



## Financial Statements

For the Year Ended December 31, 2014



# **Tooele County, Utah**

## **Financial Statements**

**With Auditors' Report Thereon**

**For the Year Ended December 31, 2014**

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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, the 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, 2014, 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.

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

### 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 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, 2014, 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 fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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  
June 25, 2015

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**Tooele County, Utah**  
**Management Discussion & Analysis**  
**December 31, 2014**

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This discussion of Tooele County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2014. 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 \$110,849,451 (*net position*). Of this amount, \$14,626,021 (*unrestricted 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 \$8,293,098.
- At the close of the current year, the Tooele County governmental funds reported combined ending fund balances of \$12,166,940, an increase of \$676,390 in comparison with the prior year. Approximately 28% of the ending fund balance, \$3,374,744 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current year, unassigned fund balance for the general fund was \$3,731,485, or 21% of total general fund expenditures.
- Tooele County's total long-term liabilities at the close of 2014 was \$29,512,934. This represents a 5% decrease over the prior year, which is attributable to reduction in outstanding principal from debt service payments.
- During 2014, the Deseret Peak Fund repaid \$4,589,640 of the interfund loan. The balance at December 31, 2014 of the interfund loan is paid in full.

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, 2014**

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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 the 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, 2014**

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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, 2014**

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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 \$110,849,451 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, 2014**

**Tooele County's Net Position**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
	Current and other assets	\$ 16,520,776	15,064,902	4,084,048	3,076,071	20,604,824
Capital assets	90,703,324	91,301,158	37,564,708	36,129,538	128,268,032	127,430,696
Total assets	<u>107,224,100</u>	<u>106,366,060</u>	<u>41,648,756</u>	<u>39,205,609</u>	<u>148,872,856</u>	<u>145,571,669</u>
Long-term liabilities outstanding	26,455,566	27,173,283	857,175	5,015,370	27,312,741	32,188,653
Other liabilities	7,653,296	7,189,786	3,057,368	3,844,341	10,710,664	11,034,127
Total liabilities	<u>34,108,862</u>	<u>34,363,069</u>	<u>3,914,543</u>	<u>8,859,711</u>	<u>38,023,405</u>	<u>43,222,780</u>
Net Position						
Net investment in capital assets	64,247,758	64,127,875	26,053,053	28,628,212	90,300,811	92,756,087
Restricted	4,971,594	4,498,308	951,025	538,698	5,922,619	5,037,006
Unrestricted	3,895,886	3,376,808	10,730,135	1,178,988	14,626,021	4,555,796
Total net position	<u>\$ 73,115,238</u>	<u>72,002,991</u>	<u>37,734,213</u>	<u>30,345,898</u>	<u>110,849,451</u>	<u>102,348,889</u>

A portion of Tooele County's net position (4.92%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position in the amount of \$14,626,021 may be used to meet the government's ongoing obligations to citizens and creditors.

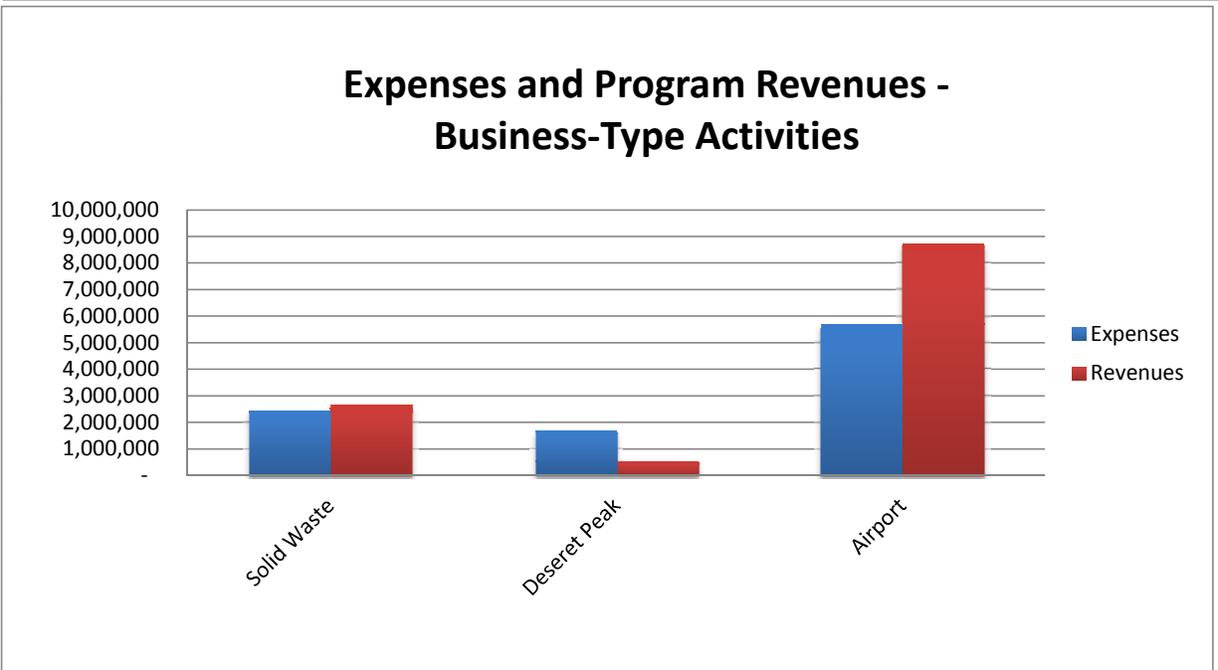
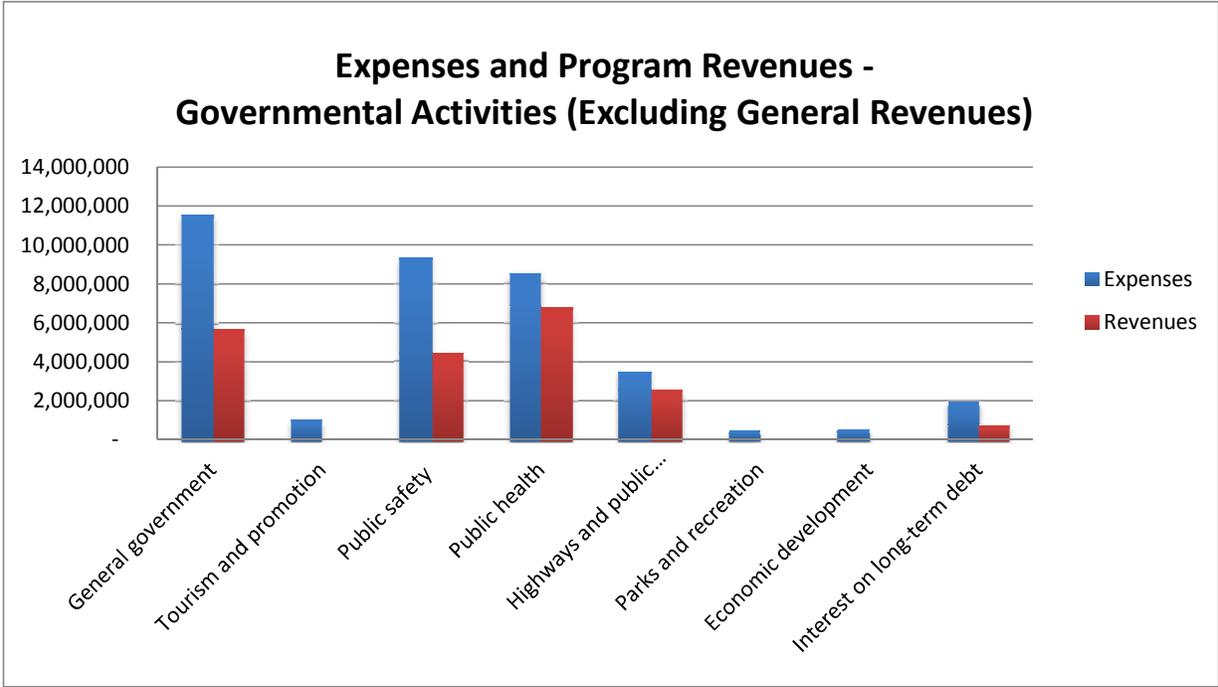
At the end of the year, Tooele County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

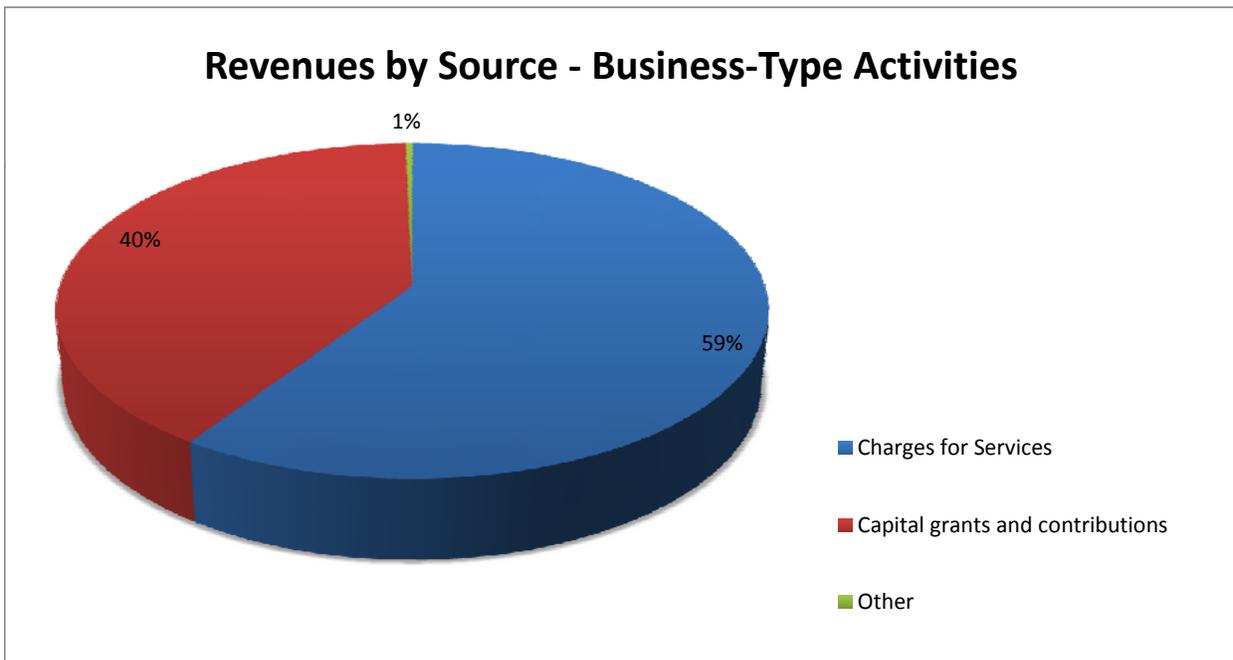
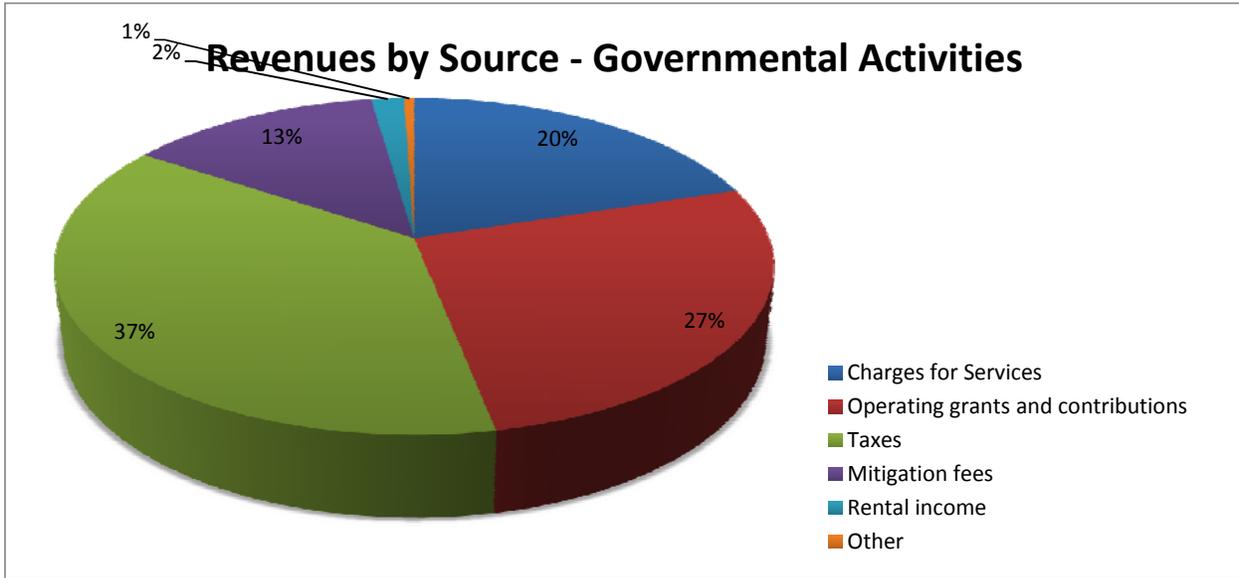
**Tooele County, Utah**  
**Management Discussion & Analysis - continued**  
**December 31, 2014**

