipment Lease	1,215,000	1,215,000
8. Solid Waste Fund	1,374,000	1,374,000
9. Debt Service Fund	351,500	351,500
10. MBA Jail Capital Projects Fund	162,177	162,177
	\$ 4,589,640	6,761,790

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.

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BASIC FINANCIAL STATEMENTS

Tooele County, Utah
Statement of Net Position
December 31, 2013

	Primary Government			(unaudited) Component Unit
	Governmental Activities	Business- Type Activities	Total	Tooele County Recreation SSD
<u>Assets</u>				
Cash and cash equivalents	\$ 3,651,898	2,012,094	5,663,992	73,585
Restricted cash	1,187,219	260,532	1,447,751	-
Accounts receivable - net	6,367,631	803,445	7,171,076	27,114
Prepays	633,295	-	633,295	-
Inventory	9,219	-	9,219	-
Interfund loan receivable	3,215,640	-	3,215,640	-
Capital assets not being depreciated				
Land, roads and construction in process	49,827,311	3,656,985	53,484,296	-
Capital assets, net of accumulated depreciation				
Buildings, improvements, equipment, and other	41,473,847	32,472,553	73,946,400	-
Total assets	106,366,060	39,205,609	145,571,669	100,699
<u>Liabilities</u>				
Accounts payable and accrued liabilities	2,029,638	1,193,927	3,223,565	-
Accrued interest payable	76,202	29,152	105,354	-
Due to other governments	-	-	-	-
Accrued landfill closure costs	-	138,588	138,588	-
Unearned revenue	138,386	-	138,386	-
Compensated absences - current	725,433	-	725,433	-
Interfund loan payable	-	3,215,640	3,215,640	-
Net OPEB obligation	3,978,316	438,063	4,416,379	-
Compensated absences - noncurrent	241,811	-	241,811	-
Noncurrent liabilities				
Due within on year	728,698	421,664	1,150,362	
Due in more than one year	26,444,585	3,422,677	29,867,262	
Total liabilities	34,363,069	8,859,711	43,222,780	-

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Net Position - continued
December 31, 2013

<u>Net Position</u>				
Net investment in capital assets	\$ 64,127,875	28,628,212	92,756,087	-
Restricted for				
Debt	741,344	260,532	1,001,876	-
Class B roads	742,757	-	742,757	-
Transient room	1,533,557	-	1,533,557	-
E911	828,237	-	828,237	-
Public safety	598,786	-	598,786	-
Other	53,627	278,166	331,793	-
Unrestricted	3,376,808	1,178,988	4,555,796	100,699
Total net position	<u>\$ 72,002,991</u>	<u>30,345,898</u>	<u>102,348,889</u>	<u>100,699</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Activities
For the Year Ended December 31, 2013

Function/Programs	Program Revenues				Net (Expense) Revenues & Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			(unaudited) Component Unit
					Governmental Activities	Business-type Activities	Total	Tooele County Recreation SSD
Primary government								
Governmental activities								
General government	\$ 8,545,837	1,280,241	412,008	-	(6,853,588)	-	(6,853,588)	-
Tourism and promotion	17,382	-	-	-	(17,382)	-	(17,382)	-
Public safety	9,453,078	2,516,598	1,266,029	-	(5,670,451)	-	(5,670,451)	-
Public health	9,245,813	684,286	6,514,183	-	(2,047,344)	-	(2,047,344)	-
Highways and public improvements	2,630,537	70,559	2,450,038	-	(109,940)	-	(109,940)	-
Culture and recreation	286,163	-	-	-	(286,163)	-	(286,163)	-
Conservation and economic development	438,602	-	-	-	(438,602)	-	(438,602)	-
Interest on long-term debt	2,004,435	-	755,349	-	(1,249,086)	-	(1,249,086)	-
Total governmental activities	<u>32,621,847</u>	<u>4,551,684</u>	<u>11,397,607</u>	<u>-</u>	<u>(16,672,556)</u>	<u>-</u>	<u>(16,672,556)</u>	<u>-</u>
Business-type activities								
Solid waste	2,194,812	2,505,413	-	-	-	310,601	310,601	-
Deseret Peak	1,778,009	148,661	-	-	-	(1,629,348)	(1,629,348)	-
Airport	4,808,814	4,086,431	-	2,928,256	-	2,205,873	2,205,873	-
Total business-type activities	<u>8,781,635</u>	<u>6,740,505</u>	<u>-</u>	<u>2,928,256</u>	<u>-</u>	<u>887,126</u>	<u>887,126</u>	<u>-</u>
Total primary government	<u>\$ 41,403,482</u>	<u>11,292,189</u>	<u>11,397,607</u>	<u>2,928,256</u>	<u>(16,672,556)</u>	<u>887,126</u>	<u>(15,785,430)</u>	<u>-</u>
Component unit								
Tooele County Recreation SSD	\$ 334,632	-	317,411	-	-	-	-	(17,221)
Total component units	<u>\$ 334,632</u>	<u>-</u>	<u>317,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,221)</u>
General revenues								
Property taxes					10,486,139	-	10,486,139	-
General sales and use tax					3,968,538	-	3,968,538	-
Transient room tax					305,131	-	305,131	-
Restaurant tax					459,249	-	459,249	-
Franchise taxes					23,556	-	23,556	-
Mitigation fees					5,012,247	-	5,012,247	-
Rental income					819,862	279,309	1,099,171	-
Miscellaneous					272,922	15,599	288,521	-
Net interest earnings (expense)					16,351	(145,499)	(129,148)	77
Sale of capital assets					28,782	800	29,582	-
Transfers					(2,799,100)	2,799,100	-	-
Total general revenues and transfers					<u>18,593,677</u>	<u>2,949,309</u>	<u>21,542,986</u>	<u>77</u>
Change in net position					1,921,121	3,836,435	5,757,556	(17,144)
Net position - beginning, as adjusted					70,081,870	26,509,463	96,591,333	117,843
Net position - ending					<u>\$ 72,002,991</u>	<u>30,345,898</u>	<u>102,348,889</u>	<u>100,699</u>

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Tooele County, Utah
Balance Sheet
Governmental Funds
December 31, 2013

	General Fund	Special Revenue Funds				Other Governmental Funds	Total Governmental Funds
		Human Services	Public Health	Road Maintenance	Municipal Services		
<u>Assets and Deferred Outflows of Resources</u>							
Cash and cash equivalents	\$ 158,151	26,775	1,362,775	-	232,857	1,641,716	3,422,274
Restricted cash	-	-	-	445,875	-	741,344	1,187,219
Receivables (net)							
Accounts	1,576,453	298,651	257,716	432,128	325,698	149,782	3,040,428
Taxes	3,326,768	-	-	-	435	-	3,327,203
Inventory	-	-	-	-	-	1,381	1,381
Prepaid items	232,445	755	95	-	-	400,000	633,295
Interfund loan receivable	390,640	-	-	-	-	1,610,000	2,000,640
Total assets	<u>\$ 5,684,457</u>	<u>326,181</u>	<u>1,620,586</u>	<u>878,003</u>	<u>558,990</u>	<u>4,544,223</u>	<u>13,612,440</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>							
Liabilities							
Accounts payable	\$ 407,463	326,082	32,450	94,097	13,932	56,157	930,181
Accrued liabilities	875,525	-	69,725	41,149	86,101	26,957	1,099,457
Unearned revenue	38,977	-	-	-	-	99,409	138,386
Total liabilities	<u>\$ 1,321,965</u>	<u>326,082</u>	<u>102,175</u>	<u>135,246</u>	<u>100,033</u>	<u>182,523</u>	<u>2,168,024</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Balance Sheet - continued
Governmental Funds
December 31, 2013

Fund Balances							
Nonspendable	\$ 232,445	755	95	-	-	400,000	633,295
Restricted for							
Debt	-	-	-	-	-	741,344	741,344
Class B roads	-	-	-	742,757	-	-	742,757
Transient/restaurant room	-	-	-	-	-	1,533,557	1,533,557
E911 Dispatch	828,237	-	-	-	-	-	828,237
Public Safety	598,786	-	-	-	-	-	598,786
Other	53,627	-	-	-	-	-	53,627
Special Revenue Funds	-	-	1,518,316	-	458,957	98,498	2,075,771
Debt Service Funds	-	-	-	-	-	378,146	378,146
Capital Projects Funds	-	-	-	-	-	1,210,155	1,210,155
Unassigned	2,649,397	(656)	-	-	-	-	2,648,741
Total fund balances	4,362,492	99	1,518,411	742,757	458,957	4,361,700	11,444,416
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,684,457	326,181	1,620,586	878,003	558,990	4,544,223	13,612,440

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Balance Sheet Reconciliation to Statement of Net Position
December 31, 2013

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

Total fund balances - governmental fund types	\$	11,444,416
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		91,301,158
Internal service funds are used by management to charge the costs of service equipment management to individual funds. The assets and liabilities of the internal service fund are included in governmental funds.		1,435,175
Internal service funds are used by management to charge the costs of central stores to individual funds. The assets and liabilities of the internal service fund are included in governmental funds.		17,288
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(32,195,045)
Net position of government activities	\$	<u><u>72,002,991</u></u>

The notes to the financial statements are an integral part of this statement.

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Tooele County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Special Revenue Funds			Municipal Services	Other Governmental Funds	Total Governmental Funds
		Human Services	Public Health	Road Maintenance			
<u>Revenues</u>							
Taxes							
General property taxes	\$ 9,962,445	-	-	-	455,450	68,244	10,486,139
Sales taxes	2,031,721	-	-	-	1,936,817	-	3,968,538
Transient room tax	-	-	-	-	-	305,131	305,131
Restaurant tax	-	-	-	-	-	459,249	459,249
Franchise tax	23,556	-	-	-	-	-	23,556
Licenses and permits	41,440	-	-	-	697,170	-	738,610
Intergovernmental	1,678,037	1,891,611	4,094,902	2,351,504	-	1,381,553	11,397,607
Charges for services	2,383,986	-	269,176	70,559	5,328	415,110	3,144,159
Fines and forfeitures	668,915	-	-	-	-	-	668,915
Interest on investments	7,313	-	2,688	4,670	763	9,865	25,299
Mitigation fees	5,012,247	-	-	-	-	-	5,012,247
Lease revenue	-	-	-	-	-	1,526,183	1,526,183
Rental income	365,372	-	454,490	-	-	-	819,862
Other	212,135	864	7,594	-	-	52,329	272,922
Total revenues	22,387,167	1,892,475	4,828,850	2,426,733	3,095,528	4,217,664	38,848,417
<u>Expenditures</u>							
General government	6,544,903	-	-	-	471,021	206,559	7,222,483
Tourism and promotion	-	-	-	-	-	43,988	43,988
Public safety	7,488,060	-	-	-	2,481,872	-	9,969,932
Public health and human services	151,912	3,262,885	4,541,912	-	-	1,384,651	9,341,360
Highways and public improvements	312,955	-	-	2,291,946	-	-	2,604,901
Parks and recreation	310,795	-	-	-	-	-	310,795
Conservation and economic development	438,602	-	-	-	-	-	438,602
Other administrative	308,408	-	-	-	-	-	308,408

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances - continued
Governmental Funds
For the Year Ended December 31, 2013

Expenditures - continued

Debt Service							
Principle	\$ -	-	-	-	-	581,940	581,940
Interest	-	-	-	-	-	1,965,640	1,965,640
Bond costs	-	-	-	-	-	10,870	10,870
Lease payment	-	-	-	-	-	1,526,183	1,526,183
Capital outlay	-	-	-	-	-	16,571	16,571
Total expenditures	15,555,635	3,262,885	4,541,912	2,291,946	2,952,893	5,736,402	34,341,673
Excess revenues over (under) expenditures	6,831,532	(1,370,410)	286,938	134,787	142,635	(1,518,738)	4,506,744
<u>Other Financing Sources</u>							
Capital lease	420,289	-	-	-	-	-	420,289
Sale of general capital assets	89,546	-	-	-	-	-	89,546
Operating transfers in	225,000	1,127,000	-	98,534	-	2,407,000	3,857,534
Operating transfers out	(6,203,100)	-	-	-	-	(453,534)	(6,656,634)
Total other financing sources	(5,468,265)	1,127,000	-	98,534	-	1,953,466	(2,289,265)
Net change in fund balance	1,363,267	(243,410)	286,938	233,321	142,635	434,728	2,217,479
Fund balances - beginning of year, as adjusted	2,999,225	243,509	1,231,473	509,436	316,322	3,926,972	9,226,937
Fund balances - end of year	\$ 4,362,492	99	1,518,411	742,757	458,957	4,361,700	11,444,416

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Changes Reconciliation to Statement of Activities
For the Year Ended December 31, 2013

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

Net changes in fund balances - total governmental funds	\$ 2,217,479
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(1,143,059)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(60,764)
The issuance of long-term debt (i.e. bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	218,423
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	505,823
Internal Service Funds are used by management to charge for central stores to individual funds. The net expense of the Internal Service Funds is reported within Governmental Activities.	10,218
Internal service funds are used by management to charge the costs of fleet management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>173,001</u>
Change in net position of governmental activities	<u><u>\$ 1,921,121</u></u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 10,739,000	11,383,500	12,017,722	634,222
Licenses and permits	20,000	42,000	41,440	(560)
Intergovernmental	1,012,405	1,012,405	1,678,037	665,632
Charges for services	2,572,400	2,301,400	2,383,986	82,586
Fines and forfeitures	712,000	712,000	668,915	(43,085)
Interest on investments	5,000	5,000	7,313	2,313
Mitigation fees	4,410,000	4,710,000	5,012,247	302,247
Rental income	350,000	350,000	365,372	15,372
Other	457,000	522,000	212,135	(309,865)
Total revenues	<u>20,277,805</u>	<u>21,038,305</u>	<u>22,387,167</u>	<u>1,348,862</u>
<u>Expenditures</u>				
General government	7,392,332	6,493,333	6,544,903	(51,570)
Public safety	6,787,698	6,747,922	7,488,060	(740,138)
Public health and human services	129,905	152,905	151,912	993
Highways and public improvements	357,032	251,252	312,955	(61,703)
Parks and recreation	459,939	300,404	310,795	(10,391)
Conservation and economic development	18,000	8,000	438,602	(430,602)
Other administrative	317,300	347,300	308,408	38,892
Total expenditures	<u>15,462,206</u>	<u>14,301,116</u>	<u>15,555,635</u>	<u>(1,254,519)</u>
Excess of revenues over (under) expenditures	<u>4,815,599</u>	<u>6,737,189</u>	<u>6,831,532</u>	<u>94,343</u>
<u>Other Financing Sources (Uses)</u>				
Capital lease	-	-	420,289	420,289
Sale of general capital assets	-	-	89,546	89,546
Operating transfers in	225,000	225,000	225,000	-
Operating transfers out	(4,780,952)	(4,311,455)	(6,203,100)	(1,891,645)
Total other financing sources (uses)	<u>(4,555,952)</u>	<u>(4,086,455)</u>	<u>(5,468,265)</u>	<u>(1,381,810)</u>
Net change in fund balance	259,647	2,650,734	1,363,267	(1,287,467)
Fund balance, beginning of year, as adjusted	2,999,225	2,999,225	2,999,225	-
Fund balance, end of year	<u>\$ 3,258,872</u>	<u>5,649,959</u>	<u>4,362,492</u>	<u>(1,287,467)</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Human Services
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 1,542,308	2,452,308	1,891,611	(560,697)
Other	83,738	83,738	864	(82,874)
Total revenues	<u>1,626,046</u>	<u>2,536,046</u>	<u>1,892,475</u>	<u>(643,571)</u>
<u>Expenditures</u>				
Public health and human services	<u>2,001,046</u>	<u>2,779,862</u>	<u>3,262,885</u>	<u>(483,023)</u>
Total expenditures	<u>2,001,046</u>	<u>2,779,862</u>	<u>3,262,885</u>	<u>(483,023)</u>
Excess revenues over (under) expenditures	<u>(375,000)</u>	<u>(243,816)</u>	<u>(1,370,410)</u>	<u>(1,126,594)</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	375,000	243,816	1,127,000	883,184
Operating transfers out	-	-	-	-
Total other financing sources and (uses)	<u>375,000</u>	<u>243,816</u>	<u>1,127,000</u>	<u>883,184</u>
Net change in fund balance	-	-	(243,410)	(243,410)
Fund balances - beginning of year, as adjusted	<u>243,509</u>	<u>243,509</u>	<u>243,509</u>	<u>-</u>
Fund balances - end of year	<u>\$ 243,509</u>	<u>243,509</u>	<u>99</u>	<u>(243,410)</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Public Health
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$2,703,490	3,328,490	4,094,902	766,412
Charges for services	262,980	262,980	269,176	6,196
Interest on investments	-	-	2,688	2,688
Rental income	454,000	454,000	454,490	490
Other	-	9,000	7,594	(1,406)
Total revenues	<u>3,420,470</u>	<u>4,054,470</u>	<u>4,828,850</u>	<u>774,380</u>
<u>Expenditures</u>				
Public health and human services	<u>4,312,352</u>	<u>4,187,947</u>	<u>4,541,912</u>	<u>(353,965)</u>
Total expenditures	<u>4,312,352</u>	<u>4,187,947</u>	<u>4,541,912</u>	<u>(353,965)</u>
Excess revenues over (under) expenditures	<u>(891,882)</u>	<u>(133,477)</u>	<u>286,938</u>	<u>420,415</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	530,000	405,595	-	(405,595)
Operating transfers out	-	-	-	-
Total other financing sources and (uses)	<u>530,000</u>	<u>405,595</u>	<u>-</u>	<u>(405,595)</u>
Net change in fund balance	(361,882)	272,118	286,938	14,820
Fund balances - beginning of year, as adjusted	<u>1,231,473</u>	<u>1,231,473</u>	<u>1,231,473</u>	<u>-</u>
Fund balances - end of year	<u>\$ 869,591</u>	<u>1,503,591</u>	<u>1,518,411</u>	<u>14,820</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Road Maintenance
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 2,421,913	2,336,913	2,351,504	14,591
Charges for services	22,000	82,000	70,559	(11,441)
Interest on investments	-	-	4,670	4,670
Total revenues	<u>2,443,913</u>	<u>2,418,913</u>	<u>2,426,733</u>	<u>7,820</u>
<u>Expenditures</u>				
Highway and public improvements	<u>2,543,913</u>	<u>2,518,913</u>	<u>2,291,946</u>	<u>226,967</u>
Total expenditures	<u>2,543,913</u>	<u>2,518,913</u>	<u>2,291,946</u>	<u>226,967</u>
Excess revenues over (under) expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>134,787</u>	<u>234,787</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	100,000	100,000	98,534	(1,466)
Operating transfers out	-	-	-	-
Total other financing sources and (uses)	<u>100,000</u>	<u>100,000</u>	<u>98,534</u>	<u>(1,466)</u>
Net change in fund balance	-	-	233,321	233,321
Fund balances - beginning of year	<u>509,436</u>	<u>509,436</u>	<u>509,436</u>	<u>-</u>
Fund balances - end of year	<u>\$ 509,436</u>	<u>509,436</u>	<u>742,757</u>	<u>233,321</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Municipal Services Fund
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Taxes	\$ 2,997,000	2,505,500	2,392,267	(113,233)
Licenses and permits	336,000	706,000	697,170	(8,830)
Charges for services	4,500	5,000	5,328	328
Interest on investments	-	-	763	763
Total revenues	3,337,500	3,216,500	3,095,528	(120,972)
<u>Expenditures</u>				
General government	741,617	532,880	471,021	61,859
Public safety	2,645,955	2,503,069	2,481,872	21,197
Total expenditures	3,387,572	3,035,949	2,952,893	83,056
Excess revenues over (under) expenditures	(50,072)	180,551	142,635	(37,916)
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	50,072	50,072	-	(50,072)
Operating transfers out	-	-	-	-
Total other financing sources and (uses)	50,072	50,072	-	(50,072)
Net change in fund balance	-	230,623	142,635	(87,988)
Fund balances - beginning of year, as adjusted	316,322	316,322	316,322	-
Fund balances - end of year	\$ 316,322	546,945	458,957	(87,988)

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Net Position
Proprietary Funds
December 31, 2013

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Solid Waste Fund	Deseret Peak Fund	Airport Fund		Internal Service Funds
<u>Assets</u>					
Current assets					
Cash and cash equivalents	\$ 454,176	51,312	1,506,606	2,012,094	229,625
Restricted cash and cash equivalents	-	50,532	210,000	260,532	-
Landfill escrow	416,754	-	-	416,754	-
Accounts receivable - net	321,400	1,438	63,853	386,691	-
Inventory	-	-	-	-	7,838
Interfund loan receivable	1,374,000	-	-	1,374,000	1,215,000
Total current assets	<u>2,566,330</u>	<u>103,282</u>	<u>1,780,459</u>	<u>4,450,071</u>	<u>1,452,463</u>
Noncurrent assets					
Capital assets not being depreciated					
Land, roads, and construction in process	369,045	1,390,575	1,897,365	3,656,985	-
Capital assets being depreciated					
Buildings, improvements, equipment, and other	4,221,620	24,451,794	25,816,786	54,490,200	763,329
Less: accumulated depreciation	<u>(3,167,772)</u>	<u>(12,295,377)</u>	<u>(6,554,498)</u>	<u>(22,017,647)</u>	<u>(632,768)</u>
Total noncurrent assets	<u>1,422,893</u>	<u>13,546,992</u>	<u>21,159,653</u>	<u>36,129,538</u>	<u>130,561</u>
Total assets	<u>\$ 3,989,223</u>	<u>13,650,274</u>	<u>22,940,112</u>	<u>40,579,609</u>	<u>1,583,024</u>
<u>Liabilities</u>					
Current liabilities					
Accounts payable and accrued liabilities	219,246	38,444	936,237	1,193,927	-
Accrued interest payable	-	26,927	2,225	29,152	-
Capital lease - current portion	155,692	-	-	155,692	-
General obligation - current portion	-	177,000	88,972	265,972	-
Total current liabilities	<u>374,938</u>	<u>242,371</u>	<u>1,027,434</u>	<u>1,644,743</u>	<u>-</u>
Non-current liabilities					
Interfund loan payable	-	4,589,640	-	4,589,640	-
Landfill closure payable	138,588	-	-	138,588	-
Net OPEB obligation	125,987	179,619	132,457	438,063	-
Capital lease obligation	293,284	-	-	293,284	-
General obligation bonds	-	2,294,000	835,393	3,129,393	-
Total noncurrent liabilities	<u>557,859</u>	<u>7,063,259</u>	<u>967,850</u>	<u>8,588,968</u>	<u>-</u>
Total liabilities	<u>932,797</u>	<u>7,305,630</u>	<u>1,995,284</u>	<u>10,233,711</u>	<u>-</u>
<u>Net Position</u>					
Net invested in capital assets	604,872	9,685,417	18,337,923	28,628,212	130,561
Restricted	278,166	-	-	278,166	-
Unrestricted	<u>2,173,388</u>	<u>(3,340,773)</u>	<u>2,606,905</u>	<u>1,439,520</u>	<u>1,452,463</u>
Total net position	<u>3,056,426</u>	<u>6,344,644</u>	<u>20,944,828</u>	<u>30,345,898</u>	<u>1,583,024</u>
Total liabilities and net position	<u>\$ 3,989,223</u>	<u>13,650,274</u>	<u>22,940,112</u>	<u>40,579,609</u>	<u>1,583,024</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2013

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Solid Waste Fund	Deseret Peak Fund	Airport Fund		Internal Service Funds
<u>Operating Revenues</u>					
Service charges	\$ 2,505,413	148,661	4,086,431	6,740,505	265,145
Rental income	-	-	279,309	279,309	-
Miscellaneous	-	-	15,599	15,599	-
Total operating revenues	<u>2,505,413</u>	<u>148,661</u>	<u>4,381,339</u>	<u>7,035,413</u>	<u>265,145</u>
<u>Operating Expenses</u>					
Solid waste facility	2,034,314	-	-	2,034,314	-
Deseret Peak	-	805,298	-	805,298	-
Airport	-	-	4,158,608	4,158,608	-
General and administrative	-	-	-	-	83,959
Depreciation and amortization	160,498	972,711	650,206	1,783,415	157,608
Total operating expenses	<u>2,194,812</u>	<u>1,778,009</u>	<u>4,808,814</u>	<u>8,781,635</u>	<u>241,567</u>
Operating income (loss)	<u>310,601</u>	<u>(1,629,348)</u>	<u>(427,475)</u>	<u>(1,746,222)</u>	<u>23,578</u>
<u>Nonoperating Revenues (Expenses)</u>					
Federal and state grants	-	-	2,928,256	2,928,256	-
Gain on disposal of capital assets	-	-	800	800	(13,074)
Interest expense	(31,046)	(86,605)	(38,522)	(156,173)	-
Interest earnings	7,289	122	3,263	10,674	2,033
Total nonoperating Revenues (expenses)	<u>(23,757)</u>	<u>(86,483)</u>	<u>2,893,797</u>	<u>2,783,557</u>	<u>(11,041)</u>
Income before transfers	286,844	(1,715,831)	2,466,322	1,037,335	12,537
Transfer from other funds	-	2,799,100	-	2,799,100	-
Change in net position	286,844	1,083,269	2,466,322	3,836,435	12,537
Net position - beginning of year as adjusted	<u>2,769,582</u>	<u>5,261,375</u>	<u>18,478,506</u>	<u>26,509,463</u>	<u>1,570,487</u>
Net position - end of year	<u>\$ 3,056,426</u>	<u>6,344,644</u>	<u>20,944,828</u>	<u>30,345,898</u>	<u>1,583,024</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Business-type Activities			Governmental Activities	
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Total Enterprise Funds	Internal Service Funds
<u>Cash Flows From Operating Activities</u>					
Receipts from customers	\$ 2,558,611	157,320	5,044,137	7,760,068	-
Receipts from interfund charges	-	-	-	-	265,145
Payments to suppliers and service providers	(1,291,266)	(455,921)	(3,455,344)	(5,202,531)	(116,316)
Payments to employees/subcontractors	(661,784)	(360,329)	(649,157)	(1,671,270)	-
Net cash provided (used) by operating activities	605,561	(658,930)	939,636	886,267	148,829
<u>Cash Flows From Noncapital Financing Activities</u>					
Transfers from other funds	-	2,799,100	-	2,799,100	-
Net cash provided (used) by noncapital financing activities	-	2,799,100	-	2,799,100	-
<u>Cash Flows From Capital and Related Financing Activities</u>					
Principal paid on capital debt	(159,547)	(188,436)	(113,603)	(461,586)	-
Interest paid on capital debt	(31,046)	(86,814)	(48,522)	(166,382)	-
Capital grants	-	-	2,928,256	2,928,256	-
Principal paid on interfund loan	-	(1,922,649)	-	(1,922,649)	-
Purchase of capital assets	(43,876)	-	(2,898,818)	(2,942,694)	-
Net cash provided (used) by capital financing activities	(234,469)	(2,197,899)	(132,687)	(2,565,055)	-
<u>Cash Flows From Investing Activities</u>					
Interest and dividends received	7,289	122	3,263	10,674	2,033
Net cash provided (used) by investing activities	7,289	122	3,263	10,674	2,033
Net increase (decrease) in cash and cash equivalents	378,381	(57,607)	810,212	1,130,986	150,862
Cash and cash equivalents - beginning	75,795	159,451	906,394	1,141,640	78,763
Cash and cash equivalents - ending	\$ 454,176	101,844	1,716,606	2,272,626	229,625
As reported:					
Cash and cash equivalents	\$ 454,176	51,312	1,506,606	2,012,094	229,625
Restricted cash and cash equivalents	-	50,532	210,000	260,532	-
	\$ 454,176	101,844	1,716,606	2,272,626	229,625
<u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</u>					
Operating income	\$ 310,601	(1,629,348)	(427,475)	(1,746,222)	23,578
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	160,498	972,711	650,206	1,783,415	157,608
(Increase) decrease in accounts receivable	53,198	8,659	662,798	724,655	-
(Increase) decrease in inventory	-	-	-	-	(213)
(Increase) decrease in prepaid items	1,190	-	-	1,190	-
Increase (decrease) in accounts payable	95,002	(11,270)	42,247	125,979	(32,144)
Increase (decrease) in OPEB obligation	(14,928)	318	11,860	(2,750)	-
Total adjustments	294,960	970,418	1,367,111	2,632,489	125,251
Net cash provided (used) by operating activities	\$ 605,561	(658,930)	939,636	886,267	148,829

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Fiduciary Assets & Liabilities
Fiduciary Fund Types
For the Year Ended December 31, 2013

	Total Agency Funds
<u>Assets</u>	
Cash and cash equivalents	\$ 26,614,403
Other receivables	770
Total assets	\$ 26,615,173
<u>Liabilities</u>	
Taxes payable	\$ 25,625,972
Developer bonds payable	258,768
Court bail bonds payable	286,917
Due to other entities	443,516
Total liabilities	\$ 26,615,173

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Tooele County, Utah
Notes to Financial Statements
For the Year Ended December 31, 2013

Note 1 - Summary of Significant Accounting Policies

Reporting entity

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.