Governmental Activities

Governmental activities increased Tooele County's net position by \$904,783 and the Business-type activities increased net position by \$7,388,315. The net increase in total net position was \$8,293,098. Key elements of this net increase are as follows:

<b>Tooele County's Net Position</b>						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	\$ 8,648,197	4,551,684	7,072,336	6,740,505	15,720,533	11,292,189
Operating grants and contributions	11,581,575	11,397,607	-	-	11,581,575	11,397,607
Capital grants and contributions	-	-	4,803,536	2,928,256	4,803,536	2,928,256
General Revenues:						
Taxes	16,156,470	15,242,613	-	-	16,156,470	15,242,613
Earnings on investments	30,149	16,351	11,714	10,674	41,863	27,025
Mitigation fees	5,757,968	5,012,247	-	-	5,757,968	5,012,247
Rental income	746,106	819,862	291,305	279,309	1,037,411	1,099,171
Gain (loss) on capital assets	19,243	28,782	(268,236)	800	(248,993)	29,582
Miscellaneous	182,491	272,922	8,394	15,599	190,885	288,521
Total revenues	43,122,199	37,342,068	11,919,049	9,975,143	55,041,248	47,317,211
Expenses:						
General government	11,563,324	8,545,837	-	-	11,563,324	8,545,837
Tourism and promotion	1,006,922	17,382	-	-	1,006,922	17,382
Public safety	9,347,835	9,453,078	-	-	9,347,835	9,453,078
Public health	8,540,902	9,245,813	-	-	8,540,902	9,245,813
Highways and public improvement	3,526,844	2,630,537	-	-	3,526,844	2,630,537
Parks and recreation	459,593	286,163	-	-	459,593	286,163
Economic development	510,208	438,602	-	-	510,208	438,602
Capital projects	-	-	-	-	-	-
Other administrative	-	-	-	-	-	-
Interest on long-term debt	1,956,948	2,004,435	121,452	156,173	2,078,400	2,160,608
Solid waste	-	-	2,446,828	2,194,812	2,446,828	2,194,812
Deseret Peak	-	-	1,607,772	1,778,009	1,607,772	1,778,009
Airport	-	-	5,659,522	4,808,814	5,659,522	4,808,814
Total expenses	36,912,576	32,621,847	9,835,574	8,937,808	46,748,150	41,559,655
Change in net position before transfers	6,209,623	4,720,221	2,083,475	1,037,335	8,293,098	5,757,556
Transfers in (out)	(5,304,840)	(2,799,100)	5,304,840	2,799,100	-	-
Change in net position	904,783	1,921,121	7,388,315	3,836,435	8,293,098	5,757,556
Net position - beginning	72,210,455	70,081,870	30,345,898	26,509,463	102,556,353	96,591,333
Net position - ending	\$ 73,115,238	72,002,991	37,734,213	30,345,898	110,849,451	102,348,889





**Tooele County, Utah**  
**Management Discussion & Analysis - continued**  
**December 31, 2014**

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Governmental Activities

- Charges for governmental services increased by \$4,096,513.
- Governmental operating grants increased by \$183,968.
- Tax revenues had a net increase of \$913,857 consisting of a decrease in property taxes of \$405,464, and increase in sales tax of \$1,281,453, and an increase in transient room and restaurant tax of \$36,430.
- Mitigations fees increased by \$745,721.
- Rental income decreased by \$73,756.
- Miscellaneous revenues decreased by \$90,431.

Business-type Activities

Business-type activities net position increased by \$7,388,315, a 24.35% increase. Key elements of this increase are as follows:

- Solid Waste revenues totaled \$2,658,625, an increase of \$445,923. Solid Waste expenses totaled \$2,446,828, including depreciation of \$147,237 for an increase of \$252,016.
- Deseret Peak revenues totaled \$515,819, an increase of \$367,036. Deseret Peak expenses totaled \$1,607,772, including depreciation of \$948,300 for a decrease of \$170,237. The majority of the net position increase was due to transfers from the general fund to the Deseret Peak Fund to repay interfund loans. See discussion later in this analysis.
- Airport revenues and grants totaled \$8,701,428, an increase of \$1,686,741. Airport expenses totaled \$5,659,522, including depreciation of \$1,610,371 for an increase of \$850,708.

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, 2014**

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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 \$12,166,940, an increase of \$676,390 in comparison with the prior year. Approximately 28% of this amount, \$3,374,744, 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	\$ 741,142
Class B roads	873,619
Transient/restaurant room	1,610,811
E911 Dispatch	674,058
Public Safety	1,022,137
Other	49,827
	<u>\$ 4,971,594</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 \$5,543,728, of which \$3,731,485 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 21.36% 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 \$11,407,245. 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, 2014**

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General Fund Budgetary Highlights

Actual revenues of \$27,113,585 were less than final budgeted revenues by \$223,005, or 0.82%. Intergovernmental revenues, charges for services, mitigation fees, and rental income were above management's projections.

The final adopted budget for General Fund expenditures was \$17,722,392 in 2014, which is \$96,503 more than the 2014 original adopted budget.

Expenditures in 2014 were \$17,472,841, or approximately 1.43% less than the final adopted budget of \$17,722,392. The over-expended amounts occurred in the following County departments: public health and human services, highways and public improvements, and conservation and economic development.

Capital Asset and Debt Administration

Capital Assets

Tooele County's investment in capital assets for its governmental activities, as of December 31, 2014, was \$90,703,749 (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 \$597,834, net of depreciation.

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

- The Airport Fund added construction in process for a runway extension of \$4,797,302.
- The Deseret Peak Fund added \$39,879 in vehicles.
- Governmental activities added \$846,251 in vehicles and equipment. The Governmental activities also reported \$580,836 in construction in process related to road improvements.

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, 2014**

<b>Tooele County's Capital Assets</b>						
(net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 7,570,720	7,570,720	1,759,620	1,759,620	9,330,340	9,330,340
Buildings and improvements	39,063,465	40,261,437	27,568,083	30,046,567	66,631,548	70,308,004
Construction in progress	1,365,183	784,347	6,694,667	1,897,365	8,059,850	2,681,712
Furniture, fixtures, and equipment	1,231,712	1,212,410	1,542,338	2,425,986	2,774,050	3,638,396
Infrastructure	41,472,244	41,472,244	-	-	41,472,244	41,472,244
Total	<u>\$ 90,703,324</u>	<u>91,301,158</u>	<u>37,564,708</u>	<u>36,129,538</u>	<u>128,268,032</u>	<u>127,430,696</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 \$29,512,934. The debt represents lease revenue bonds, sales tax revenue bonds, and capital leases.

<b>Tooele County's Outstanding Debt</b>						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Lease revenue bonds	\$ 24,242,542	24,661,561	812,768	924,365	25,055,310	25,585,926
Sales tax revenue bonds	1,976,400	2,187,000	2,244,600	2,471,000	4,221,000	4,658,000
Capital leases	236,624	324,722	-	448,976	236,624	773,698
Total	<u>\$ 26,455,566</u>	<u>27,173,283</u>	<u>3,057,368</u>	<u>3,844,341</u>	<u>29,512,934</u>	<u>31,017,624</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, 2014**

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Economic Factors and Next Year's Budgets and Rates

- The average unemployment rate for December 2014 in Tooele County was 3.9%, which is a decrease from a rate of 4.7% a year ago. The State's average unemployment rate for December 2014 was 3.6% compared to the national average rate of 5.6%.

Interfund loan

The County repayment of the Deseret Peak Fund interfund loan were in the following priority. Note that all funds were paid in full by the end of 2014.

	2014	2013
1. Road Fund	\$ -	-
2. Transient Room Tax Fund	-	-
3. Public Health Fund	-	-
4. Municipal Services Fund	-	-
5. Capital Projects Fund	-	1,096,323
6. General Fund	-	390,640
7. Interfund Equipment Lease	-	1,215,000
8. Solid Waste Fund	-	1,374,000
9. Debt Service Fund	-	351,500
10. MBA Jail Capital Projects Fund	-	162,177
	\$ -	4,589,640

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, 2014

	<b>Primary Government</b>			(unaudited) <b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>	<b>Tooele County Recreation SSD</b>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 9,168,944	2,959,204	12,128,148	50,813
Restricted cash	1,343,744	677,110	2,020,854	-
Accounts receivable - net	5,503,333	447,734	5,951,067	-
Prepays	369,866	-	369,866	-
Inventory	10,658	-	10,658	-
Capital lease receivable	124,231	-	124,231	-
Capital assets not being depreciated				
Land, roads and construction in process	50,408,147	8,454,287	58,862,434	-
Capital assets, net of accumulated depreciation				
Buildings, improvements, equipment, and other	40,295,177	29,110,421	69,405,598	-
Total assets	<u>107,224,100</u>	<u>41,648,756</u>	<u>148,872,856</u>	<u>50,813</u>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	2,604,670	272,508	2,877,178	-
Accrued interest payable	68,121	23,677	91,798	-
Due to other governments	-	-	-	-
Accrued landfill closure costs	-	144,892	144,892	-
Unearned revenue	94,346	-	94,346	-
Compensated absences - current	782,006	-	782,006	-
Net OPEB obligation	3,843,485	416,098	4,259,583	-
Compensated absences - noncurrent	260,669	-	260,669	-
Noncurrent liabilities				
Due within on year	745,584	278,408	1,023,992	
Due in more than one year	25,709,982	2,778,960	28,488,942	
Total liabilities	<u>34,108,862</u>	<u>3,914,543</u>	<u>38,023,405</u>	<u>-</u>

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

**Tooele County, Utah**  
**Statement of Net Position - continued**  
**December 31, 2014**

<b><u>Net Position</u></b>				
Net investment in capital assets	\$ 64,247,758	26,053,053	90,300,811	-
Restricted for				
Debt	741,142	677,110	1,418,252	-
Class B roads	873,619	-	873,619	-
Transient room	1,610,811	-	1,610,811	-
E911	674,058	-	674,058	-
Public safety	1,022,137	-	1,022,137	-
Other	49,827	273,915	323,742	-
Unrestricted	3,895,886	10,730,135	14,626,021	50,813
Total net position	<u>\$ 73,115,238</u>	<u>37,734,213</u>	<u>110,849,451</u>	<u>50,813</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, 2014

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
<b>Primary government</b>								
Governmental activities								
General government	\$ 11,563,324	4,952,972	718,988	-	(5,891,364)	-	(5,891,364)	-
Tourism and promotion	1,006,922	-	-	-	(1,006,922)	-	(1,006,922)	-
Public safety	9,347,835	2,756,851	1,690,239	-	(4,900,745)	-	(4,900,745)	-
Public health	8,540,902	882,740	5,943,593	-	(1,714,569)	-	(1,714,569)	-
Highways and public improvements	3,526,844	55,634	2,509,134	-	(962,076)	-	(962,076)	-
Culture and recreation	459,593	-	-	-	(459,593)	-	(459,593)	-
Conservation and economic development	510,208	-	-	-	(510,208)	-	(510,208)	-
Interest on long-term debt	1,956,948	-	719,621	-	(1,237,327)	-	(1,237,327)	-
Total governmental activities	<u>36,912,576</u>	<u>8,648,197</u>	<u>11,581,575</u>	<u>-</u>	<u>(16,682,804)</u>	<u>-</u>	<u>(16,682,804)</u>	<u>-</u>
Business-type activities								
Solid waste	2,446,828	2,657,153	-	1,472	-	211,797	211,797	-
Deseret Peak	1,607,772	515,819	-	-	-	(1,091,953)	(1,091,953)	-
Airport	5,659,522	3,899,364	-	4,802,064	-	3,041,906	3,041,906	-
Total business-type activities	<u>9,714,122</u>	<u>7,072,336</u>	<u>-</u>	<u>4,803,536</u>	<u>-</u>	<u>2,161,750</u>	<u>2,161,750</u>	<u>-</u>
Total primary government	<u>\$ 46,626,698</u>	<u>15,720,533</u>	<u>11,581,575</u>	<u>4,803,536</u>	<u>(16,682,804)</u>	<u>2,161,750</u>	<u>(14,521,054)</u>	<u>-</u>
<b>Component unit</b>								
Tooele County Recreation SSD	\$ 183,570	-	133,635	-	-	-	-	(49,935)
Total component units	<u>\$ 183,570</u>	<u>-</u>	<u>133,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,935)</u>
General revenues								
Property taxes					11,188,392	-	11,188,392	-
General sales and use tax					4,142,274	-	4,142,274	-
Transient room tax					316,481	-	316,481	-
Restaurant tax					484,329	-	484,329	-
Franchise taxes					24,994	-	24,994	-
Mitigation fees					5,757,968	-	5,757,968	-
Rental income					746,106	291,305	1,037,411	-
Miscellaneous					182,491	8,394	190,885	-
Net interest earnings (expense)					30,149	(109,738)	(79,589)	49
Sale of capital assets					19,243	(268,236)	(248,993)	-
Transfers					(5,304,840)	5,304,840	-	-
Total general revenues and transfers					<u>17,587,587</u>	<u>5,226,565</u>	<u>22,814,152</u>	<u>49</u>
Change in net position					904,783	7,388,315	8,293,098	(49,886)
Net position - beginning, as adjusted					72,210,455	30,345,898	102,556,353	100,699
Net position - ending					<u>\$ 73,115,238</u>	<u>37,734,213</u>	<u>110,849,451</u>	<u>50,813</u>

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**Tooele County, Utah**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2014**

	General Fund	Special Revenue Funds			Municipal Services	Other Governmental Funds	Total Governmental Funds
		Human Services	Public Health	Road Maintenance			
<b><u>Assets and Deferred Outflows of Resources</u></b>							
Cash and cash equivalents	\$ 3,899,251	-	1,623,687	-	72,378	2,580,497	8,175,813
Restricted cash	-	-	-	602,602	-	741,142	1,343,744
Receivables (net)							
Accounts	2,124,632	294,152	150,904	360,200	645,202	557,857	4,132,947
Taxes	1,370,386	-	-	-	-	-	1,370,386
Inventory	-	-	-	-	-	1,381	1,381
Prepaid items	66,221	303,645	-	-	-	-	369,866
Total assets	<u>\$ 7,460,490</u>	<u>597,797</u>	<u>1,774,591</u>	<u>962,802</u>	<u>717,580</u>	<u>3,880,877</u>	<u>15,394,137</u>
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balances</u></b>							
Liabilities							
Accounts payable	\$ 1,072,054	122,712	10,405	45,698	13,661	349,261	1,613,791
Accrued liabilities	800,362	-	98,405	43,485	19,476	29,151	990,879
Checks written in excess of cash	-	528,181	-	-	-	-	528,181
Unearned revenue	44,346	-	-	-	-	50,000	94,346
Total liabilities	<u>\$ 1,916,762</u>	<u>650,893</u>	<u>108,810</u>	<u>89,183</u>	<u>33,137</u>	<u>428,412</u>	<u>3,227,197</u>

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

**Tooele County, Utah**  
**Balance Sheet - continued**  
**Governmental Funds**  
**December 31, 2014**

	General Fund	Special Revenue Funds			Municipal Services	Other Governmental Funds	Total Governmental Funds
		Human Services	Public Health	Road Maintenance			
Fund Balances							
Nonspendable	\$ 66,221	303,645	-	-	-	-	369,866
Restricted for							
Debt	-	-	-	-	-	741,142	741,142
Class B roads	-	-	-	873,619	-	-	873,619
Transient room/ restaurant	-	-	-	-	-	1,610,811	1,610,811
E911 Dispatch	674,058	-	-	-	-	-	674,058
Public Safety	1,022,137	-	-	-	-	-	1,022,137
Other	49,827	-	-	-	-	-	49,827
Assigned, reported in							
Special Revenue Funds	-	-	1,665,781	-	684,443	250,549	2,600,773
Debt Service Funds	-	-	-	-	-	378,347	378,347
Capital Projects Funds	-	-	-	-	-	471,616	471,616
Unassigned	3,731,485	(356,741)	-	-	-	-	3,374,744
Total fund balances	5,543,728	(53,096)	1,665,781	873,619	684,443	3,452,465	12,166,940
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,460,490	597,797	1,774,591	962,802	717,580	3,880,877	15,394,137

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, 2014**

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

Total fund balances - governmental fund types	\$ 12,166,940
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	90,703,324
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.	1,529,286
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.	1,303
Long-term assets are not available to pay for current period expenditures, and, therefore, are deferred in the funds.	124,231
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(31,409,846)</u>
Net position of government activities	<u><u>\$ 73,115,238</u></u>

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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, 2014**

	General Fund	Special Revenue Funds			Municipal Services	Other Governmental Funds	Total Governmental Funds
		Human Services	Public Health	Road Maintenance			
<b><u>Revenues</u></b>							
Taxes							
General property taxes	\$ 10,016,238	-	-	-	1,107,717	64,437	11,188,392
Sales taxes	2,113,541	-	-	-	2,028,733	-	4,142,274
Transient room tax	-	-	-	-	-	316,481	316,481
Restaurant tax	-	-	-	-	-	484,329	484,329
Franchise tax	24,994	-	-	-	-	-	24,994
Licenses and permits	40,150	-	-	-	885,988	-	926,138
Intergovernmental	1,957,638	1,792,009	3,591,495	2,282,559	-	1,957,874	11,581,575
Charges for services	6,233,265	-	387,008	55,634	5,560	495,732	7,177,199
Fines and forfeitures	544,860	-	-	-	-	-	544,860
Interest on investments	313	-	5,341	4,118	5,846	15,473	31,091
Mitigation fees	5,757,968	-	-	-	-	-	5,757,968
Lease revenue	-	-	-	-	-	1,632,432	1,632,432
Rental income	291,616	-	454,490	-	-	-	746,106
Other	133,002	-	-	-	-	95,621	228,623
<b>Total revenues</b>	<b>27,113,585</b>	<b>1,792,009</b>	<b>4,438,334</b>	<b>2,342,311</b>	<b>4,033,844</b>	<b>5,062,379</b>	<b>44,782,462</b>
<b><u>Expenditures</u></b>							
General government	6,298,650	-	-	-	3,753,008	41,607	10,093,265
Tourism and promotion	-	-	-	-	-	1,001,642	1,001,642
Public safety	9,218,379	-	-	-	58,404	-	9,276,783
Public health and human services	153,949	2,340,204	4,609,996	-	-	1,418,445	8,522,594
Highways and public improvements	320,243	-	-	2,464,586	-	-	2,784,829
Parks and recreation	452,339	-	-	-	-	-	452,339
Conservation and economic development	510,208	-	-	-	-	-	510,208
Other administrative	519,073	-	-	-	-	-	519,073

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, 2014**

	General Fund	Special Revenue Funds				Other Governmental Funds	Total Governmental Funds
		Human Services	Public Health	Road Maintenance	Municipal Services		
<b><u>Expenditures - continued</u></b>							
Debt Service							
Principle	\$ -	-	-	-	-	640,600	640,600
Interest	-	-	-	-	-	1,965,029	1,965,029
Bond costs	-	-	-	-	-	5,250	5,250
Lease payment	-	-	-	-	-	1,632,432	1,632,432
Capital outlay	-	-	-	-	-	1,416,431	1,416,431
Total expenditures	17,472,841	2,340,204	4,609,996	2,464,586	3,811,412	8,121,436	38,820,475
Excess revenues over (under) expenditures	9,640,744	(548,195)	(171,662)	(122,275)	222,432	(3,059,057)	5,961,987
<b><u>Other Financing Sources (Uses)</u></b>							
Proceeds from sale of capital assets	6,958	-	-	12,285	-	-	19,243
Operating transfers in	-	495,000	319,032	240,852	3,054	2,465,263	3,523,201
Operating transfers out	(8,466,466)	-	-	-	-	(361,575)	(8,828,041)
Total other financing sources	(8,459,508)	495,000	319,032	253,137	3,054	2,103,688	(5,285,597)
Net change in fund balance	1,181,236	(53,195)	147,370	130,862	225,486	(955,369)	676,390
Fund balances - beginning of year, as adjusted	4,362,492	99	1,518,411	742,757	458,957	4,407,834	11,490,550
Fund balances - end of year	\$ 5,543,728	(53,096)	1,665,781	873,619	684,443	3,452,465	12,166,940

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, 2014**

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

Net changes in fund balances - total governmental funds	\$	676,390
 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.		 (597,834)
 Revenues in the statement of revenues, expenditures, and changes in fund balance that provide current financial resources are reported as revenues in the funds, but are reported as a reduction in capital lease receivable in the statement of activities.		 (37,098)
 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.		 736,779
 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.		 48,420
 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.		 (15,985)
 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.		 94,111
 Change in net position of governmental activities	 \$	 <u>904,783</u>