Blended component units are, in substance, part of the primary government's operations even though are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

Blended component units - The following entities are blended in the accompanying general purpose financial statements:

Redevelopment Agency
Municipal Building Authority

Blending means that component unit balances and transactions are combined with balances and transactions of the primary government. Although legally separate from the County, the above component units are blended because they are governed by a board comprised of the County Commission. The County retains fiscal responsibility for these entities. These entities are reported as special revenue funds.

Discretely presented component units - 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.

Complete financial statements for the component units may be obtained at the entities' administrative offices.

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 1 - Summary of Significant Accounting Policies - Continued

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.

Description of government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Basis of presentation - government-wide financial statements

While separate government-wide and fund statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, interfund services provided and used have not been eliminated.

Basis of presentation - fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statement is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies - Continued

The County reports the following major governmental funds:

The *general fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *human services fund* is a special revenue fund used to account for grant revenues and expenditures related to services provided for the general welfare of the County's citizens.

The *public health fund* is a special revenue fund used to account for revenues and expenditures related to services provided through the County's health department.

The *road maintenance fund* is a special revenue fund used to account for intergovernmental revenues and expenditures related to the maintenance of roads within the County.

The *municipal services fund* is a special revenue fund used to account for municipal revenues and expenditures related to various departments within the County, including roads and public safety.

The County reports the following major proprietary funds:

The *solid waste fund* accounts for revenue and expenditures related to the collection of waste and landfill operations within the County.

The *deseret peak fund* accounts for revenue and expenditures related to the recreation facility.

The *airport fund* accounts for revenue and expenditures related to the Wendover Airport.

Additionally, the government reports the following fund types:

Internal service funds account for service equipment and central stores provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Fiduciary funds include the Criminal Justice Agency Fund, the Treasurer's Tax Fund Agency Fund, and the Special Deposits Agency Fund, which 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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

Note 1 - Summary of Significant Accounting Policies - Continued

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies - Continued

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Deposits and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the County, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Certain resources of the County's governmental funds are set aside for the following: debt, class B roads, capital improvements, transient room, restaurant tax, arts and recreation, tax stability, health services, and payment of landfill closure costs as required by applicable federal and state regulations.

2. 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Note 1 - Summary of Significant Accounting Policies - Continued

3. Receivables and payables

All trade, property, sales, and franchise tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectible accounts.

Sales taxes are collected by the State Tax Commission and remitted to the County monthly.

Property taxes are collected by the County Treasurer and remitted to the County shortly after collection. Property taxes are levied based on property values as of January 1 of each year, with liens posted as of the same date. Taxes are due and payable on November 1 and delinquent after 5 pm on November 30 of each year.

4. Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year, and for proprietary funds with initial cost of more than \$200. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

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

Note 1 - Summary of Significant Accounting Policies - Continued

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

6. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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.

Note 1 - Summary of Significant Accounting Policies - Continued

7. Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

8. Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

9. Fund balance policies

Government-wide financial statements

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

Invested in capital assets, net of related debt - Capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Note 1 - Summary of Significant Accounting Policies - Continued

Fund financial statements

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned. Descriptions of each follow:

Nonspendable fund balance - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

Restricted fund balance - Amounts restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws regulations or other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the County Commission. The commitment can only be removed through the same action.

Assigned fund balance - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The County Commission has, by resolution, authorized the Auditors' Office to assign fund balance. The commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Assigned fund balance also includes all remaining amounts that are report in governmental funds, other than the general fund that are not classified as nonspendable, restricted nor committed, or in the General Fund, that are intended to be used for specific purposes.

Unassigned fund balance - Residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

Note 1 - Summary of Significant Accounting Policies - Continued

Revenues and expenditures/expenses

1. Program revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

Property taxes attach as an enforceable lien on real property on January 1st of each year. Taxes are levied on property owners in July and are payable by November 30th. The County bills and collects property taxes for all taxing entities within the County through the Tax Collection Agency Fund. Collections are periodically distributed to the taxing entities with final settlement due March 31st of the subsequent year. The County records a receivable and deferred revenue for delinquent taxes, but no allowance for doubtful accounts is made as uncollected taxes are deemed to be substantially collectible or recoverable through foreclosure.

3. Compensated absences

The government's policy permits employees to accumulate earned but unused vacation and sick benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The County's policy allows for a maximum of 320 hours to be carried over into the next year that includes vacation and converted sick leave. Sick leave can accumulate a maximum of 320 hours if certain conditions are met. The County pays all unused vacation days upon separation up to the maximum of 320 hours. An employee separating from county service will not be compensated for unused sick leave upon separation.

4. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the transit fund and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant, and equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the County as a whole.

Cost of capital assets	\$ 115,566,500
Accumulated depreciation	(24,265,342)
Total difference	<u>\$ 91,301,158</u>

Internal service funds:

Another element of that reconciliation explains that “internal service funds are used by management to charge the costs of equipment and central stores to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.” The details of this difference are as follows:

	Service Equipment	Central Stores
Net position of the internal service funds	<u>\$ 1,435,175</u>	<u>17,288</u>

Long-term debt transactions:

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net position. Balances at December 31, 2013, were:

Bonds payable	\$ (27,491,722)
Discount on issuance	318,439
Interest payable	(76,202)
Compensated absences	(967,244)
Net OPEB obligation	<u>(3,978,316)</u>
Total difference	<u>\$ (32,195,045)</u>

Note 2 - Reconciliation of Government-wide and Fund Financial Statements - Continued

B. Explanation of differences between governmental fund operating statements and the statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follows:

Capital outlay	\$ 941,009
Depreciation expense	<u>(2,084,068)</u>
Net difference as reported	<u><u>\$(1,143,059)</u></u>

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of capital assets sold.

Net difference reported	<u><u>\$ (60,764)</u></u>
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Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 2 - Reconciliation of Government-wide and Fund Financial Statements - Continued

Another element of the reconciliation states that "the issuance of long-term debt (i.e., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position." The details of this difference are as follows:

Debt issued or incurred	\$ (420,289)
Principal repayments	677,507
Accrued interest	(38,795)
Net difference as reported	<u><u>\$ 218,423</u></u>

Another element of the reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this difference are as follows:

Amortization of bond discount	\$ (10,981)
Net OPEB obligation	136,721
Compensated absences	380,083
Net difference reported	<u><u>\$ 505,823</u></u>

Another element of the reconciliation states that "Internal service funds are used by management to charge the costs of service equipment and central stores to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities." The details of this are as follows:

	Service Equipment	Central Stores
Changes in net position	\$ 2,319	10,218
Depreciation on fleet assets	157,608	-
Loss on disposal of capital assets	13,074	-
Net difference reported	<u><u>\$ 173,001</u></u>	<u><u>10,218</u></u>

Budgetary information

Budgets are prepared and adopted, in accordance with State law, by the Tooele County Commission. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Budgets must be adopted on or before December 31st for the following fiscal year, beginning January 1. Budgets may be increased by resolution of the Tooele County Commission at any time during the year. A public hearing must be held regarding any proposed increase in a fund's appropriations. Budgets are adopted at departmental levels. Budget amendments are required when excess expenditures occur at the departmental level for the General Fund and at the fund level for all other funds. Appropriations lapse at December 31.

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 3 - Stewardship, Compliance, and Accountability

Utah State law states that expenditures being made in excess of those budgeted, is an illegally created debt in violation of the Utah Constitution. As such, the total illegally created deficit should be budgeted to be made up in the following fiscal year. Deficits arising from emergencies are not illegal and may be retired over 5 years.

Excess of expenditures over appropriations

For the year ended December 31, 2013, expenditures exceeded appropriations in the following departments and funds:

<u>General fund - functions</u>		<u>Other funds</u>	
General	\$ 51,570	Human Services	483,023
Public safety function	740,138	Public Health	353,965
Highways and public improvements	61,703	Municipal Building Authority	729,348
Parks and recreation	10,391		
Conservation and economic development	430,602		

Utah State law allows for any unassigned fund balance in excess of 5% of the total revenues of the General Fund to be utilized for budget purposes. The law also allows for the accumulation of a fund balance in the General Fund in an amount equal to 50% of the total estimated revenue of the General Fund. In the event that the fund balance, at the end of the fiscal year, is in excess of that allowed, the County has one year to determine an appropriate use and then the excess must be included as an available resource in the General Fund budget. For the year ending December 31, 2013, the County is not over 50% of the total estimated limit of revenue in the General Fund.

Concentration of credit risk

The County received about 13% of its governmental fund revenue from mitigation fees amounting to \$5,012,247.

Note 4 - Detailed Notes on all Funds

Deposits and investments

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

Custodial Credit Risk - Deposits - Custodial credit risk for deposits is the risk that, in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2013, \$4,021,791 of the local government's bank balances of \$4,564,850 were uninsured and uncollateralized.

Credit Risk - Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits or qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poors; bankers acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined in the Act.

Custodial Credit Risk - Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments that are in the possession of an outside party. The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. 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 participants' average daily balances.

For the year ended December 31, 2013, the County had investments of \$30,647,500 with the PTIF. The balances had maturities of less than one year. The PTIF pool has not been rated.

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 4 - Detailed Notes on all Funds - Continued

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government's policy is to manage its exposure to declines in fair value by investment mainly in the PTIF and by adhering to the Money Management Act. 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 of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less.

As of December 31, 2013, the County had the following deposits and investments:

	<u>Fair Value</u>
Cash in depository accounts	\$ 4,564,850
State Treasurer's investment pool	30,647,500
	<u>\$ 35,212,350</u>

Components of cash and investments (including interest earning deposits) as reflected on the financial statements at December 31, 2013, are as follows:

Cash and cash equivalents	\$ 5,663,992
Restricted assets	
Cash and cash equivalents	1,447,751
Cash and investments - government-wide state of net position	7,111,743
Cash and cash equivalents - statement of fiduciary assets and liabilities	26,614,403
Total cash and investments	<u>\$ 33,726,146</u>

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 4 - Detailed Notes on all Funds - Continued

Receivables

Receivables as of year end for the government's general and enterprise funds are as follows:

	Governmental	Business-type	Total
Accounts, net	\$ 1,275,015	386,691	1,661,706
B & C road	432,128	-	432,128
Property taxes	3,326,759	-	3,326,759
Assessments	-	-	-
Intergovernmental	1,333,729	416,754	1,750,483
	<u>\$ 6,367,631</u>	<u>803,445</u>	<u>7,171,076</u>

The business-type accounts receivable includes \$10,028 in allowance for doubtful accounts for solid waste services.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Prepaid revenue (mitigation fees)	\$ -	38,977
Prepaid revenue (concert)	-	30,000
Prepaid revenue (senior board)	-	19,409
Grant drawdowns prior to meeting all eligibility requirements	-	50,000
Total deferred / unearned revenue for governmental funds	<u>\$ -</u>	<u>138,386</u>

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 4 - Detailed Notes on all Funds - Continued

Capital assets

Capital asset activity for the year ended December 31, 2013, was as follows:

Primary Government	Beginning			Ending
<i>Governmental activities</i>	Balance	Increases	Decreases	Balance
Capital assets not being depreciated				
Land	\$ 7,570,720	-	-	7,570,720
Infrastructure	41,472,244	-	-	41,472,244
Construction in process	784,347	-	-	784,347
Total capital assets not being depreciated	49,827,311	-	-	49,827,311
Capital assets being depreciated				
Buildings and improvements	54,155,279	-	-	54,155,279
Furniture, fixtures, and equipment	11,743,929	941,009	(1,101,028)	11,583,910
Total capital assets being depreciated	65,899,208	941,009	(1,101,028)	65,739,189
Less accumulated depreciation for				
Buildings and improvements	(12,533,145)	(1,360,697)	-	(13,893,842)
Furniture, fixtures, and equipment	(10,688,393)	(723,371)	1,040,264	(10,371,500)
Total accumulated depreciation	(23,221,538)	(2,084,068)	1,040,264	(24,265,342)
Total capital assets, being depreciated, net	42,677,670	3,025,077	(2,141,292)	41,473,847
Governmental activities capital assets, net	\$ 92,504,981	3,025,077	(2,141,292)	91,301,158
 <i>Business-type activities</i>				
Capital assets not being depreciated				
Land	\$ 1,759,620	-	-	1,759,620
Construction in process	12,053,045	2,899,709	(13,055,389)	1,897,365
Total capital assets not being depreciated	13,812,665	2,899,709	(13,055,389)	3,656,985
Capital assets being depreciated				
Buildings and improvements	35,115,589	12,491,635	-	47,607,224
Furniture, fixtures, and equipment	6,312,474	633,922	(63,420)	6,882,976
Total capital assets being depreciated	41,428,063	13,125,557	(63,420)	54,490,200
Less accumulated depreciation for				
Buildings and improvements	(16,070,213)	(1,490,444)	-	(17,560,657)
Furniture, fixtures, and equipment	(4,227,440)	(292,970)	63,420	(4,456,990)
Total accumulated depreciation	(20,297,653)	(1,783,414)	63,420	(22,017,647)
Total capital assets, being depreciated, net	21,130,410	11,342,143	-	32,472,553
Business-type activities capital assets, net	\$ 34,943,075	14,241,852	(13,055,389)	36,129,538

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 4 - Detailed Notes on all Funds - Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 1,539,530
Public safety	338,359
Highways and streets	160,382
Parks and recreation	1,974
Public health	<u>43,823</u>
Total depreciation expense - governmental activities	<u><u>\$ 2,084,068</u></u>
 Business-type activities	
Solid Waste	\$ 160,498
Deseret Peak	972,711
Airport	<u>650,206</u>
Total depreciation expense - business activities	<u><u>\$ 1,783,415</u></u>

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Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 4 - Detailed Notes on all Funds - Continued

Interfund receivables, payables, and transfers

Interfund receivables/payables

Individual interfund receivable and payable balances at December 31, 2013, are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 390,640	-
Solid Waste Fund	1,374,000	-
Service Equipment Fund	1,215,000	-
Nonmajor Funds	1,610,000	-
Deseret Peak Fund	-	4,589,640
	<u>\$ 4,589,640</u>	<u>4,589,640</u>

Interfund receivables and payables are created when expenditures are paid by one fund on behalf of another. In addition, allocations of expenditures between funds are recorded as due to/from until paid.

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 tax increase that will yield an additional \$2.6 million in General Fund revenue. The intention of the plan is the creation of a surplus, repayment of restricted funds, and 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 the Capital Projects Fund, Jail Capital Projects Fund, Debt Service Fund, General Fund, Interfund Equipment Lease, and Solid Waste Fund.

Interfund transfers

	<u>Transfers out</u>		
	<u>General</u>	<u>Non major</u>	<u>Total</u>
<u>Transfers in</u>			
General fund	\$ -	225,000	225,000
Human Services	1,127,000	-	1,127,000
Road Maintenance	-	98,534	98,534
Nonmajor	2,407,000	-	2,407,000
Deseret Peak	2,669,100	130,000	2,799,100
Total transfers			
out	<u>\$ 6,203,100</u>	<u>453,534</u>	<u>6,656,634</u>

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 4 - Detailed Notes on all Funds - Continued

Long-term debt

The following is a summary of transactions affecting long-term liabilities for the year ended December 31, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities:</i>					
General obligation bonds	\$ -	-	-	-	-
Sales tax revenue bonds	2,408,940	-	(221,940)	2,187,000	210,600
Lease revenue bonds	25,340,000	-	(360,000)	24,980,000	430,000
Unamortized discount	(329,420)	-	10,981	(318,439)	-
Capital leases	-	420,289	(95,567)	324,722	88,098
Compensated absences	1,347,327	661,680	(1,041,763)	967,244	725,433
Net post employment benefit obligation	4,115,037	73,913	(210,634)	3,978,316	-
Total governmental long-term liabilities	32,881,884	1,155,882	(1,918,923)	32,118,843	1,454,131
<i>Business-type activities:</i>					
Lease revenue bonds	520,000	-	(74,947)	445,053	80,000
Lease revenue bonds	411,844	-	(8,557)	403,287	8,972
Lease revenue bonds	106,124	-	(30,099)	76,025	22,678
Sales tax revenue bonds	353,000	-	(42,000)	311,000	42,000
Sales tax revenue bonds	1,777,000	-	(130,000)	1,647,000	135,000
Sales tax revenue bonds	565,060	-	(52,060)	513,000	49,400
Deferred amount of refunding	(35,624)	35,624	-	-	-
Capital leases	608,523	-	(159,547)	448,976	155,692
Net post employment benefit obligation	440,813	8,139	(10,889)	438,063	-
Total business-type long-term liabilities	4,746,740	43,763	(508,099)	4,282,404	493,742
Total long-term debt	\$ 37,628,624	1,199,645	(2,427,022)	36,401,247	1,947,873

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 4 - Detailed Notes on all Funds - Continued

Long-term debt (continued)

Sales tax revenue issues at December 31, 2013 consist of the following:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Current Outstanding Balance
2003 A	Finance costs associated with the expansion of the water lines at Deseret Peak	700,000	1.70%	2020	\$ 311,000
2008	Finance the construction and equipping of the convention facilities at Deseret Peak	2,275,000	4.29%	2023	1,647,000
2012	Advance refunding bond used to defease other bonds	2,974,000	2.15%	2024	2,700,000
					<u>\$ 4,658,000</u>
Governmental activities					2,187,000
Business-type activities					2,471,000
					<u>\$ 4,658,000</u>

Lease revenue issues at December 31, 2013 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	\$ 445,053
1998 B	Finance the construction of the Airport	500,000	4.75%	2038	403,287
1998 C	Finance the construction of the Airport	331,800	4.75%	2018	76,025
2010 ABC	Finance the construction of the jail	25,340,000	4.0 to 8.00%	2042	24,980,000
					<u>\$ 25,904,365</u>
Governmental activities					24,980,000
Business-type activities					924,365
					<u>\$ 25,904,365</u>

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 4 - Detailed Notes on all Funds - Continued

Capital leases at December 31, 2013 consist of the following:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Outstanding Balance
2011	Finance equipment	770,332	5.35%	2016	\$ 448,976
2013	Finance vehicles	420,289	2.30%	2017	324,722
					<u>\$ 773,698</u>
Governmental activities					\$ 324,722
Business-type activities					448,976
					<u>\$ 773,698</u>

The government entered into multiple lease agreements as lessee to finance the of acquisition of equipment and vehicles. These leases meet the criteria of a capital lease since they transfer benefits and risks of ownership to the lessee at the end of the lease term. Capital lease payments are reflected as debt service expenditures at the governmental fund level. The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Equipment	\$ 420,289	770,332
Less accumulated depreciation	(140,096)	(80,304)
	<u>\$ 280,193</u>	<u>690,028</u>

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 4 - Detailed Notes on all Funds - Continued

Long-term debt (continued)

Debt service requirements of bonds at December 31, 2013 are as follows:

Years ending December 31	Governmental Activities					
	Sales tax revenue		Lease revenue		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 210,600	44,694	430,000	1,922,254	88,098	7,469
2015	215,460	40,120	440,000	1,903,765	90,124	5,442
2016	220,320	35,442	455,000	1,884,845	72,417	3,369
2017	224,370	30,668	470,000	1,857,090	74,083	1,704
2018	230,040	25,790	490,000	1,828,420	-	-
2019-2023	938,790	60,285	2,770,000	8,649,783	-	-
2024-2028	147,420	1,583	3,495,000	7,535,776	-	-
2029-2033	-	-	4,500,000	5,990,139	-	-
2034-2038	-	-	5,670,000	4,005,740	-	-
2039-2042	-	-	6,260,000	1,419,794	-	-
Total	\$ 2,187,000	238,583	24,980,000	36,997,606	324,722	17,984

Years ending December 31	Business-type Activities					
	Sales tax revenue		Lease revenue		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 226,400	83,531	111,650	48,809	155,692	20,239
2015	234,540	75,824	118,187	42,473	164,229	11,702
2016	242,680	67,819	119,800	35,760	129,055	2,893
2017	250,630	59,494	109,979	29,345	-	-
2018	258,960	50,868	110,848	23,112	-	-
2019-2023	1,223,210	117,420	62,677	77,123	-	-
2024-2028	34,580	371	79,456	60,344	-	-
2029-2033	-	-	100,729	39,071	-	-
2034-2038	-	-	111,039	12,302	-	-
Total	\$ 2,471,000	455,327	924,365	368,339	448,976	34,834

Note 4 - Detailed Notes on all Funds - Continued

Long-term debt (continued)

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 rates 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.

Note 5 - Other Information

Retirement plans

Plan description

Tooele County, Utah, contributes to a Local Governmental Division (Contributory System and Noncontributory System) and Public Safety System (Contributory System and Noncontributory System), Other Division A, for employees which provides retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes. Tooele County, Utah is affiliated with the Utah Retirement System, an agent multiple-employer and cost-sharing multiple-employer pension plan administrator. The Utah State Retirement Act, in Chapter 49, provides for the benefits and the administration of the Utah Retirement Systems and Plans 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 Tooele County, Utah. A copy of the report may be obtained by writing the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Note 5 - Other Information - Continued

Funding policy

Tooele County, Utah members in the Contributory System: Local Governmental Division Tier 1 were required to contribute 6.00% of their salary (all or part may be paid by the employer for the employee) and Tooele County, Utah, was required to contribute 12.03% of the member's annual salary for January through June 2013 and 16.04% of their annual covered salary for members of the non contributory division for January through June 2013. Tooele County, Utah members in the Contributory System: Local Governmental Division Tier 1 were required to contribute 6.00% of their salary (all or part may be paid by the employer for the employee) and Tooele County, Utah, was required to contribute 13.28% of the member's annual salary for July through December 2013 and 17.29% of their annual covered salary for members of the non contributory division for July through December 2013.

Tooele County, Utah members in the Contributory System: Local Governmental Division Tier 2 were required to contribute 0.00% of their salary (all or part may be paid by the employer for the employee) and Tooele County, Utah, was required to contribute 14.05% of the member's annual salary for January through June 2013. Tooele County, Utah members in the Contributory System: Local Governmental Division Tier 2 were required to contribute 0.00% of their salary (all or part may be paid by the employer for the employee) and Tooele County, Utah, was required to contribute 13.99% of the member's annual salary for July through December 2013.

Tooele County, Utah members in the Contributory System: Public Safety Division were required to contribute 0.00% of their salary (all or part may be paid by the employer for the employee) and Tooele County, Utah, was required to contribute 20.93% of the member's annual salary for January through June 2013 and 30.45% of their annual covered salary for members of the non contributory division for January through June 2013. Tooele County, Utah members in the Contributory System: Public Safety Division were required to contribute 0.00% of their salary (all or part may be paid by the employer for the employee) and Tooele County, Utah, was required to contribute 20.85% of the member's annual salary for July through December 2013 and 30.45% of their annual covered salary for members of the non contributory division for July through December 2013.

Note 5 - Other Information - Continued

For 2013, Tooele County, Utah's annual pension cost of \$2,103,303 was equal to the County's required and actual contributions. The required contribution was determined as part of the January 1, 2010 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases are assumed to increase 4.50% (3.50% from inflation, 1.00% from productivity), (c) 2.5% cost of living adjustment. Both (a) and (b) include an inflation component of 3.50%. The actuarial value of Tooele County, Utah's pension assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a 5-year period. Tooele County, pension unfunded actuarial accrued liability is being amortized over an open 20-year amortization period. Amortization payments are designed to remain level as a percent of payroll.

Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The County is a member of the Utah Local Governments Trust (ULGT), a public entity risk pool currently operating as a common risk management and insurance program for Utah State Governments. The County pays an annual premium to ULGT for its general insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Note 5 - Other Information - Continued

Other Post-employment Benefits

In addition to the pension benefits described in Note 5, The County provides postemployment health care and life insurance benefits, through a single employer defined benefit plan, to all eligible employees who retired from the County prior to July 1, 2013. Employees retiring on or after July 1, 2013 are no longer eligible for retiree health insurance coverage. Employees who had at least ten years of service as of July 1, 2013, are eligible for a premium waiver credit upon meeting the Utah Retirement Systems retirement eligibility requirements. 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 projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For the year December 31, 2013, the County's annual OPEB cost (expense) is \$80,052. 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	\$	309,576
Interest on net OPEB obligation		182,234
Adjustment to annual required contribution		<u>(409,758)</u>
Annual OPEB cost (expense)		82,052
Contributions Made		<u>(221,523)</u>
Decrease in net OPEB obligation		(139,471)
Net OPEB obligation beginning of year		<u>4,555,850</u>
Net OPEB obligation end of year	\$	<u><u>4,416,379</u></u>

Note 5 - Other Information - Continued

Other Post-employment Benefits - Continued

The funded status of the plan as of December 31, 2013 is as follows:

Actuarial accrued liability (AAL)	\$ 3,269,453
Actuarial value of plan assets	\$ -
Unfunded actuarial accrued liability (UAAL)	\$ 3,269,453
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	n/a
UAAL as a percentage of covered payroll	n/a

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, 2013 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, 2013 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, decreasing to an ultimate rate of 5.0% after ten years. Both rates included a 3% 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 dollar value over fifteen years based on a closed group.

Note 5 - Other Information - Continued

The County is a defendant in various lawsuits. For certain of these cases, where it is probable that a claim will be paid, the County has determined that such claims would be covered under the County's insurance policy. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney's Office, the resolution of these matters will not have a materially adverse effect on the financial condition of the County.

Landfill closure and post closure care costs

State and federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

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, 2013 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, 2013 the County has \$416,754 of investments which are held for these purposes. These are reported as restricted assets on the solid waste proprietary fund statement of net position.

Tooele County, Utah
Notes to Financial Statements-Continued
For the Year Ended December 31, 2013

Note 5 - Other Information - Continued

Commitments and Contingencies

The County has commitments related to capital improvements, capital purchases, and other contractual agreements at December 31, 2013 for the following:

Fund	Capital Purchases	Capital Improvement	Other	Total
Airport Runway Project	\$ -	4,062,148	-	4,062,148

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

Prior period adjustment

During the 2013 year, the County discovered that it had not been using the modified accrual method of accounting to recognize two months of the revenue collected and paid through the Utah State Tax Commission and other state agencies. This resulted in a \$1,629,422 increase in the beginning fund balance of various governmental funds.