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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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Taxes	\$ 12,942,900	13,319,900	12,154,773	(1,165,127)
Licenses and permits	40,000	40,000	40,150	150
Intergovernmental	1,196,941	1,196,941	1,957,638	760,697
Charges for services	6,177,749	6,151,749	6,233,265	81,516
Fines and forfeitures	695,000	695,000	544,860	(150,140)
Interest on investments	7,000	7,000	313	(6,687)
Mitigation fees	5,260,000	5,260,000	5,757,968	497,968
Rental income	350,000	350,000	291,616	(58,384)
Other	316,000	316,000	133,002	(182,998)
Total revenues	<u>26,985,590</u>	<u>27,336,590</u>	<u>27,113,585</u>	<u>(223,005)</u>
<b><u>Expenditures</u></b>				
General government	7,029,248	6,910,473	6,298,650	611,823
Public safety	9,189,237	9,300,758	9,218,379	82,379
Public health and human services	139,293	140,972	153,949	(12,977)
Highways and public improvements	300,265	270,924	320,243	(49,319)
Parks and recreation	484,396	542,815	452,339	90,476
Conservation and economic development	28,000	28,000	510,208	(482,208)
Other administrative	455,450	528,450	519,073	9,377
Total expenditures	<u>17,625,889</u>	<u>17,722,392</u>	<u>17,472,841</u>	<u>249,551</u>
Excess of revenues over (under) expenditures	<u>9,359,701</u>	<u>9,614,198</u>	<u>9,640,744</u>	<u>26,546</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Sale of general capital assets	-	-	6,958	6,958
Operating transfers in	14,300	28,600	-	(28,600)
Operating transfers out	(8,643,519)	(8,733,680)	(8,466,466)	267,214
Total other financing sources (uses)	<u>(8,629,219)</u>	<u>(8,705,080)</u>	<u>(8,459,508)</u>	<u>245,572</u>
Net change in fund balance	730,482	909,118	1,181,236	272,118
Fund balance, beginning of year	4,362,492	4,362,492	4,362,492	-
Fund balance, end of year	<u>\$ 5,092,974</u>	<u>5,271,610</u>	<u>5,543,728</u>	<u>272,118</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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Intergovernmental	\$ 1,768,000	1,768,000	1,792,009	24,009
Interest on investments	1,000	1,000	-	(1,000)
Total revenues	<u>1,769,000</u>	<u>1,769,000</u>	<u>1,792,009</u>	<u>23,009</u>
<b><u>Expenditures</u></b>				
Public health and human services	<u>2,264,000</u>	<u>2,264,000</u>	<u>2,340,204</u>	<u>(76,204)</u>
Total expenditures	<u>2,264,000</u>	<u>2,264,000</u>	<u>2,340,204</u>	<u>(76,204)</u>
Excess revenues over (under) expenditures	<u>(495,000)</u>	<u>(495,000)</u>	<u>(548,195)</u>	<u>(53,195)</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Operating transfers in	<u>495,000</u>	<u>495,000</u>	<u>495,000</u>	<u>-</u>
Total other financing sources and (uses)	<u>495,000</u>	<u>495,000</u>	<u>495,000</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(53,195)</u>	<u>(53,195)</u>
Fund balances - beginning of year	<u>99</u>	<u>99</u>	<u>99</u>	<u>-</u>
Fund balances - end of year	<u>\$ 99</u>	<u>99</u>	<u>(53,096)</u>	<u>(53,195)</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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Intergovernmental	\$ 3,341,603	3,341,603	3,591,495	249,892
Charges for services	258,800	258,800	387,008	128,208
Interest on investments	-	-	5,341	5,341
Rental income	454,000	454,000	454,490	490
Total revenues	<u>4,054,403</u>	<u>4,054,403</u>	<u>4,438,334</u>	<u>383,931</u>
<b><u>Expenditures</u></b>				
Public health and human services	4,968,231	5,000,138	4,609,996	390,142
Total expenditures	<u>4,968,231</u>	<u>5,000,138</u>	<u>4,609,996</u>	<u>390,142</u>
Excess revenues over (under) expenditures	<u>(913,828)</u>	<u>(945,735)</u>	<u>(171,662)</u>	<u>774,073</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Operating transfers in	319,032	350,939	319,032	(31,907)
Total other financing sources and (uses)	<u>319,032</u>	<u>350,939</u>	<u>319,032</u>	<u>(31,907)</u>
Net change in fund balance	(594,796)	(594,796)	147,370	742,166
Fund balances - beginning of year	<u>1,518,411</u>	<u>1,518,411</u>	<u>1,518,411</u>	<u>-</u>
Fund balances - end of year	<u>\$ 923,615</u>	<u>923,615</u>	<u>1,665,781</u>	<u>742,166</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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Intergovernmental	\$ 2,575,000	2,575,000	2,282,559	(292,441)
Charges for services	60,000	60,000	55,634	(4,366)
Interest on investments	1,000	1,000	4,118	3,118
Total revenues	<u>2,636,000</u>	<u>2,636,000</u>	<u>2,342,311</u>	<u>(293,689)</u>
<b><u>Expenditures</u></b>				
Highway and public improvements	<u>2,663,277</u>	<u>2,777,554</u>	<u>2,464,586</u>	<u>312,968</u>
Total expenditures	<u>2,663,277</u>	<u>2,777,554</u>	<u>2,464,586</u>	<u>312,968</u>
Excess revenues over (under) expenditures	<u>(27,277)</u>	<u>(141,554)</u>	<u>(122,275)</u>	<u>19,279</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Proceeds from sale of capital assets	(13,000)	(13,000)	12,285	25,285
Operating transfers in	14,277	28,554	240,852	212,298
Total other financing sources and (uses)	<u>1,277</u>	<u>15,554</u>	<u>253,137</u>	<u>237,583</u>
Net change in fund balance	(26,000)	(126,000)	130,862	256,862
Fund balances - beginning of year	<u>742,757</u>	<u>742,757</u>	<u>742,757</u>	<u>-</u>
Fund balances - end of year	<u>\$ 716,757</u>	<u>616,757</u>	<u>873,619</u>	<u>256,862</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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Taxes	\$ 3,490,000	3,490,000	3,136,450	(353,550)
Licenses and permits	877,980	1,199,710	885,988	(313,722)
Charges for services	6,000	6,000	5,560	(440)
Interest on investments	-	-	5,846	5,846
Total revenues	<u>4,373,980</u>	<u>4,695,710</u>	<u>4,033,844</u>	<u>(661,866)</u>
<b><u>Expenditures</u></b>				
General government	3,861,314	3,948,368	3,753,008	195,360
Public safety	75,276	75,276	58,404	16,872
Total expenditures	<u>3,936,590</u>	<u>4,023,644</u>	<u>3,811,412</u>	<u>212,232</u>
Excess revenues over (under) expenditures	<u>437,390</u>	<u>672,066</u>	<u>222,432</u>	<u>(449,634)</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Operating transfers in	3,054	6,108	3,054	(3,054)
Total other financing sources and (uses)	<u>3,054</u>	<u>6,108</u>	<u>3,054</u>	<u>(3,054)</u>
Net change in fund balance	440,444	678,174	225,486	(452,688)
Fund balances - beginning of year	<u>458,957</u>	<u>458,957</u>	<u>458,957</u>	<u>-</u>
Fund balances - end of year	<u>\$ 899,401</u>	<u>1,137,131</u>	<u>684,443</u>	<u>(452,688)</u>

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

**Tooele County, Utah**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2014**

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Solid Waste Fund	Deseret Peak Fund	Airport Fund		Internal Service Funds
<b><u>Assets</u></b>					
Current assets					
Cash and cash equivalents	\$ 1,961,270	285,884	712,050	2,959,204	1,529,286
Restricted cash and cash equivalents	418,807	48,303	210,000	677,110	-
Accounts receivable - net	384,350	4,624	58,760	447,734	-
Inventory	-	-	-	-	9,277
Total current assets	<u>2,764,427</u>	<u>338,811</u>	<u>980,810</u>	<u>4,084,048</u>	<u>1,538,563</u>
Noncurrent assets					
Capital assets not being depreciated					
Land, roads, and construction in process	369,045	1,390,575	6,694,667	8,454,287	-
Capital assets being depreciated					
Buildings, improvements, equipment, and other	3,451,288	24,491,673	25,826,581	53,769,542	383,598
Less: accumulated depreciation	<u>(3,212,236)</u>	<u>(13,282,016)</u>	<u>(8,164,869)</u>	<u>(24,659,121)</u>	<u>(346,019)</u>
Total noncurrent assets	<u>608,097</u>	<u>12,600,232</u>	<u>24,356,379</u>	<u>37,564,708</u>	<u>37,579</u>
Total assets	<u>\$ 3,372,524</u>	<u>12,939,043</u>	<u>25,337,189</u>	<u>41,648,756</u>	<u>1,576,142</u>
<b><u>Liabilities</u></b>					
Current liabilities					
Accounts payable and accrued liabilities	129,884	39,059	103,565	272,508	-
Checks written in excess	-	-	-	-	7,974
Accrued interest payable	-	21,852	1,825	23,677	-
General obligation - current portion	<u>-</u>	<u>184,000</u>	<u>94,408</u>	<u>278,408</u>	<u>-</u>
Total current liabilities	<u>129,884</u>	<u>244,911</u>	<u>199,798</u>	<u>574,593</u>	<u>7,974</u>
Non-current liabilities					
Landfill closure payable	144,892	-	-	144,892	-
Net OPEB obligation	120,180	170,432	125,486	416,098	-
General obligation bonds	<u>-</u>	<u>2,060,600</u>	<u>718,360</u>	<u>2,778,960</u>	<u>-</u>
Total noncurrent liabilities	<u>265,072</u>	<u>2,231,032</u>	<u>843,846</u>	<u>3,339,950</u>	<u>-</u>
Total liabilities	<u>394,956</u>	<u>2,475,943</u>	<u>1,043,644</u>	<u>3,914,543</u>	<u>7,974</u>
<b><u>Net Position</u></b>					
Net invested in capital assets	239,052	8,965,057	16,848,944	26,053,053	37,579
Restricted	273,915	-	-	273,915	-
Unrestricted	<u>2,464,601</u>	<u>1,498,043</u>	<u>7,444,601</u>	<u>11,407,245</u>	<u>1,530,589</u>
Total net position	<u>2,977,568</u>	<u>10,463,100</u>	<u>24,293,545</u>	<u>37,734,213</u>	<u>1,568,168</u>
Total liabilities and net position	<u>\$ 3,372,524</u>	<u>12,939,043</u>	<u>25,337,189</u>	<u>41,648,756</u>	<u>1,576,142</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, 2014**

	Business-type Activities			Total Enterprise Funds	Governmental Activities
	Solid Waste Fund	Deseret Peak Fund	Airport Fund		Internal Service Funds
<b><u>Operating Revenues</u></b>					
Service charges	\$ 2,657,153	515,819	3,899,364	7,072,336	177,593
Rental income	-	-	291,305	291,305	-
Miscellaneous	-	-	8,394	8,394	-
Total operating revenues	<u>2,657,153</u>	<u>515,819</u>	<u>4,199,063</u>	<u>7,372,035</u>	<u>177,593</u>
<b><u>Operating Expenses</u></b>					
Solid waste facility	2,299,591	-	-	2,299,591	-
Deseret Peak	-	659,472	-	659,472	-
Airport	-	-	4,049,151	4,049,151	-
General and administrative	-	-	-	-	100,472
Depreciation and amortization	147,237	948,300	1,610,371	2,705,908	92,982
Total operating expenses	<u>2,446,828</u>	<u>1,607,772</u>	<u>5,659,522</u>	<u>9,714,122</u>	<u>193,454</u>
Operating income (loss)	<u>210,325</u>	<u>(1,091,953)</u>	<u>(1,460,459)</u>	<u>(2,342,087)</u>	<u>(15,861)</u>
<b><u>Nonoperating Revenues (Expenses)</u></b>					
Federal and state grants/match	1,472	-	4,802,064	4,803,536	-
Gain (loss) on disposal of capital assets	(291,948)	-	23,712	(268,236)	-
Interest expense	(11,158)	(78,482)	(31,812)	(121,452)	-
Interest earnings	4,905	-	6,809	11,714	1,005
Total nonoperating Revenues (expenses)	<u>(296,729)</u>	<u>(78,482)</u>	<u>4,800,773</u>	<u>4,425,562</u>	<u>1,005</u>
Income before transfers	(86,404)	(1,170,435)	3,340,314	2,083,475	(14,856)
Transfer from other funds	7,546	5,288,891	8,403	5,304,840	-
Change in net position	<u>(78,858)</u>	<u>4,118,456</u>	<u>3,348,717</u>	<u>7,388,315</u>	<u>(14,856)</u>
Net position - beginning of year as adjusted	<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>
Net position - end of year	<u>\$ 2,977,568</u>	<u>10,463,100</u>	<u>24,293,545</u>	<u>37,734,213</u>	<u>1,568,168</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, 2014**

	Business-type Activities			Governmental Activities	
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Total Enterprise Funds	Internal Service Funds
<b><u>Cash Flows From Operating Activities</u></b>					
Receipts from customers	\$ 3,010,957	512,633	4,204,156	7,727,746	-
Receipts from interfund charges	-	-	-	-	177,593
Payments to suppliers and service providers	(1,785,730)	(485,778)	(4,239,954)	(6,511,462)	(101,911)
Payments to employees/subcontractors	(609,030)	(182,266)	(648,840)	(1,440,136)	-
Net cash provided (used) by operating activities	616,197	(155,411)	(684,638)	(223,852)	75,682
<b><u>Cash Flows From Noncapital Financing Activities</u></b>					
Transfers from other funds	9,018	5,288,891	8,403	5,306,312	-
Net cash provided (used) by noncapital financing activities	9,018	5,288,891	8,403	5,306,312	-
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>					
Principal paid on capital debt	(73,365)	(226,400)	(111,597)	(411,362)	-
Interest paid on capital debt	(11,158)	(83,557)	(32,212)	(126,927)	-
Proceeds from landfill closure payable	6,304	-	-	6,304	-
Proceeds from capital grants	-	-	4,802,064	4,802,064	-
Principal received (paid) on interfund loan	1,374,000	(4,589,640)	-	(3,215,640)	1,215,000
Proceeds from sale of capital assets	-	-	23,712	23,712	-
Purchase of capital assets	-	(1,540)	(4,807,097)	(4,808,637)	-
Net cash provided (used) by capital financing activities	1,295,781	(4,901,137)	(125,130)	(3,730,486)	1,215,000
<b><u>Cash Flows From Investing Activities</u></b>					
Interest and dividends received	4,905	-	6,809	11,714	1,005
Net cash provided (used) by investing activities	4,905	-	6,809	11,714	1,005
Net increase (decrease) in cash and cash equivalents	1,925,901	232,343	(794,556)	1,363,688	1,291,687
Cash and cash equivalents - beginning	454,176	101,844	1,716,606	2,272,626	229,625
Cash and cash equivalents - ending	<u>\$ 2,380,077</u>	<u>334,187</u>	<u>922,050</u>	<u>3,636,314</u>	<u>1,521,312</u>
As reported:					
Cash and cash equivalents	\$ 1,961,270	285,884	712,050	2,959,204	1,521,312
Restricted cash and cash equivalents	418,807	48,303	210,000	677,110	-
	<u>\$ 2,380,077</u>	<u>334,187</u>	<u>922,050</u>	<u>3,636,314</u>	<u>1,521,312</u>
<b><u>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</u></b>					
Operating income	\$ 210,325	(1,091,953)	(1,460,459)	(2,342,087)	(15,861)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	147,237	948,300	1,610,371	2,705,908	92,982
(Increase) decrease in accounts receivable	353,804	(3,186)	5,093	355,711	-
(Increase) decrease in inventory	-	-	-	-	(1,439)
Increase (decrease) in accounts payable	(89,362)	615	(832,672)	(921,419)	-
Increase (decrease) in OPEB obligation	(5,807)	(9,187)	(6,971)	(21,965)	-
Total adjustments	405,872	936,542	775,821	2,118,235	91,543
Net cash provided (used) by operating activities	<u>\$ 616,197</u>	<u>(155,411)</u>	<u>(684,638)</u>	<u>(223,852)</u>	<u>75,682</u>

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, 2014**

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	<u>Total Agency Funds</u>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 21,191,414
Other receivables	1,388
	<u>21,192,802</u>
Total assets	<u>\$ 21,192,802</u>
<b><u>Liabilities</u></b>	
Taxes payable	\$ 20,161,293
Developer bonds payable	235,031
Court bail bonds payable	401,990
Due to other entities	394,488
	<u>21,192,802</u>
Total liabilities	<u>\$ 21,192,802</u>

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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, 2014**

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**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, 2014**

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**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:

<u>Assets</u>	<u>Years</u>
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, 2014**

**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	\$ 116,454,909
Accumulated depreciation	<u>(25,751,585)</u>
Total difference	<u><u>\$ 90,703,324</u></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>\$ 1,566,865</u>	<u>1,303</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, 2014, were:

Bonds payable	\$ (26,763,024)
Discount on issuance	307,458
Interest payable	(68,121)
Compensated absences	(1,042,674)
Net OPEB obligation	<u>(3,843,485)</u>
Total difference	<u><u>\$ (31,409,846)</u></u>

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

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**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	\$ 1,427,087
Depreciation expense	<u>(2,024,921)</u>
Net difference as reported	<u><u>\$ (597,834)</u></u>

*This section intentionally left blank.*

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

**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:

Principal repayments	\$ 728,698
Accrued interest	8,081
Net difference as reported	<u>\$ 736,779</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	134,831
Compensated absences	<u>(75,430)</u>
Net difference reported	<u>\$ 48,420</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:

	<u>Service Equipment</u>	<u>Central Stores</u>
Changes in net position	\$ 1,129	(15,985)
Depreciation on fleet assets	<u>92,982</u>	<u>-</u>
Net difference reported	<u>\$ 94,111</u>	<u>(15,985)</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, 2014**

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**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, 2014, expenditures exceeded appropriations in the following departments and funds:

<u>General fund - functions</u>		<u>Other funds</u>	
Public health and human services	\$ 12,977	Human Services	76,204
Highways and public improvements	49,319		
Conservation and economic development	482,208		

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, 2014, 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 \$5,757,968.

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

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**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, 2014, \$3,594,850 of the local government's bank balances of \$4,054,850 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, 2014, the County had investments of \$32,945,880 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, 2014**

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**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, 2014, the County had the following deposits and investments:

	Fair Value
Cash in depository accounts	\$ 4,054,850
State Treasurer's investment pool	32,945,880
	\$ 37,000,730

Components of cash and investments (including interest earning deposits) as reflected on the financial statements at December 31, 2014, are as follows:

Cash and cash equivalents	\$ 12,128,148
Restricted assets	
Cash and cash equivalents	2,020,854
Cash and investments - government-wide state of net position	14,149,002
Cash and cash equivalents - statement of fiduciary assets and liabilities	21,191,414
Total cash and investments	\$ 35,340,416

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

**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	\$ 1,160,989	447,734	1,608,723
B & C road	432,128	-	432,128
Property taxes	2,576,487	-	2,576,487
Intergovernmental	1,333,729	-	1,333,729
	<u>\$ 5,503,333</u>	<u>447,734</u>	<u>5,951,067</u>

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)	\$ -	44,346
Grant drawdowns prior to meeting all eligibility requirements	-	50,000
Total deferred / unearned revenue for governmental funds	<u>\$ -</u>	<u>94,346</u>

In 1996 the County entered into an agreement to lease a building to Wendover City. The City occupies 47% of the building. At the conclusion of the lease term, the City will own the building with no further consideration. The City has agreed to pay annual installments of \$46,132 for 21 year towards the purchase price of there portion of the building, \$549,900. The future minimum lease payments for this lease is as follows:

Years ending December 31	<u>Capital lease receivable</u>	
	Principal	Interest
2015	\$ 39,176	6,957
2016	41,369	4,763
2017	43,686	2,446
Total	<u>\$ 124,231</u>	<u>14,166</u>

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

**Note 4 - Detailed Notes on all Funds - Continued**

Capital assets

Capital asset activity for the year ended December 31, 2014, was as follows:

<b>Primary Government</b>	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	580,836	-	1,365,183
Total capital assets not being depreciated	49,827,311	580,836	-	50,408,147
Capital assets being depreciated				
Buildings and improvements	54,155,279	-	-	54,155,279
Furniture, fixtures, and equipment	11,583,910	846,251	(538,678)	11,891,483
Total capital assets being depreciated	65,739,189	846,251	(538,678)	66,046,762
Less accumulated depreciation for				
Buildings and improvements	(13,893,842)	(1,197,972)	-	(15,091,814)
Furniture, fixtures, and equipment	(10,371,500)	(826,949)	538,678	(10,659,771)
Total accumulated depreciation	(24,265,342)	(2,024,921)	538,678	(25,751,585)
Total capital assets, being depreciated, net	41,473,847	(1,178,670)	-	40,295,177
Governmental activities capital assets, net	\$ 91,301,158	(597,834)	-	90,703,324
<i>Business-type activities</i>				
Capital assets not being depreciated				
Land	\$ 1,759,620	-	-	1,759,620
Construction in process	1,897,365	4,797,302	-	6,694,667
Total capital assets not being depreciated	3,656,985	4,797,302	-	8,454,287
Capital assets being depreciated				
Buildings and improvements	47,607,224	-	-	47,607,224
Furniture, fixtures, and equipment	6,882,976	49,674	(770,332)	6,162,318
Total capital assets being depreciated	54,490,200	49,674	(770,332)	53,769,542
Less accumulated depreciation for				
Buildings and improvements	(17,560,657)	(2,478,484)	-	(20,039,141)
Furniture, fixtures, and equipment	(4,456,990)	(265,763)	102,773	(4,619,980)
Total accumulated depreciation	(22,017,647)	(2,744,247)	102,773	(24,659,121)
Total capital assets, being depreciated, net	32,472,553	(2,694,573)	(667,559)	29,110,421
Business-type activities capital assets, net	\$ 36,129,538	2,102,729	(667,559)	37,564,708

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

**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	\$ 1,387,667
Public safety	399,911
Highways and streets	158,952
Parks and recreation	1,974
Public health	76,417
Total depreciation expense - governmental activities	<u>\$ 2,024,921</u>
Business-type activities	
Solid Waste	\$ 147,237
Deseret Peak	948,300
Airport	1,610,371
Total depreciation expense - business activities	<u>\$ 2,705,908</u>

**Interfund receivables, payables, and transfers**

*Interfund transfers*

	<u>Transfers out</u>		Total Transfers In
	General	Non major	
<u>Transfers in</u>			
Human Services	\$ 495,000	-	495,000
Road Maintenance	14,277	226,575	240,852
Nonmajor	2,787,349	-	2,787,349
Deseret Peak	5,153,891	135,000	5,288,891
Solid Waste	7,546	-	7,546
Airport	8,403	-	8,403
Total transfers out	<u>\$ 8,466,466</u>	<u>361,575</u>	<u>8,828,041</u>