Also during the 2013 year, the County discovered various adjustments needed related to accumulated depreciation and debt accruals. These adjustments resulted in an increase in net position of \$26,384 in the Airport enterprise funds.

In 2010, Municipal Building Authority issued lease revenue bonds. The debt service of these bonds were previously reported in the debt service fund. In order to more correctly reflect the revenue source and payment of these bonds a special revenue fund was created in 2013. The annual revenue and expenditures have a netting effect. However, the amounts reported for restricted cash is required to be reported with the fund in which the payment is being made. The result is an increase in fund balance in the Municipal Building Authority Fund and a corresponding decrease in the Debt Service Fund for \$741,344.

Subsequent events

Subsequent events have been evaluated through July 1, 2014, the date that the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

Tooele County, Utah
Required Supplementary Information
For the Year Ended December 31, 2013

Schedule of Condition and Ratings for the County's Road System

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 industry standard or measurement scale, and
3. Estimating the annual amount required to maintain and preserve the asset 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, Utah
Required Supplementary Information - continued
For the Year Ended December 31, 2013

Schedule of Condition and Ratings for the County's Road System (Continued)

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.

Tooele County, Utah
Required Supplementary Information - continued
For the Year Ended December 31, 2013

Schedule of Condition and Ratings for the County's Road System (Continued)

Assessed Conditions

The following table reports that average assessment level of all road 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%

The following table represents the County's estimated amounts needed 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>
2013	\$ 2,459	\$ 2,292
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, Utah
Required Supplementary Information - continued
For the Year Ended December 31, 2013

Postemployment Benefit Plan - Schedule of Funding Progress

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	10,523,213	0%	12,717,747	82.7%
12/31/2013	-	3,269,453	3,269,453	0%	n/a	n/a

SUPPLEMENTARY INFORMATION

Tooele County, Utah
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts and major capital projects) that are legally restricted to expenditures for specified purposes. Tooele County has the following nonmajor special revenue funds:

Aging and Adult Services - This fund is used to account for state funding and charges for services related to the activities assisting the aging citizens of the County.

Transient room tax - This fund is used to account for transient room tax revenue and expenditures related to the promotion of tourism in the County.

Transportation - This fund is used to account for revenue and expenditures related to transportation in the County.

Redevelopment Agency - This fund is used to account for redevelopment agency transactions conducted by the County, including property acquisition, site improvements, preparation costs, installation of public improvements, and administration costs.

Municipal Building Authority - This fund is used to account for the lease revenue and payment of principal and interest on bonds used to finance construction in the County.

Debt Service Funds

Debt service funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds. Tooele County has the following nonmajor debt service fund:

Debt Service - This fund is used to account for principal and interest on bonds used to finance construction in the County.

Capital Project Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds. Tooele County has the following nonmajor capital projects funds:

MBA Jail - This fund is used to account for the ongoing acquisition, construction, and other replacements related to the County Jail.

General Capital Projects - This fund is used to account for the acquisition and development of various capital projects within the County.

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Tooele County, Utah
Combining Balance Sheet - Continued
Nonmajor Governmental Funds
'December 31, 2013

	Special Revenue				Municipal Building Authority
	Aging and Adult Services	Transient Room Tax	Transport - ation Fund	Redevelopment Agency	
<u>Assets and Deferred Outflows of Resources</u>					
Cash and cash equivalents	\$ 53,530	1,469,649	841	89,395	-
Restricted cash	-	-	-	-	741,344
Receivables -					
Accounts (net)	37,859	111,923	-	-	-
Inventory	1,381	-	-	-	-
Prepaid expenditures	-	400,000	-	-	-
Interfund loan receivable	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 92,770</u>	<u>1,981,572</u>	<u>841</u>	<u>89,395</u>	<u>741,344</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>					
Liabilities					
Accounts payable	\$ 38,142	18,015	-	-	-
Accrued liabilities	26,957	-	-	-	-
Unearned revenue	19,409	30,000	-	-	-
Total liabilities	<u>84,508</u>	<u>48,015</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Nonspendable	-	400,000	-	-	-
Restricted for					
Debt	-	-	-	-	741,344
Transient room/ Restaurant tax	-	1,533,557	-	-	-
Assigned					
Special Revenue Funds	8,262	-	841	89,395	-
Debt Service Funds	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-
Total fund balances	<u>8,262</u>	<u>1,933,557</u>	<u>841</u>	<u>89,395</u>	<u>741,344</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 92,770</u>	<u>1,981,572</u>	<u>841</u>	<u>89,395</u>	<u>741,344</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Combining Balance Sheet - Continued
Nonmajor Governmental Funds
December 31, 2013

	<u>Capital Projects</u>			<u>Total</u>
	<u>Debt Service</u>	<u>MBA Jail</u>	<u>General</u>	
<u>Assets and Deferred Outflows of Resources</u>				
Cash and cash equivalents	\$ 26,646	-	1,655	1,641,716
Restricted cash	-	-	-	741,344
Receivables -				
Accounts (net)	-	-	-	149,782
Inventory	-	-	-	1,381
Prepaid expenditures	-	-	-	400,000
Interfund loan receivable	351,500	162,177	1,096,323	1,610,000
Total assets and deferred outflows of resources	<u>378,146</u>	<u>162,177</u>	<u>1,097,978</u>	<u>4,544,223</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>				
Liabilities				
Accounts payable	-	-	-	56,157
Accrued liabilities	-	-	-	26,957
Unearned revenue	-	-	50,000	99,409
Total liabilities	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>182,523</u>
Fund Balances				
Nonspendable	-	-	-	400,000
Restricted for				
Debt	-	-	-	741,344
Transient room/ Restaurant tax	-	-	-	1,533,557
Assigned				
Special Revenue Funds	-	-	-	98,498
Debt Service Funds	378,146	-	-	378,146
Capital Projects Funds	-	162,177	1,047,978	1,210,155
Total fund balances	<u>378,146</u>	<u>162,177</u>	<u>1,047,978</u>	<u>4,361,700</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 378,146</u>	<u>162,177</u>	<u>1,097,978</u>	<u>4,544,223</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Continued
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue				
	Aging and Adult Services	Transient Room Tax	Transport - ation Fund	Redevelopment Agency	Municipal Building Authority
<u>Revenues</u>					
Taxes	\$ -	764,380	-	68,244	-
Intergovernmental	527,670	-	98,534	-	755,349
Charges for services	415,110	-	-	-	-
Interest on investments	-	2,891	-	-	-
Lease revenue	-	-	-	-	1,526,183
Other	52,329	-	-	-	-
Total revenues	<u>995,109</u>	<u>767,271</u>	<u>98,534</u>	<u>68,244</u>	<u>2,281,532</u>
<u>Expenditures</u>					
General government	-	-	-	6,559	-
Tourism and promotion	-	43,988	-	-	-
Public health and human services	1,384,651	-	-	-	-
Debt Service					
Principle	-	-	-	-	360,000
Interest	-	-	-	-	1,912,532
Bond costs	-	-	-	-	9,000
Lease payment	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,384,651</u>	<u>43,988</u>	<u>-</u>	<u>6,559</u>	<u>2,281,532</u>
Excess revenues over (under) expenditures	<u>(389,542)</u>	<u>723,283</u>	<u>98,534</u>	<u>61,685</u>	<u>-</u>
<u>Other Financing Sources (Uses)</u>					
Operating transfers in	390,000	-	-	-	-
Operating transfers out	-	(130,000)	(98,534)	(225,000)	-
Total other financing sources (uses)	<u>390,000</u>	<u>(130,000)</u>	<u>(98,534)</u>	<u>(225,000)</u>	<u>-</u>
Net change in fund balance	458	593,283	-	(163,315)	-
Fund balances - beginning of year, as adjusted	<u>7,804</u>	<u>1,340,274</u>	<u>841</u>	<u>252,710</u>	<u>741,344</u>
Fund balances - end of year	<u>\$ 8,262</u>	<u>1,933,557</u>	<u>841</u>	<u>89,395</u>	<u>741,344</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Continued
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	<u>Capital Projects</u>			Total
	Debt Service	MBA Jail	General	
<u>Revenues</u>				
Taxes	\$ -	-	-	832,624
Intergovernmental	-	-	-	1,381,553
Charges for services	-	-	-	415,110
Interest on investments	4,743	-	2,231	9,865
Lease revenue	-	-	-	1,526,183
Other	-	-	-	52,329
Total revenues	4,743	-	2,231	4,217,664
<u>Expenditures</u>				
General government	-	-	200,000	206,559
Tourism and promotion	-	-	-	43,988
Public health and human serv	-	-	-	1,384,651
Debt Service				
Principle	221,940	-	-	581,940
Interest	53,108	-	-	1,965,640
Bond costs	1,870	-	-	10,870
Lease payment	1,526,183	-	-	1,526,183
Capital outlay	-	-	16,571	16,571
Total expenditures	1,803,101	-	216,571	5,736,402
Excess revenues over (under) expenditures	(1,798,358)	-	(214,340)	(1,518,738)
<u>Other Financing Sources (Use)</u>				
Operating transfers in	1,802,000	-	215,000	2,407,000
Operating transfers out	-	-	-	(453,534)
Total other financing sources	1,802,000	-	215,000	1,953,466
Net change in fund balance	3,642	-	660	434,728
Fund balances - beginning of year, as adjusted	374,504	162,177	1,047,318	3,926,972
Fund balances - end of year	\$ 378,146	162,177	1,047,978	4,361,700

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Aging and Adult Services
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 489,000	514,000	527,670	13,670
Charges for services	463,900	473,175	415,110	(58,065)
Other	37,000	55,040	52,329	(2,711)
Total revenues	<u>989,900</u>	<u>1,042,215</u>	<u>995,109</u>	<u>(47,106)</u>
<u>Expenditures</u>				
Public health and human services	1,483,027	1,483,946	1,384,651	99,295
Total expenditures	<u>1,483,027</u>	<u>1,483,946</u>	<u>1,384,651</u>	<u>99,295</u>
Excess revenues over (under) expenditures	<u>(493,127)</u>	<u>(441,731)</u>	<u>(389,542)</u>	<u>52,189</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	493,127	441,731	390,000	(51,731)
Operating transfers out	-	-	-	-
Total other financing sources and (uses)	<u>493,127</u>	<u>441,731</u>	<u>390,000</u>	<u>(51,731)</u>
Net change in fund balance	-	-	458	458
Fund balances - beginning of year	<u>7,804</u>	<u>7,804</u>	<u>7,804</u>	<u>-</u>
Fund balances - end of year	<u><u>\$ 7,804</u></u>	<u><u>7,804</u></u>	<u><u>8,262</u></u>	<u><u>458</u></u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Transient Room Tax
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 740,000	740,000	764,380	24,380
Interest on investments	-	-	2,891	2,891
Total revenues	<u>740,000</u>	<u>740,000</u>	<u>767,271</u>	<u>27,271</u>
<u>Expenditures</u>				
Tourism and promotion	610,000	610,000	43,988	566,012
Total expenditures	<u>610,000</u>	<u>610,000</u>	<u>43,988</u>	<u>566,012</u>
Excess revenues over (under) expenditures	<u>130,000</u>	<u>130,000</u>	<u>723,283</u>	<u>593,283</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(195,000)	(195,000)	(130,000)	65,000
Total other financing sources and (uses)	<u>(195,000)</u>	<u>(195,000)</u>	<u>(130,000)</u>	<u>65,000</u>
Net change in fund balance	(65,000)	(65,000)	593,283	658,283
Fund balances - beginning of year, as adjusted	<u>1,340,274</u>	<u>1,340,274</u>	<u>1,340,274</u>	<u>-</u>
Fund balances - end of year	<u><u>\$1,275,274</u></u>	<u><u>1,275,274</u></u>	<u><u>1,933,557</u></u>	<u><u>658,283</u></u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Transportation Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 100,000	100,000	98,534	(1,466)
Total revenues	100,000	100,000	98,534	(1,466)
<u>Expenditures</u>				
General government	-	-	-	-
Total expenditures	-	-	-	-
Excess revenues over (under) expenditures	100,000	100,000	98,534	(1,466)
<u>Other Financing Sources (Uses)</u>				
Operating transfers in				
Operating transfers out	(100,000)	(100,000)	(98,534)	1,466
Total other financing sources and (uses)	(100,000)	(100,000)	(98,534)	1,466
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	841	841	841	-
Fund balances - end of year	<u>\$ 841</u>	<u>841</u>	<u>841</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Redevelopment Agency
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	\$ 71,500	71,500	68,244	(3,256)
Total revenues	71,500	71,500	68,244	(3,256)
<u>Expenditures</u>				
General government	31,000	31,000	6,559	24,441
Total expenditures	31,000	31,000	6,559	24,441
Excess revenues over (under) expenditures	40,500	40,500	61,685	21,185
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(40,500)	(40,500)	(225,000)	(184,500)
Total other financing sources and (uses)	(40,500)	(40,500)	(225,000)	(184,500)
Net change in fund balance	-	-	(163,315)	(163,315)
Fund balances - beginning of year	252,710	252,710	252,710	-
Fund balances - end of year	<u>\$ 252,710</u>	<u>252,710</u>	<u>89,395</u>	<u>(163,315)</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Municipal Building Authority
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ -	-	755,349	755,349
Lease revenue	1,525,684	1,552,184	1,526,183	(26,001)
Total revenues	1,525,684	1,552,184	2,281,532	729,348
<u>Expenditures</u>				
Debt Service				
Principle	360,000	360,000	360,000	-
Interest	1,157,184	1,183,684	1,912,532	(728,848)
Bond costs	8,500	8,500	9,000	(500)
Total expenditures	1,525,684	1,552,184	2,281,532	(729,348)
Excess revenues over (under) expenditures	-	-	-	-
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources and (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances - beginning of year, as adjusted	741,344	741,344	741,344	-
Fund balances - end of year	\$ 741,344	741,344	741,344	-

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Debt Service
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Interest on investments	\$ -	1,000	4,743	3,743
Total revenues	-	1,000	4,743	3,743
<u>Expenditures</u>				
Debt Service				
Principle	274,000	221,940	221,940	-
Interest	41,548	33,654	53,108	(19,454)
Bond costs	2,000	2,000	1,870	130
Lease payment	1,525,684	1,552,184	1,526,183	26,001
Total expenditures	1,843,232	1,809,778	1,803,101	6,677
Excess revenues over (under) expenditures	(1,843,232)	(1,808,778)	(1,798,358)	10,420
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	1,838,732	1,804,278	1,802,000	(2,278)
Operating transfers out	-	-	-	-
Total other financing sources and (uses)	1,838,732	1,804,278	1,802,000	(2,278)
Net change in fund balance	(4,500)	(4,500)	3,642	8,142
Fund balances - beginning of year	374,504	374,504	374,504	-
Fund balances - end of year	\$ 370,004	370,004	378,146	8,142

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - MBA Jail
For the Year Ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ -	-	-	-
Total revenues	-	-	-	-
<u>Expenditures</u>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess revenues over (under) expenditures	-	-	-	-
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources and (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances - beginning of year, as adjusted	162,177	162,177	162,177	-
Fund balances - end of year	<u>\$ 162,177</u>	<u>162,177</u>	<u>162,177</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Capital Projects General
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Interest on investments	\$ -	-	2,231	2,231
Other	46,132	46,132	-	(46,132)
Total revenues	<u>46,132</u>	<u>46,132</u>	<u>2,231</u>	<u>(43,901)</u>
<u>Expenditures</u>				
General government	-	200,000	200,000	-
Capital outlay	100,000	54,000	16,571	37,429
Total expenditures	<u>100,000</u>	<u>254,000</u>	<u>216,571</u>	<u>37,429</u>
Excess revenues over (under) expenditures	<u>(53,868)</u>	<u>(207,868)</u>	<u>(214,340)</u>	<u>(6,472)</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	50,000	204,000	215,000	11,000
Operating transfers out	-	-	-	-
Total other financing sources and (uses)	<u>50,000</u>	<u>204,000</u>	<u>215,000</u>	<u>11,000</u>
Net change in fund balance	(3,868)	(3,868)	660	4,528
Fund balances - beginning of year	<u>1,047,318</u>	<u>1,047,318</u>	<u>1,047,318</u>	<u>-</u>
Fund balances - end of year	<u>\$ 1,043,450</u>	<u>1,043,450</u>	<u>1,047,978</u>	<u>4,528</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Combining Statement of Net Position
Internal Service Funds
December 31, 2013

	Service Equipment	Central Stores	Total
<u>Assets</u>			
Current assets			
Cash and cash equivalents	\$ 220,175	9,450	229,625
Inventory	-	7,838	7,838
Interfund loan receivable	1,215,000		1,215,000
Total current assets	1,435,175	17,288	1,452,463
Noncurrent assets			
Equipment	763,329	-	763,329
Less: accumulated depreciation	(632,768)	-	(632,768)
Total noncurrent assets	130,561	-	130,561
Total assets	1,565,736	17,288	1,583,024
<u>Liabilities</u>			
Current liabilities			
Accounts payable and accrued liabilities	-	-	-
Total current liabilities	-	-	-
Total liabilities	-	-	-
<u>Net Position</u>			
Invested in capital assets	130,561	-	130,561
Unrestricted	1,435,175	17,288	1,452,463
Total net position	1,565,736	17,288	1,583,024
Total liabilities and net position	1,565,736	17,288	1,583,024

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2013

	Service Equipment	Central Stores	Total
<u>Operating Revenues</u>			
Assessments	\$ 170,981	94,164	265,145
Total operating revenues	170,981	94,164	265,145
<u>Operating Expenses</u>			
Maintenance and supplies	-	83,959	83,959
Depreciation and amortization	157,608	-	157,608
Total operating expenses	157,608	83,959	241,567
Operating income (loss)	13,373	10,205	23,578
<u>Nonoperating Revenues (Expenses)</u>			
Gain on disposal of capital assets	(13,074)	-	(13,074)
Interest revenue	2,020	13	2,033
Total nonoperating Revenues (expenses)	(11,054)	13	(11,041)
Income before transfers	2,319	10,218	12,537
Transfer from other funds	-	-	-
Change in net position	2,319	10,218	12,537
Net position - beginning of year	1,563,417	7,070	1,570,487
Net position - end of year	<u>\$ 1,565,736</u>	<u>17,288</u>	<u>1,583,024</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2013

	Service Equipment	Central Stores	Total
<u>Cash Flows From Operating Activities</u>			
Receipts from assessments to businesses and others	\$ 170,981	94,164	265,145
Payments to suppliers	-	(116,316)	(116,316)
Net cash provided (used) by operating activities	170,981	(22,152)	148,829
<u>Cash Flows From Noncapital Financing Activities</u>			
Transfers from other funds	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-
<u>Cash Flows From Capital and Related Financing Activities</u>			
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	-	-	-
Net cash provided (used) by capital financing activities	-	-	-
<u>Cash Flows From Investing Activities</u>			
Interest and dividends received	2,020	13	2,033
Net cash provided (used) by investing activities	2,020	13	2,033
Net increase (decrease) in cash and cash equivalents	173,001	(22,139)	150,862
Cash and cash equivalents - beginning	47,174	31,589	78,763
Cash and cash equivalents - ending	\$ 220,175	9,450	229,625

**Reconciliation of Operating Income to Net Cash Provided
(Used) by Operating Activities**

Operating income	\$ 13,373	10,205	23,578
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation expense	157,608	-	157,608
(Increase) decrease in inventory	-	(213)	(213)
Increase (decrease) in accounts payable	-	(32,144)	(32,144)
Total adjustments	157,608	(32,357)	125,251
Net cash provided (used) by operating activities	\$ 170,981	(22,152)	148,829

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Combining Statement of Fiduciary Assets & Liabilities
Agency Fund Types
For the Year Ended December 31, 2013

	County General Agency Fund	Treasurer's Tax Fund	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 988,431	25,625,972	26,614,403
Other receivable	770	-	770
Total assets	<u>\$ 989,201</u>	<u>25,625,972</u>	<u>26,615,173</u>
<u>Liabilities</u>			
Taxes payable	\$ -	25,625,972	25,625,972
Developer bonds payable	258,768	-	258,768
Court bail bonds payable	286,917	-	286,917
Due to other entities	443,516	-	443,516
Total liabilities	<u>\$ 989,201</u>	<u>25,625,972</u>	<u>26,615,173</u>

The notes to the financial statements are an integral part of this statement.

Tooele County, Utah
Statement of Changes in Fiduciary Assets & Liabilities
Agency Fund Types
For the Year Ended December 31, 2013

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
<u>Assets</u>				
Cash and cash equivalents - General Agency	\$ 636,765	3,536,598	(3,184,932)	988,431
Cash and cash equivalents - Treasurer's Tax Fund	26,055,693	51,848,767	(52,278,488)	25,625,972
Other receivable	770	-	-	770
Total assets	<u>26,693,228</u>	<u>55,385,365</u>	<u>(55,463,420)</u>	<u>26,615,173</u>
<u>Liabilities</u>				
Taxes payable - Treasurer's Tax Fund	\$ 26,055,693	51,848,767	(52,278,488)	25,625,972
Developer bonds payable	57,814	200,954	-	258,768
Court bail bonds payable	259,443	851,878	(824,404)	286,917
Due to other entities	320,278	2,483,766	(2,360,528)	443,516
Total liabilities	<u>\$ 26,693,228</u>	<u>55,385,365</u>	<u>(55,463,420)</u>	<u>26,615,173</u>

The notes to the financial statements are an integral part of this statement.

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Tooele County, Utah
Schedule of Receipts and Disbursements - Treasurer's Collection Account
For the Year Ended December 31, 2013

	Treasurer's Balance December 31, 2012	Collection Receipts	Amounts Apportioned	Distributions	Treasurer's Balance December 31, 2013
Tax Collection Accounts					
Current year taxes & assessments		\$ 39,249,230	(39,249,230)		
Fee in lieu		3,468,088	(3,468,088)		
Redemptions of prior year tax		1,739,539	(1,739,539)		
Penalties, interest, and cost		188,752	(188,752)		
Other collections and refunds		6,406,727	(6,406,727)		
Total Collections		<u>51,052,336</u>	<u>(51,052,336)</u>		
County General Fund	1,127,476		5,001,946	3,510,090	2,619,332
School Districts					
Tooele County - Basic	2,388,138		4,988,605	5,384,884	1,991,859
Tooele County - Local	12,171,391		26,097,197	27,684,033	10,584,555
Assessing and Collecting					
A/C State	243,049		512,855	549,942	205,962
A/C County	543,897		1,152,780	1,195,212	501,465
Cities and Towns					
Tooele City	1,240,136		2,797,938	2,983,126	1,054,948
Grantsville City	448,159		1,400,336	1,463,310	385,185
Wendover City	93,746		173,934	203,719	63,961
Stockton Town	25,613		68,224	72,468	21,369
Vernon Town	1,913		8,281	6,939	3,255
Ophir Town	215		514	554	175
Rush Valley Town	8,401		25,822	19,876	14,347
Other Districts					
Lakepoint Improvement District	5,392		14,727	14,438	5,681
Stansbury Park Improvement District	14,576		49,677	47,820	16,433
Tooele Valley Mosquito Abatement District	221,248		621,149	635,252	207,145
Stansbury Greenbelt Service Area	179,236		481,055	503,988	156,303
Stansbury Recreation Service Area	179,507		481,063	504,281	156,289
No. Tooele County Fire Service District	394,972		958,363	985,529	367,806
Rush Valley Water Conservancy District	3,767		11,951	8,220	7,498
Lakepoint Cemetery and Park Service Area	11,586		32,365	32,458	11,493
No. Tooele City Special Service District	10,531		34,234	33,641	11,124
South Rim Special Service District	-		5,394	3,606	1,788
Total Due to Taxing Units	<u>19,312,949</u>		<u>44,918,410</u>	<u>45,843,386</u>	<u>18,387,973</u>

Tooele County, Utah
Schedule of Receipts and Disbursements -
Treasurer's Collection Account - continued
For the Year Ended December 31, 2013

	Treasurer's Balance December 31, 2012	Collection Receipts	Amounts Apportioned	Distributions	Treasurer's Balance December 31, 2013
Other					
Tooele City RDA	330,479		351,788	330,479	351,788
County General RDA	366,713		334,245	366,713	334,245
School Basic RDA	798,802		786,618	798,802	786,618
School Local RDA	4,060,921		3,992,033	4,060,921	3,992,033
A/C State RDA	81,290		79,992	81,290	79,992
A/C County RDA	181,904		178,387	181,904	178,387
No. Tooele County Fire Service District RDA	264,461		250,599	264,461	250,599
Tooele Valley Mosquito Abatement District EDP	142,183		135,148	142,183	135,148
Stansbury Park Improvement District RDA	1,310		1,153	1,310	1,153
Stansbury Greenbelt Service Area RDA	13,605		11,973	13,605	11,973
Stansbury Recreation Service Area RDA	13,624		11,990	13,624	11,990
Total Other	<u>6,255,291</u>		<u>6,133,926</u>	<u>6,255,291</u>	<u>6,133,926</u>
Total	25,568,240		51,052,336	52,098,677	24,521,899
Refunds	179,811		402,495	179,811	402,495
Carryover	<u>307,642</u>		<u>393,936</u>	<u>-</u>	<u>701,578</u>
Grand Total	<u>\$ 26,055,693</u>		<u>796,431</u>	<u>52,278,488</u>	<u>25,625,972</u>

Tooele County, Utah
Statement of Taxes Charged, Collected, and Distributed
For the 2013 Property Tax Year