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

**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, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities:</i>					
Sales tax revenue bonds	\$ 2,187,000	-	(210,600)	1,976,400	215,460
Lease revenue bonds	24,980,000	-	(430,000)	24,550,000	440,000
Unamortized discount	(318,439)	-	10,981	(307,458)	-
Capital leases	324,722	-	(88,098)	236,624	90,124
Compensated absences	967,244	647,407	(571,977)	1,042,674	782,006
Net post employment benefit obligation	3,978,316	74,395	(209,226)	3,843,485	-
Total governmental long-term liabilities	32,118,843	721,802	(1,498,920)	31,341,725	1,527,590
<i>Business-type activities:</i>					
Lease revenue bonds	445,053	-	(79,945)	365,108	85,000
Lease revenue bonds	403,287	-	(10,938)	392,349	9,408
Lease revenue bonds	76,025	-	(20,714)	55,311	23,779
Sales tax revenue bonds	311,000	-	(42,000)	269,000	43,000
Sales tax revenue bonds	1,647,000	-	(135,000)	1,512,000	141,000
Sales tax revenue bonds	513,000	-	(49,400)	463,600	50,540
Capital leases	448,976	-	(448,976)	-	-
Net post employment benefit obligation	438,063	8,054	(30,019)	416,098	-
Total business-type long-term liabilities	4,282,404	8,054	(816,992)	3,473,466	352,727
Total long-term debt	\$ 36,401,247	729,856	(2,315,912)	34,815,191	1,880,317

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

**Note 4 - Detailed Notes on all Funds - Continued**

Long-term debt (continued)

Sales tax revenue issues at December 31, 2014 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	\$ 269,000
2008	Finance the construction and equipping of the convention facilities at Deseret Peak	2,275,000	4.29%	2023	1,512,000
2012	Advance refunding bond used to defease other bonds	2,974,000	2.15%	2024	2,440,000
					<u>\$ 4,221,000</u>
Governmental activities					1,976,400
Business-type activities					2,244,600
					<u>\$ 4,221,000</u>

Lease revenue issues at December 31, 2014 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	\$ 365,108
1998 B	Finance the construction of the Airport	500,000	4.75%	2038	392,349
1998 C	Finance the construction of the Airport	331,800	4.75%	2018	55,311
2010 ABC	Finance the construction of the jail	25,340,000	4.0 to 8.00%	2042	24,550,000
					<u>\$ 25,362,768</u>
Governmental activities					24,550,000
Business-type activities					812,768
					<u>\$ 25,362,768</u>

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

**Note 4 - Detailed Notes on all Funds - Continued**

Capital leases at December 31, 2014 consist of the following:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Outstanding Balance
2013 Finance vehicles		420,289	2.30%	2017	236,624
					<u>\$ 236,624</u>
			Governmental activities		\$ 236,624
			Business-type activities		-
					<u>\$ 236,624</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	-
Less accumulated depreciation	(140,096)	-
	<u>\$ 280,193</u>	-

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

**Note 4 - Detailed Notes on all Funds - Continued**

Long-term debt (continued)

Debt service requirements of bonds at December 31, 2014 are as follows:

Years ending December 31	<b>Governmental Activities</b>					
	Sales tax revenue		Lease revenue		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 215,460	40,121	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	232,470	20,826	510,000	1,798,530	-	-
2020-2024	853,740	41,042	2,895,000	8,460,918	-	-
2025-2029	-	-	3,670,000	7,260,939	-	-
2030-2034	-	-	4,730,000	5,630,139	-	-
2035-2039	-	-	5,920,000	3,549,670	-	-
2040-2044	-	-	4,970,000	901,036	-	-
<b>Total</b>	<b>\$ 1,976,400</b>	<b>193,889</b>	<b>24,550,000</b>	<b>35,075,352</b>	<b>236,624</b>	<b>10,515</b>

Years ending December 31	<b>Business-type Activities</b>			
	Sales tax revenue		Lease revenue	
	Principal	Interest	Principal	Interest
2015	\$ 234,540	75,824	118,187	42,473
2016	242,680	67,819	119,800	35,760
2017	250,630	59,495	109,979	29,345
2018	258,960	50,868	110,848	23,112
2019	267,530	41,922	11,374	16,586
2020-2024	990,260	75,869	65,723	74,077
2025-2029	-	-	83,317	56,483
2030-2034	-	-	105,622	34,178
2035-2039	-	-	87,918	7,516
<b>Total</b>	<b>\$ 2,244,600</b>	<b>371,797</b>	<b>812,768</b>	<b>319,530</b>

**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*

The County contributes to the following cost-sharing multiple-employer defined benefit pension plans (the Systems) administered by the Utah Retirement Systems (the URS).

- Tier 1 Public Employees' Noncontributory Retirement System
- Tier 1 Public Safety Employees' Contributory Retirement System
- Tier 1 Public Safety Employees' Noncontributory Retirement System
- Tier 2 Public Employees' Contributory Retirement System
- Tier 2 Public Safety Employees' Contributory Retirement System

The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Title 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (the Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, and Public Safety Retirement System for employers with (without) Social Security coverage. 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.

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

**Note 5 - Other Information - Continued**

*Funding policy*

The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board. The contribution rates are actuarially determined rates. Plan members in the Tier 1 Public Employees' Contributory Retirement System are required to contribute a percentage of their annual covered salary and the County is required to contribute a percentage of the employee's annual covered salary (currently the County pays both the employee and employer rate.) The County is required to contribute a percentage of salary for members in the noncontributory systems; currently no contribution is required of the employee.

The 2014 contribution rates and employer contributions required and paid (in dollars for the years ending December 31, 2014, 2013, and 2012 are outlined below:

		Percent of Covered Payroll				
		Employee		Employer Contributions		
		Contribution	County's			
		Paid by County	Contribution	2014	2013	2012
Public Employees						
Contributory	Tier 1	6.000%	13.28 - 14.46%			
Contributory	Tier 2	n/a	15.11 - 14.94%	\$ 87,701	\$ 54,169	\$ 52,712
Noncontributory	Tier 1	n/a	17.29 - 18.47%	\$ 1,241,242	\$ 1,215,741	\$ 1,492,963
Public Safety						
Contributory	Tier 2	n/a	22.77 - 22.55%	\$ 9,305	\$ 5,277	\$ 7,563
Noncontributory	Tier 1	n/a	32.140%	\$ 807,420	\$ 828,116	\$ 932,415
Defined Contribution	401(k)	n/a	n/a	\$ 143,869	\$ 142,737	\$ 167,866

The County's contributions in dollars to each of the systems for the years ending December 31, 2014, 2013, and 2012 were equal to the required contributions for each year.

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

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**Note 5 - Other Information - Continued**

For 2014, Tooele County, Utah's annual pension cost of \$2,145,668 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.

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

**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, 2014, the County's annual OPEB cost (expense) is \$82,449. 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	\$ 323,889
Interest on net OPEB obligation	176,655
Adjustment to annual required contribution	<u>(418,095)</u>
Annual OPEB cost (expense)	82,449
Contributions Made	<u>(239,245)</u>
Decrease in net OPEB obligation	(156,796)
Net OPEB obligation beginning of year	<u>4,416,379</u>
Net OPEB obligation end of year	<u><u>\$ 4,259,583</u></u>

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

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**Note 5 - Other Information - Continued**

Other Post-employment Benefits - Continued

The funded status of the plan as of December 31, 2014 is as follows:

Actuarial accrued liability (AAL)	\$	3,249,167
Actuarial value of plan assets	\$	-
Unfunded actuarial accrued liability (UAAL)	\$	3,249,167
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, 2014 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, 2014 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.

**Tooele County, Utah**  
**Notes to Financial Statements-Continued**  
**For the Year Ended December 31, 2014**

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**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 three landfill sites located in the Tooele, Utah area. State and federal laws and regulations require the County to place a final cover on its Ibapah, Bauer and Wendover landfill sites when they stop accepting construction waste and perform certain maintenance and monitoring action at the sites for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date the landfills stop accepting waste, the County reported a liability at December 31, 2014 of \$144,892, which represents the cumulative amount reported to date based on the use percent of the estimated capacity of the landfills. The County will recognize the remaining estimated cost of closure and post closure care of the \$266,879 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, 2014 the County has \$418,807 of investments which are held for these purposes. These are reported as restricted assets on the solid waste proprietary fund statement of net position.

**Note 5 - Other Information - Continued**

Commitments and Contingencies

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 2014 year, the County discovered that it had not accrued rental income related to a jointly used building in Wendover City. This resulted in a \$46,134 increase in the beginning fund balance the General Capital Project Fund. Additionally this resulted in an adjustment to the government-wide financial statements in order to recognize the capital lease receivable at the beginning of 2014 of \$161,329.

Subsequent events

Subsequent events have been evaluated through June 25, 2015, 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, 2014**

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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 on an industry standard or measurement scale, and
3. Estimating the annual amount required to maintain and preserve the asset at or above an established level of service.

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

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

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

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

**Tooele County, Utah**  
**Required Supplementary Information - continued**  
**For the Year Ended December 31, 2014**

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, 2014**

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 2014, 2011, and 2008.

<u>Category</u>	<u>2014</u>	<u>2011</u>	<u>2008</u>
Average Assessment	38.7%	12.5%	9.3%
Poor	32.5%	28.3%	13.2%

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>
2014	\$ 2,704	\$ 2,465
2013	2,459	2,292
2012	2,964	2,697
2011	3,528	3,443
2010	3,124	3,061

**Tooele County, Utah**  
**Required Supplementary Information - continued**  
**For the Year Ended December 31, 2014**

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
12/31/2014	-	3,249,167	3,249,167	0%	n/a	n/a

## **SUPPLEMENTARY INFORMATION**

**Tooele County, Utah**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2014**

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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, 2014**

	Special Revenue					Capital Projects			Total
	Aging and Adult Services	Transient Room Tax	Transport - ation Fund	Redevelopment Agency	Municipal Building Authority	Debt Service	MBA Jail	General	
<b><u>Assets and Deferred Outflows of Resources</u></b>									
Cash and cash equivalents	\$ 120,750	1,567,535	841	112,225	-	257,368	162,189	359,589	2,580,497
Restricted cash	-	-	-	-	741,142	-	-	-	741,142
Receivables -									
Accounts (net)	74,675	123,276	-	-	-	359,906	-	-	557,857
Inventory	1,381	-	-	-	-	-	-	-	1,381
Total assets and deferred outflows of resources	<u>\$ 196,806</u>	<u>1,690,811</u>	<u>841</u>	<u>112,225</u>	<u>741,142</u>	<u>617,274</u>	<u>162,189</u>	<u>359,589</u>	<u>3,880,877</u>
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balances</u></b>									
Liabilities									
Accounts payable	\$ 30,172	80,000	-	-	-	238,927	-	162	349,261
Accrued liabilities	29,151	-	-	-	-	-	-	-	29,151
Unearned revenue	-	-	-	-	-	-	-	50,000	50,000
Total liabilities	<u>59,323</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>238,927</u>	<u>-</u>	<u>50,162</u>	<u>428,412</u>
Fund Balances									
Restricted for									
Debt	-	-	-	-	741,142	-	-	-	741,142
Transient room/ Restaurant tax	-	1,610,811	-	-	-	-	-	-	1,610,811
Assigned									
Special Revenue Funds	137,483	-	841	112,225	-	-	-	-	250,549
Debt Service Funds	-	-	-	-	-	378,347	-	-	378,347
Capital Projects Funds	-	-	-	-	-	-	162,189	309,427	471,616
Total fund balances	<u>137,483</u>	<u>1,610,811</u>	<u>841</u>	<u>112,225</u>	<u>741,142</u>	<u>378,347</u>	<u>162,189</u>	<u>309,427</u>	<u>3,452,465</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 196,806</u>	<u>1,690,811</u>	<u>841</u>	<u>112,225</u>	<u>741,142</u>	<u>617,274</u>	<u>162,189</u>	<u>359,589</u>	<u>3,880,877</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, 2014**

	Special Revenue					Capital Projects			Total
	Aging and Adult Services	Transient Room Tax	Transportation Fund	Redevelopment Agency	Municipal Building Authority	Debt Service	MBA Jail	General	
<b>Revenues</b>									
Taxes	\$ -	800,810	-	64,437	-	-	-	-	865,247
Intergovernmental	560,089	-	226,575	-	719,621	-	-	451,589	1,957,874
Charges for services	495,732	-	-	-	-	-	-	-	495,732
Interest on investments	-	13,086	-	-	-	2,341	12	34	15,473
Lease revenue	-	-	-	-	1,632,432	-	-	-	1,632,432
Other	49,490	-	-	-	-	-	-	46,131	95,621
<b>Total revenues</b>	<b>1,105,311</b>	<b>813,896</b>	<b>226,575</b>	<b>64,437</b>	<b>2,352,053</b>	<b>2,341</b>	<b>12</b>	<b>497,754</b>	<b>5,062,379</b>
<b>Expenditures</b>									
General government	-	-	-	41,607	-	-	-	-	41,607
Tourism and promotion	-	1,001,642	-	-	-	-	-	-	1,001,642
Public health and human services	1,418,445	-	-	-	-	-	-	-	1,418,445
Debt Service									
Principle	-	-	-	-	430,000	210,600	-	-	640,600
Interest	-	-	-	-	1,917,255	47,774	-	-	1,965,029
Bond costs	-	-	-	-	5,000	250	-	-	5,250
Lease payment	-	-	-	-	-	1,632,432	-	-	1,632,432
Capital outlay	-	-	-	-	-	-	-	1,416,431	1,416,431
<b>Total expenditures</b>	<b>1,418,445</b>	<b>1,001,642</b>	<b>-</b>	<b>41,607</b>	<b>2,352,255</b>	<b>1,891,056</b>	<b>-</b>	<b>1,416,431</b>	<b>8,121,436</b>
Excess revenues over (under) expenditures	(313,134)	(187,746)	226,575	22,830	(202)	(1,888,715)	12	(918,677)	(3,059,057)
<b>Other Financing Sources (Uses)</b>									
Operating transfers in	442,355	-	-	-	-	1,888,916	-	133,992	2,465,263
Operating transfers out	-	(135,000)	(226,575)	-	-	-	-	-	(361,575)
<b>Total other financing sources (uses)</b>	<b>442,355</b>	<b>(135,000)</b>	<b>(226,575)</b>	<b>-</b>	<b>-</b>	<b>1,888,916</b>	<b>-</b>	<b>133,992</b>	<b>2,103,688</b>
Net change in fund balance	129,221	(322,746)	-	22,830	(202)	201	12	(784,685)	(955,369)
Fund balances - beginning of year, as adjusted	8,262	1,933,557	841	89,395	741,344	378,146	162,177	1,094,112	4,407,834
Fund balances - end of year	\$ 137,483	1,610,811	841	112,225	741,142	378,347	162,189	309,427	3,452,465

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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Intergovernmental	\$ 539,500	573,000	560,089	(12,911)
Charges for services	515,825	521,575	495,732	(25,843)
Other	51,000	51,000	49,490	(1,510)
Total revenues	<u>1,106,325</u>	<u>1,145,575</u>	<u>1,105,311</u>	<u>(40,264)</u>
<b><u>Expenditures</u></b>				
Public health and human services	<u>1,548,680</u>	<u>1,604,904</u>	<u>1,418,445</u>	<u>186,459</u>
Total expenditures	<u>1,548,680</u>	<u>1,604,904</u>	<u>1,418,445</u>	<u>186,459</u>
Excess revenues over (under) expenditures	<u>(442,355)</u>	<u>(459,329)</u>	<u>(313,134)</u>	<u>146,195</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Operating transfers in	<u>442,355</u>	<u>459,329</u>	<u>442,355</u>	<u>(16,974)</u>
Total other financing sources and (uses)	<u>442,355</u>	<u>459,329</u>	<u>442,355</u>	<u>(16,974)</u>
Net change in fund balance	-	-	129,221	129,221
Fund balances - beginning of year	<u>8,262</u>	<u>8,262</u>	<u>8,262</u>	<u>-</u>
Fund balances - end of year	<u>\$ 8,262</u>	<u>8,262</u>	<u>137,483</u>	<u>129,221</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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Taxes	\$ 775,000	775,000	800,810	25,810
Interest on investments	1,000	1,000	13,086	12,086
Total revenues	<u>776,000</u>	<u>776,000</u>	<u>813,896</u>	<u>37,896</u>
<b><u>Expenditures</u></b>				
Tourism and promotion	988,300	1,296,600	1,001,642	294,958
Total expenditures	<u>988,300</u>	<u>1,296,600</u>	<u>1,001,642</u>	<u>294,958</u>
Excess revenues over (under) expenditures	<u>(212,300)</u>	<u>(520,600)</u>	<u>(187,746)</u>	<u>332,854</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Operating transfers out	(135,000)	(135,000)	(135,000)	-
Total other financing sources and (uses)	<u>(135,000)</u>	<u>(135,000)</u>	<u>(135,000)</u>	<u>-</u>
Net change in fund balance	(347,300)	(655,600)	(322,746)	332,854
Fund balances - beginning of year	<u>1,933,557</u>	<u>1,933,557</u>	<u>1,933,557</u>	<u>-</u>
Fund balances - end of year	<u><u>\$ 1,586,257</u></u>	<u><u>1,277,957</u></u>	<u><u>1,610,811</u></u>	<u><u>332,854</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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Intergovernmental	\$ 95,000	95,000	226,575	131,575
Total revenues	<u>95,000</u>	<u>95,000</u>	<u>226,575</u>	<u>131,575</u>
<b><u>Expenditures</u></b>				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over (under) expenditures	<u>95,000</u>	<u>95,000</u>	<u>226,575</u>	<u>131,575</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Operating transfers out	(95,000)	(95,000)	(226,575)	(131,575)
Total other financing sources and (uses)	<u>(95,000)</u>	<u>(95,000)</u>	<u>(226,575)</u>	<u>(131,575)</u>
Net change in fund balance	-	-	-	-
Fund balances - beginning of year	<u>841</u>	<u>841</u>	<u>841</u>	<u>-</u>
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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Taxes	\$ 71,500	71,500	64,437	(7,063)
Total revenues	71,500	71,500	64,437	(7,063)
<b><u>Expenditures</u></b>				
General government	71,500	71,500	41,607	29,893
Total expenditures	71,500	71,500	41,607	29,893
Excess revenues over (under) expenditures	-	-	22,830	22,830
Net change in fund balance	-	-	22,830	22,830
Fund balances - beginning of year	89,395	89,395	89,395	-
Fund balances - end of year	<u>\$ 89,395</u>	<u>89,395</u>	<u>112,225</u>	<u>22,830</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, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b><u>Revenues</u></b>				
Intergovernmental	\$ -	-	719,621	719,621
Lease revenue	1,687,575	1,687,575	1,632,432	(55,143)
Total revenues	1,687,575	1,687,575	2,352,053	664,478
<b><u>Expenditures</u></b>				
Debt Service				
Principle	430,000	430,000	430,000	-
Interest	1,251,075	1,251,075	1,917,255	(666,180)
Bond costs	6,500	6,500	5,000	1,500
Total expenditures	1,687,575	1,687,575	2,352,255	(664,680)
Excess revenues over (under) expenditures	-	-	(202)	(202)
Net change in fund balance	-	-	(202)	(202)
Fund balances - beginning of year, as adjusted	741,344	741,344	741,344	-
Fund balances - end of year	\$ 741,344	741,344	741,142	(202)

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, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b><u>Revenues</u></b>				
Interest on investments	\$ 5,000	5,000	2,341	(2,659)
Total revenues	5,000	5,000	2,341	(2,659)
<b><u>Expenditures</u></b>				
Debt Service				
Principle	210,600	210,600	210,600	-
Interest	52,794	52,794	47,774	5,020
Bond costs	1,000	1,000	250	750
Lease payment	1,687,575	1,687,575	1,632,432	55,143
Total expenditures	1,951,969	1,951,969	1,891,056	60,913
Excess revenues over (under) expenditures	(1,946,969)	(1,946,969)	(1,888,715)	58,254
<b><u>Other Financing Sources (Uses)</u></b>				
Operating transfers in	1,946,969	1,946,969	1,888,916	(58,053)
Total other financing sources and (uses)	1,946,969	1,946,969	1,888,916	(58,053)
Net change in fund balance	-	-	201	201
Fund balances - beginning of year	378,146	378,146	378,146	-
Fund balances - end of year	\$ 378,146	378,146	378,347	201

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, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b><u>Revenues</u></b>				
Intergovernmental	\$ -	-	-	-
Interest on investments	-	-	12	12
Total revenues	-	-	12	12
<b><u>Expenditures</u></b>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess revenues over (under) expenditures	-	-	12	12
Net change in fund balance	-	-	12	12
Fund balances - beginning of year	162,177	162,177	162,177	-
Fund balances - end of year	\$ 162,177	162,177	162,189	12

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, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>Revenues</u></b>				
Interest on investments	\$ -	-	34	34
Intergovernmental	452,000	452,000	451,589	(411)
Other	196,132	196,132	46,131	(150,001)
Total revenues	<u>648,132</u>	<u>648,132</u>	<u>497,754</u>	<u>(150,378)</u>
<b><u>Expenditures</u></b>				
Capital outlay	<u>993,687</u>	<u>993,687</u>	<u>1,416,431</u>	<u>(422,744)</u>
Total expenditures	<u>993,687</u>	<u>993,687</u>	<u>1,416,431</u>	<u>(422,744)</u>
Excess revenues over (under) expenditures	<u>(345,555)</u>	<u>(345,555)</u>	<u>(918,677)</u>	<u>(573,122)</u>
<b><u>Other Financing Sources (Uses)</u></b>				
Operating transfers in	<u>(318,008)</u>	<u>(318,008)</u>	<u>133,992</u>	<u>452,000</u>
Total other financing sources and (uses)	<u>(318,008)</u>	<u>(318,008)</u>	<u>133,992</u>	<u>452,000</u>
Net change in fund balance	(663,563)	(663,563)	(784,685)	(121,122)
Fund balances - beginning of year, as adjusted	<u>1,094,112</u>	<u>1,094,112</u>	<u>1,094,112</u>	<u>-</u>
Fund balances - end of year	<u>\$ 430,549</u>	<u>430,549</u>	<u>309,427</u>	<u>(121,122)</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, 2014**

	Service Equipment	Central Stores	Total
<b><u>Assets</u></b>			
Current assets			
Cash and cash equivalents	\$ 1,529,286	-	1,529,286
Inventory	-	9,277	9,277
Total current assets	1,529,286	9,277	1,538,563
Noncurrent assets			
Equipment	383,598	-	383,598
Less: accumulated depreciation	(346,019)	-	(346,019)
Total noncurrent assets	37,579	-	37,579
Total assets	1,566,865	9,277	1,576,142
<b><u>Liabilities</u></b>			
Current liabilities			
Checks written in excess of cash	-	7,974	7,974
Total current liabilities	-	7,974	7,974
Total liabilities	-	7,974	7,974
<b><u>Net Position</u></b>			
Invested in capital assets	37,579	-	37,579
Unrestricted	1,529,286	1,303	1,530,589
Total net position	1,566,865	1,303	1,568,168
Total liabilities and net position	\$ 1,566,865	9,277	1,576,142