	Year-End Real Property & Centrally Assessed Values				Year-End Personal Property Values			Property Tax Calculation					
	Real Property	Centrally Assessed	Redevelopment Reductions	Total	Personal Property	RDA Reductions	Total	Entity Total Adjusted Value	Current Year Tax Rate	Prior Year Tax Rate	Real Property & Centrally Assessed Tax Charged	Personal Property Tax Charged	Total Taxes Charged
Taxing Units													
County Funds													
General	\$ 2,545,877,453	\$ 646,148,505	\$ 378,580,138	\$ 2,813,445,820	\$ 749,802,705	\$ 331,717,163	\$ 418,085,542	\$ 3,231,531,362	0.001642	0.000758	\$ 4,619,678	\$ 251,442	\$ 4,871,120
Assessing & collecting	2,545,877,453	646,148,505	378,580,138	2,813,445,820	749,802,705	331,717,163	418,085,542	3,231,531,362	0.000357	0.000357	1,004,400	118,423	1,122,823
School Districts													
Tooele County - Basic	2,545,877,453	646,148,505	378,580,138	2,813,445,820	749,802,705	331,717,163	418,085,542	3,231,531,362	0.001535	0.001651	4,318,639	547,665	4,866,304
Tooele County - Local	2,545,877,453	646,148,505	378,580,138	2,813,445,820	749,802,705	331,717,163	418,085,542	3,231,531,362	0.008058	0.008394	22,670,746	2,784,434	25,455,180
State Assessing & Collecting	2,545,877,453	646,148,505	378,580,138	2,813,445,820	749,802,705	331,717,163	418,085,542	3,231,531,362	0.000158	0.000168	444,524	55,728	500,252
Cities and Towns													
Tooele City	1,165,745,645	41,551,520	179,431,348	1,027,865,817	88,945,001	47,910,331	41,034,670	1,068,900,487	0.002520	0.002576	2,590,222	105,705	2,695,927
Grantsville City	338,863,757	16,850,081	-	355,713,838	22,621,762	-	22,621,762	378,335,600	0.003354	0.003368	1,193,064	76,190	1,269,254
Wendover City	39,514,504	8,724,233	-	48,238,737	4,599,733	-	4,599,733	52,838,470	0.002946	0.002990	142,111	13,753	155,864
Stockton Town	18,685,024	2,416,509	-	21,101,533	141,748	-	141,748	21,243,281	0.002863	0.002879	60,414	408	60,822
Vernon Town	5,813,746	2,003,109	-	7,816,855	54,094	-	54,094	7,870,949	0.000879	0.000868	6,871	47	6,918
Ophir Town	6,767,819	39,999	-	6,807,818	75	-	75	6,807,893	0.000075	0.000077	511	-	511
Rush Valley Town	12,983,450	9,144,013	-	22,127,463	46,243	-	46,243	22,173,706	0.001054	0.001050	23,322	49	23,371
Other Districts													
Lakepoint Improvement District	65,098,654	7,746,959	-	72,845,613	6,375,979	-	6,375,979	79,221,592	0.000169	0.000166	12,311	1,058	13,369
Stansbury Park Improvement District	323,483,318	9,726,220	10,125,228	323,084,310	3,951,745	70,918	3,880,827	326,965,137	0.000139	0.000138	44,909	536	45,445
Tooele Valley Mosquito Abatement District	1,170,711,926	287,518,549	199,148,790	1,259,081,685	405,004,429	161,132,440	243,871,989	1,502,953,674	0.000400	0.000400	503,633	97,549	601,182
Stansbury Greenbelt Service Area	314,274,383	5,726,183	10,125,228	309,875,338	3,951,745	70,918	3,880,827	313,756,165	0.001400	0.001433	433,825	5,561	439,386
Stansbury Recreation Service Area	314,274,383	5,726,183	10,125,228	309,875,338	3,951,745	70,918	3,880,827	313,756,165	0.001400	0.001435	433,825	5,569	439,394
No. Tooele County Fire Service District	899,977,431	288,249,575	199,148,790	989,078,216	407,807,156	161,132,440	246,674,716	1,235,752,932	0.000771	0.000744	762,579	183,526	946,105
Rush Valley Water Conservancy District	94,194,773	88,701,889	-	182,896,662	13,039,102	-	13,039,102	195,935,764	0.000065	0.000063	11,888	821	12,709
Lakepoint Cemetery and Park Service Area	64,109,300	7,746,959	-	71,856,259	6,172,738	-	6,172,738	78,028,997	0.000379	0.000383	27,234	2,364	29,598
No. Tooele City Special Service District	89,208,170	1,843,359	-	91,051,529	1,061,636	-	1,061,636	92,113,165	0.000362	0.000408	32,961	433	33,394
South Rim Special Service District	31,054,119	1,392,869	-	32,446,988	59,367	-	59,367	32,506,355	0.000192	0.000000	6,230	-	6,230
GRAND TOTAL											<u>\$ 39,343,897</u>	<u>\$ 4,251,261</u>	<u>\$ 43,595,158</u>

Tooele County, Utah
Statement of Taxes Charged, Collected, and Distributed
For the 2013 Property Tax Year

	Total Taxes Charged	Treasurer's Relief				Net Taxes Collected and Apportioned		Other Collections				Total Distribution	
		Unpaid Taxes	Abatements	Other	Total	Amount	Percent	Fee in Lieu	Misc. Collections	Delinquencies Tax	Int/Pen		
Taxing Units													
County Funds													
General	\$ 4,871,120	\$ 361,002	\$ 106,388	45,688	\$ 513,078	\$ 4,358,042	89.47%	\$ 391,713	\$ 30,701	\$ 199,986	\$ 21,504	\$ 5,001,946	
Assessing & collecting	1,122,823	82,666	24,362	10,462	117,490	1,005,333	89.54%	89,698	7,030	45,795	4,924	1,152,780	
School Districts													
Tooele County - Basic	4,866,304	337,478	99,455	42,711	479,644	4,386,660	90.14%	366,188	28,700	186,954	20,103	4,988,605	
Tooele County - Local	25,455,180	1,771,595	522,091	224,210	2,517,896	22,937,284	90.11%	1,922,306	150,663	981,415	105,529	26,097,197	
State Assessing & Collecting	500,252	35,930	10,262	4,399	50,591	449,661	89.89%	37,904	3,089	20,075	2,126	512,855	
Cities and Towns													
Tooele City	2,695,927	246,599	94,559	1,377	342,535	2,353,392	87.29%	302,300	19,381	112,444	10,421	2,797,938	
Grantsville City	1,269,254	83,254	29,021	452	112,727	1,156,527	91.12%	129,260	7,242	93,495	13,812	1,400,336	
Wendover City	155,864	14,401	56	2,369	16,826	139,038	89.20%	9,643	15,218	9,337	698	173,934	
Stockton Town	60,822	5,359	4,176	876	10,411	50,411	82.88%	12,179	1,688	3,611	335	68,224	
Vernon Town	6,918	533	328	62	923	5,995	86.66%	1,250	78	842	116	8,281	
Ophir Town	511	14	23	-	37	474	92.76%	15	9	15	1	514	
Rush Valley Town	23,371	476	569	80	1,125	22,246	95.19%	2,794	143	594	45	25,822	
Other Districts													
Lakepoint Improvement District	13,369	497	147	4	648	12,721	95.15%	1,267	21	675	43	14,727	
Stansbury Park Improvement District	45,445	1,175	1,346	22	2,543	42,902	94.40%	5,023	207	1,382	163	49,677	
Tooele Valley Mosquito Abatement District	601,182	38,004	10,315	4,474	52,793	548,389	91.22%	42,295	2,850	24,359	3,256	621,149	
Stansbury Greenbelt Service Area	439,386	11,429	12,979	211	24,619	414,767	94.40%	50,462	1,883	12,722	1,221	481,055	
Stansbury Recreation Service Area	439,394	11,429	12,979	211	24,619	414,775	94.40%	50,462	1,883	12,722	1,221	481,063	
No. Tooele County Fire Service District	946,105	50,744	10,814	8,440	69,998	876,107	92.60%	48,170	1,427	29,717	2,942	958,363	
Rush Valley Water Conservancy District	12,709	1,270	282	369	1,921	10,788	84.88%	617	107	399	40	11,951	
Lakepoint Cemetery and Park Service Area	29,598	844	329	9	1,182	28,416	96.01%	2,801	48	1,029	71	32,365	
No. Tooele City Special Service District	33,394	1,576	1,311	5	2,892	30,502	91.34%	1,597	299	1,691	145	34,234	
South Rim Special Service District	6,230	1,119	308	3	1,430	4,800	77.05%	144	134	280	36	5,394	
GRAND TOTAL	\$ 43,595,158	\$ 3,057,394	\$ 942,100	\$ 346,434	\$ 4,345,928	\$ 39,249,230		\$ 3,468,088	\$ 272,801	\$ 1,739,539	\$ 188,752	\$ 44,918,410	

OTHER REPORTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable County
Commission
Tooele County, Utah

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, aggregate discretely presented component unit each major fund, and the aggregate remaining fund information of Tooele County, Utah, as of and for the year ended December 31, 2013, which collectively comprise Tooele County, Utah's basic financial statements and have issued our report thereon dated July 1, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tooele County, Utah's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tooele County, Utah's internal control. Accordingly, we do not express an opinion on the effectiveness of Tooele County, Utah's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tooele County, Utah's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ulrich & Associates, P.C.

Ogden, UT
July 1, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

The Honorable County Commission
Tooele County, Utah

Report on Compliance for Each Major Federal Program

We have audited Tooele County, Utah's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Tooele County, Utah's major federal programs for the year ended December 31, 2013. Tooele County, Utah's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Tooele County, Utah's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tooele County, Utah's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Tooele County, Utah's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, Tooele County, Utah complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2013-1 . Our opinion on each major federal program is not modified with respect to these matters.

Tooele County, Utah's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs.

Tooele County, Utah's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Tooele County, Utah is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tooele County, Utah's, internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tooele County, Utah's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-1, that we consider to be significant deficiencies.

Tooele County, Utah's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Tooele County, Utah's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Ulrich & Associates, P.C.

Ogden, UT
July 1, 2014

Tooele County, Utah
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Grant Number	Grant Expend- itures
U.S. Department of Health and Human Services			
Passed Through Utah Department of Human Services			
Social Services Block Grant	93.667	122444	\$ 39,579
SAPT Block Grant	93.959	13-0350	383,528
SMHS Block Grant	93.958	12-2399	46,487
Transitional Mental Health	93.243	10-1600	75,126
Title VII, Long-term Care Ombudsman Services for Older Individuals	93.042	13-0572/14-0072	6,653
Title III, PT F, Disease Prevention and Health Promo Services	93.043	13-0572/14-0072	9,540
Title III, Part B, Grants for Supportive Services and Seniors - AAD/PDS	93.044	13-0572/14-0072	103,055
Title III, Part C, Nutrition Services - HDM	93.045	13-0572/14-0072	65,367
Title III, Part C, Nutrition Services - CMM	93.045	13-0572/14-0072	54,116
Health Insurance Counseling	93.779	13-0572/14-0072	12,345
Respite Program	93.052	13-0572/14-0072	40,901
Alternatives - State	93.667	13-0572/14-0072	89,290
Passed Through Utah Department of Health			
LHD=ChEC	93.778	120455/140609	31,070
Choice of Health Care Delivery, Consumer Ed. & Assist.	93.778	120455/140609	42,635
Cancer Control Program	93.283	130892/132436	29,968
PANO Heart Disease	93.991	130892/132432	28,460
FDA Tob Retail Inspections	93.283	130892/132437	3,275
Comprehensive Tobacco Program	93.283	130892/132437	34,055
Abstinence Only Education	93.235	130895/140164	59,536
T.B. Elimination	93.116	131566	3,956
T.B. Medication Program		131566	300
STD Control	93.977	131566	1,500
HIV Aids Counseling and Education	93.940	131566	1,500
Immunization Program	93.268	132125/131566	65,346
Health Care Preparedness (MRC)	93.889	130745/140030	7,655
Public Health Emergency Preparedness /biorterr.	93.069	130745/140030	221,126
City Readiness Initiative /panflu	93.069	130745/140030	80,103
Diabetes Today	93.988	130892	21,718
Arthritis/Chronic Disease	93.945/93.734	132432	8,050
Community Transformation	93.531	130892/132432	36,731
MCH and Child Injury Prevention	93.994	130892/132432	20,117
MCH Block Grant	93.994	130895/140164	39,887
Child Adolescence School Health Prenatal to 5 Home Visitations	93.994	130895/140164	11,500
School Located Vaccination	93.539	131248/131163	278,069
ELC ACA Health Care Associated Infections	93.521	131310	7,578
TANF - Relief Services	93.558	Oct-67	4,456
Total U.S. Department of Health and Human Services			<u>1,964,578</u>
U.S Federal Emergency Management Agency			
Passed Through Utah Department of Public Safety			
Emergency Management Assistance	97.042		<u>47,056</u>
Total U.S. Federal Emergency Management Agency			<u>47,056</u>

Tooele County, Utah
Schedule of Expenditures of Federal Awards - continued
For the Year Ended December 31, 2013

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Grant Number	Grant Expend- itures
U.S. Department of Agriculture / Food and Nutrition Service			
Passed Through Utah Department of Human Services			
Elderly Feeding Program, Cash-in-Lieu - CIH	93.053	13-0572/14-0072	\$ 20,383
Elderly Feeding Program, Cash-in-Lieu - CIC	93.053	13-0572/14-0072	30,788
Passed Through Utah Department of Health			
Women, Infants, and Children	10.557	131360/141129	597,378
Women, Infants, and Children - vouchers	10.557	131360/141129	885,192
Total U.S. Department of Agriculture			<u>1,533,741</u>
U.S. Department of Homeland Security			
CERT Planning Grant			
Operations Planning			7,048
Operations Planning			9,036
Passed Through Utah Division of Emergency Services and Homeland Security			
2012 HLS WMD Grant	97.067		2,026
Total U.S. Department of Homeland Security			<u>18,110</u>
U.S. Department of Justice			
Passed Through the Utah State Commission On Criminal and Juvenile Justice			
Violence Against Women Grant	16.588	09-VOWA-32	25,389
Passed Through the Utah State Attorney General			
Children's Justice Grants to States	93.643	110199	107,207
Total U.S. Department of Justice			<u>132,596</u>
U.S. Department of Interior			
Secure Rural Schools, Title III	15.234		35,382
Total U.S. Department of Interior			<u>35,382</u>
U.S. Federal Aviation Administration / Airports Division			
Passed Through The State of Utah			
ARFF Truck	20.106		492,525
ARFF Building	20.106		207,043
Taxi Runway	20.106		232,893
Runway Extension	20.106	DOT-FA13NM-1079	1,723,189
Total U.S. Federal Aviation Administration / Airports Division			<u>2,655,650</u>
U.S. Department of Housing and Urban Development			
Passed Through Utah Division of Housing and Community Development			
Tooele County Housing Authority /Homeless Prevention	14.228	B-13-DC-49-0001	59,354
Tooele County Housing Authority /Office Building	14.228	B-12-DC-49-0001	277,378
Wasatch Front Regional Council - Pass Through PAHT - Relief Services	14.228	13-0186	75,278
PAHT - Relief Services			14,534
Total U.S. Department of Housing and Urban Development			<u>426,544</u>
		Total federal expenditures	<u>\$ 6,813,657</u>

Tooele County, Utah
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Tooele County, Utah, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Most of the awards are reimbursement based. Therefore, as expenditures of federal funds are made, revenue is recognized.

Note B - Subrecipients of Federal Awards

The amounts provided to subrecipients from the County for the year ended December 31, 2013 were \$383,528 which related to the Block Grant for Prevention and Treatment of Substance Abuse, CFDA 93.959 and \$412,008 which related to the Community Development Block Grant, CFDA 14.228.

Tooele County, Utah
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

Summary of Audit Results

Financial Statements:

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
-Material weaknesses identified	_____ Yes	_____ <u>x</u> No
-Significant deficiencies identified that are not considered to be Material weaknesses?	_____ Yes	_____ <u>x</u> No

Federal Awards:

Internal control over major programs:		
-Material weaknesses identified	_____ Yes	_____ <u>x</u> No
-Significant deficiencies identified that are not considered to be Material weaknesses?	_____ <u>x</u> Yes	_____ No

Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	_____ Yes	_____ <u>x</u> No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.557	Special supplemental nutrition program for women, infants and children - Administration
14.228	Community Development Block Grant
20.106	Airport Improvement Program
93.889	National Bioterrorism Hospital Preparedness Program
93.959	A&D Substance Abuse SAPT Block Grant

The dollar threshold for distinguishing Types A and B programs was \$300,000.

Auditee qualified as low-risk auditee	_____ Yes	_____ <u>x</u> No
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Findings - Financial Statement Audit

None

Tooele County, Utah
Summary Schedule of Findings and Questioned Costs - continued
For the Year Ended December 31, 2013

Findings and Questioned Costs - Major Federal Award Programs Audit

Significant Deficiency

Finding 2013-1 - Subrecipient Monitoring

Condition

Tooele County, Utah's monitoring system related to the A&D Substance Abuse SAPT Block Grant, in which they have a long standing contract with a local not-for-profit, is not adequate.

Criteria

Internal controls related to subrecipient monitoring should be in place that provide reasonable assurance that the subrecipient is complying with laws, regulations, grants, and contracts.

Cause

There are no procedures in place to ensure that contracts with subrecipients are properly monitored

Effect

Because of inadequate monitoring, there is a potential that subrecipients are not following guidelines set forth.

Recommendation

We recommend that policies and procedures be reviewed to ensure the proper monitoring of subrecipients of federal awards through Tooele County, Utah. Procedures should include review of financial and performance reports provided by the subrecipient, site visits, and regular contact with responsible parties.

Management response

The County Commission and County Auditor will take the necessary steps to ensure proper monitoring, and documenting of those procedures.

Corrective action plan

The County is working to inform responsible employees of the need to monitor subrecipients, identify the appropriate monitoring procedures, and to properly document those activities.

Responsible party

The County Commission

Current status

The County has implemented procedures to inform sub-recipients and others of the monitoring and documentation requirements. In 2014, the County Commission has met with top management at the sub-recipient. Together they have set expected deliverables for each month with timelines for each expectation. Additionally, the County Commission has assigned a specific County Commissioner with the responsibility to follow-up on the agreed upon deliverables.

Tooele County, Utah
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2013

Findings and Questioned Costs - Major Federal Award Programs Audit - Prior year

Statement of Condition - 2012-2: Schedule of Federal Awards

The Schedule of Expenditures of Federal Awards original amounts listed changed materially after audit procedures were applied.

Criteria

The Schedule of Expenditures of Federal Awards is required to report all expenditures of federal awards funds spent during the reporting period.

Status

Corrected

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE,
ON INTERNAL CONTROLS OVER COMPLIANCE, AND
SCHEDULE OF EXPENDITURES OF STATE AWARDS
IN ACCORDANCE WITH THE
STATE OF UTAH LEGAL COMPLIANCE AUDIT GUIDE**

The Honorable County Commission
Tooele County, Utah

Report on Compliance

We have audited Tooele County, Utah's compliance with the general and major state program compliance requirements described in the *State of Utah Compliance Audit Guide* for the year ended December 31, 2013.

The general compliance requirements applicable to the County are identified as follows:

Cash Management
Budgetary Compliance
Fund Balance Limitations
Justice Court Compliance
Statement of Taxes Charged, Collected & Disbursed
Assessing & Collecting Property Taxes
Transient Room Tax and Tourism, Recreation, Culture,
Convention, and Airport Facilities
Tax
Utah Retirement Systems Compliance
Transfers from Utility Enterprise
Funds
Other State Grants, Contracts, and Loans

The County received the following major assistance programs from the State of Utah:

B & C Road Funds (Department of
Transportation)
Liquor Law Enforcement (State Tax
Commission)
General Health Services (Department of Health)
Mental Health (Department of Health)
Substance Abuse (Department of
Health)
Mineral Lease Distribution (Department of Transportation)

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the County's management.

Auditors' Responsibility

Our responsibility is to express an opinion on Tooele County, Utah's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Utah Legal Compliance Audit Guide*. Those standards and the *State of Utah Legal Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on Tooele County, Utah and its major programs occurred. An audit includes examining, on a test basis, evidence about Tooele County, Utah's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Tooele County, Utah's compliance with these requirements.

Opinion

In our opinion, Tooele County, Utah complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with the *State of Utah Legal Compliance Audit Guide* and which are described in the accompanying schedule of findings.

Report on Internal Control Over Compliance

Management of Tooele County, Utah is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered Tooele County, Utah's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tooele County, Utah's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and recommendations as item 2013-5 that we consider to be a significant deficiencies.

Tooele County, Utah's Response to Findings

Tooele County, Utah's response to the findings identified in our audit are described in the accompanying schedule of findings. Tooele County, Utah's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of Report

The purpose of this report is solely to describe the scope of our testing of integral control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards as Required by the State Compliance Audit Guide

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tooele County, Utah as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Tooele County, Utah's basic financial statements. We issued our report thereon dated July 1, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

Ulrich & Associates, P.C.

Ogden, UT
July 1, 2014

Tooele County, Utah
State Legal Compliance - Schedule of Findings and Recommendations
For the Year Ended December 31, 2013

CURRENT YEAR FINDINGS

Statement of Condition - 2013-1

The County included cash balances of \$51,762 on the "Deposit and Investment Report" at December 31, 2013 that were not owned by the County. Further, the County did not include cash balances relating to debt reserve requirements in the amount of \$791,876.

Criteria

State Law requires that the public treasurer file a written report at year end that contains information on the deposits and investments of the entity. This form is used by the Money Management Council to determine if the entity is in compliance with the Money Management Act.

Cause

Because the debt reserve statements are delivered to another department in the County, the proper amounts were omitted.

Effect

The County is not in compliance with cash management requirements.

Recommendation

We recommend that the County review and include all cash balances on the year end report. This would require all departments to be aware of the state requirements and communicate the information to the public treasurer in a timely manner.

Response

We concur with the recommendation and will work to improve the recording of cash balances on the year end report as required.

Statement of Condition - 2013-2

The County did not provide required notice for a budget adoption hearing.

Criteria

State Law requires that the County provide notice to the public of budget adoption hearings 7 days prior to the meeting.

Cause

Because the notice was not given in a timely manner, the County is not in compliance.

Effect

The County is not in compliance with budget hearing requirements.

Recommendation

We recommend that the County review procedures to ensure timely notice is given.

Response

We concur with the recommendation and will work to improve the timeliness of notices.

Tooele County, Utah
State Legal Compliance - Schedule of Findings
and Recommendations - continued
For the Year Ended December 31, 2013

Statement of Condition - 2013-3

Various funds exceeded budgeted total fund expenditures at year end.

Criteria

State Law requires that officers or employees of the entity do not incur expenditures or encumbrances in excess of the total appropriation for any fund.

Cause

Because multiple transactions were not entered on a timely basis, adopted budgets were insufficient to cover the needs of the various funds.

Effect

The County is not in compliance with budget requirements.

Recommendation

We recommend that transactions be recorded on a timely basis so that adequate budgets can be prepared in the future.

Response

We concur with the recommendation and will work to improve the recording of transactions on a timely basis in the future.

Statement of Condition - 2013-4

An interfund loan between multiple funds (including the Solid Waste utility enterprise fund) and the Deseret Peak fund has no formal document for terms of the repayment.

Criteria

State Law requires that loans from a public utility enterprise fund have established terms including rates and repayment schedule

Cause

Because no detailed formal agreement has been established, the county is not in compliance.

Effect

The County is not in compliance with utility enterprise funds requirements.

Recommendation

We recommend that management review balances and establish terms for repayment in a formal document.

Response

We concur with the recommendation and will properly establish the terms of the loan.

Tooele County, Utah
State Legal Compliance - Schedule of Findings
and Recommendations - continued
For the Year Ended December 31, 2013

Statement of Condition - 2013-5

Significant Deficiency

Tooele County, Utah's monitoring system related to the A&D Substance Abuse grant and Mental Health grant, in which they have a long standing contract with a local not-for-profit, is not adequate.

Criteria

Internal controls related to subrecipient monitoring should be in place that provide reasonable assurance that the subrecipient is complying with laws, regulations, grants, and contracts.

Cause

There are no procedures in place to ensure that contracts with subrecipients are properly monitored.

Effect

Because of inadequate monitoring, there is a potential that subrecipients are not following guidelines set forth.

Recommendation

We recommend that policies and procedures be reviewed to ensure the proper monitoring of subrecipients of federal awards through Tooele County, Utah. Procedures should include review of financial and performance reports provided by the subrecipient, site visits, and regular contact with responsible parties.

Management response

The County Commission and County Auditor will take the necessary steps to ensure proper monitoring, and documenting of those procedures.

Statement of Condition - 2013-6

Records relating to credits and dismissal of charges at the Justice Court are not being kept according to State record retention laws.

Criteria

Governments are required to keep all records according to General Records Retention Schedules provided by the State Archives and Records Services.

Cause

Because of a Judge's misunderstanding of record retention laws, certain case files relating to minor offenses being kept at the justice court were destroyed before state law allows.

Effect

County is out of compliance with records retention laws. Also, the lack of records limited testing of Justice Court compliance.

Recommendation

Management should remind employees of already established records retention policies and laws, and find other ways to store records to ensure that they are being kept according to those

Response

We concur with the recommendation and will establish procedures to comply.

Tooele County, Utah
State Legal Compliance - Schedule of Findings
and Recommendations - continued
For the Year Ended December 31, 2013

PRIOR YEAR FINDINGS

Statement of Condition - SC 12-1:

Various funds such as the road fund, public health fund, debt service fund, solid waste fund, and Capital Projects MBA Jail fund spent more than the adopted budget amounts.

Criteria

State Law requires that officers or employees of the entity do not incur expenditures or encumbrances in excess of the total appropriation for any department fund.

Cause

Because multiple transactions were not entered on a timely basis, adopted budgets were insufficient to cover the needs of the various funds.

Effect

The County is not in compliance with the budget requirements.

Recommendation

We recommend that all transactions be recorded on a timely basis so that adequate budgets can be prepared in the future.

Response

We concur with the recommendation and will work to improve the recording of transactions on a timely basis in the future.

Status

Uncorrected, see finding 2013-3.

Statement of Condition - SC 12-2:

Records relating to credits and dismissal of charges at the Justice Court are not being kept according to State record retention laws.

Criteria

Governments are required to keep all records according to General Records Retention Schedules provided by the State Archives and Records Services.

Cause

Because of a Judge's misunderstanding of record retention laws, certain case files relating to minor offenses being kept at the justice court were destroyed before state law allows.

Effect

County is out of compliance with records retention laws. Also, the lack of records limited testing of Justice Court compliance.

Recommendation

Management should remind employees of already established records retention policies and laws, and find other ways to store records to ensure that they are being kept according to those

Response

We concur with the recommendation and will establish procedures to comply.

Status

Uncorrected, see finding 2013-6.

Tooele County

Schedule of Expenditures of State Grants, Contracts, and Loan Funds
For the Year Ended December 31, 2013

Grant Name	Award/Contract # (if applicable)	Year of Last Audit	Expenditures
<u>Utah Department of Health</u>			
LHD Environmental Services	132125		\$ 16,404
Environmental Quality			256,198
Komen Cancer Screening	130892		30
Minimum Performance Standards	122309/132125		82,083
Physical Activity, Nutrition and Obesity Grant	132432		5,000
	130826/ 130827/		
Primary Care Grant	141158/ 141172		47,591
Safe Community			15,199
Tobacco Prevention and Control Tax	132437/130892		31,832
Tobacco Prevention and Control Program	132437/ 130892		140,098
Tobacco Prevention and Control Program/Compliance checks	132437/ 130892		0
Utah Cancer Control/Screening	132436/130892		920
Utah Indoor Clear Air Act	132125/ 122309		841
			<u>841</u>
Subtotal – Utah Department of Health			\$ 596,196
<u>Utah Department of Human Services</u>			
Mental Health - State General FY13	122399	2013	\$ 164,313
Mental Health - State General FY14	122399	2013	179,929
Mental Health - State Children FY12	122399	2013	67,114
Mental Health - State Children FY13	122399	2013	73,489
Mental Health - State Early Intervention FY12	122399	2013	18,527
Mental Health - State Early Intervention FY13	122399	2013	37,919
Mental Health - Non Medicaid FY12	122399	2013	47,908
Mental Health - Non Medicaid FY13	122399	2013	47,904
Substance Abuse - State Treatment FY13	130350	2013	99,175
Substance Abuse - State Treatment FY14	130350	2013	89,810
Substance Abuse - State Women's Treatment FY13	130350	2013	38,775
Substance Abuse - State Women's Treatment FY14	130350	2013	50,686
Substance Abuse - State Pregnant Women & Women with Children FY14	130350	2013	14,656
Substance Abuse - DUI fees	130350	2013	28,785
Substance Abuse - Evidence Based Parenting/Prevention	130350	2013	6,974
Substance Abuse - Juvenile Drug Court	130350	2013	19,458
Family Resource Facilitators	130350		8,808
DORA Substance Abuse Treatment Services	130350		29,025
Aging and Adult Services	130572/140072		94,266
			<u>94,266</u>
Subtotal –Utah Department of Human Services			\$ 1,117,518
<u>Administrative Office of the Courts</u>			
Bailliff and Security Services	102637		\$ 223,939
<u>Department of Transportation</u>			
Class B Roads		2013	\$ 2,283,223
<u>Utah Department of Corrections</u>			
Dispatch and Communication Services	010411		\$ 9,682
TOTAL GRANT, CONTRACT, AND LOAN FUND EXPENDITURES			\$ 4,230,557