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, 2014**

	Service Equipment	Central Stores	Total
<b><u>Operating Revenues</u></b>			
Assessments	\$ 93,106	84,487	177,593
Total operating revenues	93,106	84,487	177,593
<b><u>Operating Expenses</u></b>			
Maintenance and supplies	-	100,472	100,472
Depreciation and amortization	92,982	-	92,982
Total operating expenses	92,982	100,472	193,454
Operating income (loss)	124	(15,985)	(15,861)
<b><u>Nonoperating Revenues (Expenses)</u></b>			
Interest revenue	1,005	-	1,005
Total nonoperating Revenues (expenses)	1,005	-	1,005
Change in net position	1,129	(15,985)	(14,856)
Net position - beginning of year	1,565,736	17,288	1,583,024
Net position - end of year	<u>\$ 1,566,865</u>	<u>1,303</u>	<u>1,568,168</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, 2014**

	Service Equipment	Central Stores	Total
<b><u>Cash Flows From Operating Activities</u></b>			
Receipts from assessments to businesses and others	\$ 93,106	84,487	177,593
Payments to suppliers	-	(101,911)	(101,911)
Net cash provided (used) by operating activities	93,106	(17,424)	75,682
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>			
Proceeds from sale of capital assets	-	-	-
Purchase of capital assets	-	-	-
Principal received (paid) on interfund loan	1,215,000	-	1,215,000
Net cash provided (used) by capital financing activities	1,215,000	-	1,215,000
<b><u>Cash Flows From Investing Activities</u></b>			
Interest and dividends received	1,005	-	1,005
Net cash provided (used) by investing activities	1,005	-	1,005
Net increase (decrease) in cash and cash equivalents	1,309,111	(17,424)	1,291,687
Cash and cash equivalents - beginning	220,175	9,450	229,625
Cash and cash equivalents - ending	\$ 1,529,286	(7,974)	1,521,312
<b><u>Reconciliation of Operating Income to Net Cash Provided</u></b>			
<b><u>(Used) by Operating Activities</u></b>			
Operating income	\$ 124	(15,985)	(15,861)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation expense	92,982	-	92,982
(Increase) decrease in inventory	-	(1,439)	(1,439)
Increase (decrease) in accounts payable	-	-	-
Total adjustments	92,982	(1,439)	91,543
Net cash provided (used) by operating activities	\$ 93,106	(17,424)	75,682

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, 2014**

	County General Agency Fund	Treasurer's Tax Fund	Total
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 1,030,121	20,161,293	21,191,414
Other receivable	1,388	-	1,388
Total assets	<u>\$ 1,031,509</u>	<u>20,161,293</u>	<u>21,192,802</u>
<b><u>Liabilities</u></b>			
Taxes payable	\$ -	20,161,293	20,161,293
Developer bonds payable	235,031	-	235,031
Court bail bonds payable	401,990	-	401,990
Due to other entities	394,488	-	394,488
Total liabilities	<u>\$ 1,031,509</u>	<u>20,161,293</u>	<u>21,192,802</u>

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

**Tooele County, Utah**  
**Combining Statement of Changes in Fiduciary Assets & Liabilities**  
**Agency Fund Types**  
**For the Year Ended December 31, 2014**

	Balance January 1, 2014	Additions	Deductions	Balance December 31, 2014
<b><u>Assets</u></b>				
Cash and cash equivalents - General Agency	\$ 939,582	2,876,339	(2,785,800)	1,030,121
Cash and cash equivalents - Treasurer's Tax Fund	25,625,972	57,490,623	(62,955,302)	20,161,293
Other receivable	1,388	-	-	1,388
Total assets	<u>26,566,942</u>	<u>60,366,962</u>	<u>(65,741,102)</u>	<u>21,192,802</u>
<b><u>Liabilities</u></b>				
Taxes payable - Treasurer's Tax Fund	\$ 25,625,972	57,490,623	(62,955,302)	20,161,293
Developer bonds payable	258,768	133,608	(157,345)	235,031
Court bail bonds payable	286,917	767,589	(652,516)	401,990
Due to other entities	395,285	1,975,142	(1,975,939)	394,488
Total liabilities	<u>\$ 26,566,942</u>	<u>60,366,962</u>	<u>(65,741,102)</u>	<u>21,192,802</u>

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

**Tooele County, Utah**  
**Schedule of Receipts and Disbursements - Treasurer's Collection Account**  
**For the Year Ended December 31, 2014**

	Treasurer's Balance December 31, 2013	Collection Receipts	Amounts Apportioned	Distributions	Treasurer's Balance December 31, 2014
<b>Tax Collection Accounts</b>					
Current year taxes & assessments		\$ 49,913,342	(49,913,342)		
Fee in lieu		3,457,506	(3,457,506)		
Redemptions of prior year tax		3,650,704	(3,650,704)		
Penalties, interest, and cost		315,694	(315,694)		
Other collections and refunds		(192,589)	192,589		
Total Collections		<u>57,144,657</u>	<u>(57,144,657)</u>		
County General Fund	2,619,332		5,916,162	6,545,612	1,989,882
County Municipal Fund	-		1,178,878	711,026	467,852
<b>School Districts</b>					
Tooele County - Basic	1,991,859		5,219,817	5,711,924	1,499,752
Tooele County - Local	10,584,555		29,673,108	31,009,842	9,247,821
<b>Assessing and Collecting</b>					
A/C State	205,962		121,475	303,789	23,648
A/C County	501,465		1,783,859	1,722,367	562,957
<b>Cities and Towns</b>					
Tooele City	1,054,948		3,046,334	218,239	3,883,043
Grantsville City	385,185		1,375,044	1,508,624	251,605
Wendover City	63,961		187,670	165,369	86,262
Stockton Town	21,369		69,818	76,192	14,995
Vernon Town	3,255		7,934	7,525	3,664
Ophir Town	175		518	587	106
Rush Valley Town	14,347		27,761	42,108	-
<b>Other Districts</b>					
Lakepoint Improvement District	5,681		14,339	13,209	6,811
Stansbury Park Improvement District	16,433		49,727	57,400	8,760
Tooele Valley Mosquito Abatement District	207,145		666,156	673,132	200,169
Stansbury Greenbelt Service Area	156,303		491,736	569,359	78,680
Stansbury Recreation Service Area	156,289		491,736	569,351	78,674
No. Tooele County Fire Service District	367,806		994,630	1,031,145	331,291
Rush Valley Water Conservancy District	7,498		17,299	16,730	8,067
Lakepoint Cemetery and Park Service Area	11,493		29,897	28,144	13,246
No. Tooele City Special Service District	11,124		34,620	40,451	5,293
South Rim Special Service District	1,788		17,169	16,444	2,513
Total Due to Taxing Units	<u>18,387,973</u>		<u>51,415,687</u>	<u>51,038,569</u>	<u>18,765,091</u>

**Tooele County, Utah**  
**Schedule of Receipts and Disbursements -**  
**Treasurer's Collection Account - continued**  
**For the Year Ended December 31, 2014**

	Treasurer's Balance December 31, 2013	Collection Receipts	Amounts Apportioned	Distributions	Treasurer's Balance December 31, 2014
Other					
Tooele City RDA	351,788		406,860	586,498	172,150
County General RDA	334,245		826,083	981,850	178,478
School Basic RDA	786,618		743,327	1,369,349	160,596
School Local RDA	3,992,033		4,291,731	7,358,666	925,098
A/C State RDA	79,992		6,833	85,354	1,471
A/C County RDA	178,387		260,845	382,871	56,361
No. Tooele County Fire Service District RDA	250,599		250,625	468,177	33,047
Tooele Valley Mosquito Abatement District EDP	135,148		144,962	252,899	27,211
Stansbury Park Improvement District RDA	1,153		14,890	1,317	14,726
Stansbury Greenbelt Service Area RDA	11,973		2,876	13,620	1,229
Stansbury Recreation Service Area RDA	11,990		13,994	13,637	12,347
Total Other	<u>6,133,926</u>		<u>6,963,026</u>	<u>11,514,238</u>	<u>1,582,714</u>
Total	24,521,899		58,378,713	62,552,807	20,347,805
Refunds	402,495		-	402,495	-
Other	-		-	-	-
Carryover	701,578		(888,090)	-	(186,512)
Grand Total	<u>\$ 25,625,972</u>		<u>345,966</u>	<u>62,955,302</u>	<u>20,161,293</u>

**Tooele County, Utah**  
**Statement of Taxes Charged, Collected, and Distributed**  
**For the 2014 Property Tax Year**

	Year-End Real Property & Centrally Assessed Values			Year-End Personal Property Values		Property Tax Calculation						
	Real Property	Centrally Assessed	Total	Personal Property	Total	Entity Total Adjusted Value	Current Year Tax Rate	Prior Year Tax Rate	Real Property	Personal	Total	
									& Centrally Assessed Tax Charged	Property Tax Charged	Taxes Charged	
<b>Taxing Units</b>												
<b>County Funds</b>												
General	\$ 2,635,325,515	\$ 641,169,081	\$ 3,276,494,596	\$ 503,817,724	\$ 503,817,724	\$ 3,780,312,320	0.001577	0.001661	\$ 5,167,032	\$ 836,842	\$ 6,003,874	
Assessing & collecting	2,635,325,515	641,169,081	3,276,494,596	503,817,724	503,817,724	3,780,312,320	0.000498	0.000357	1,631,694	179,863	1,811,557	
Municipal type service	1,023,855,061	553,932,745	1,577,787,806	378,803,766	378,803,766	1,956,591,572	0.000855	-	1,349,009	-	1,349,009	
<b>School Districts</b>												
Tooele County - Basic	2,635,325,515	641,169,081	3,276,494,596	503,817,724	503,817,724	3,780,312,320	0.001419	0.001535	4,649,346	773,360	5,422,706	
Tooele County - Local	2,635,325,515	641,169,081	3,276,494,596	503,817,724	503,817,724	3,780,312,320	0.008174	0.008058	26,782,067	4,059,764	30,841,831	
State Assessing & Collecting	2,635,325,515	641,169,081	3,276,494,596	503,817,724	503,817,724	3,780,312,320	0.000013	0.000158	42,594	79,603	122,197	
<b>Cities and Towns</b>												
Tooele City	1,178,330,662	46,052,898	1,224,383,560	97,902,633	97,902,633	1,322,286,193	0.002310	0.002520	2,828,326	246,715	3,075,041	
Grantsville City	350,119,524	16,633,936	366,753,460	22,143,173	22,143,173	388,896,633	0.003235	0.003354	1,186,447	74,268	1,260,715	
Wendover City	38,858,679	9,689,627	48,548,306	4,715,199	4,715,199	53,263,505	0.003268	0.002946	158,656	13,891	172,547	
Stockton Town	19,534,644	2,297,751	21,832,395	115,553	115,553	21,947,948	0.002833	0.002863	61,851	331	62,182	
Vernon Town	5,831,230	1,898,333	7,729,563	49,196	49,196	7,778,759	0.000877	0.000879	6,779	43	6,822	
Ophir Town	5,849,205	39,939	5,889,144	60	60	5,889,204	0.000090	0.000075	530	-	530	
Rush Valley Town	12,946,511	10,623,852	23,570,363	88,144	88,144	23,658,507	0.001064	0.001054	25,079	93	25,172	
<b>Other Districts</b>												
Lakepoint Improvement District	73,995,234	9,246,169	83,241,403	6,112,700	6,112,700	89,354,103	0.000162	0.000169	13,485	1,033	14,518	
Stansbury Park Improvement District	372,687,368	9,145,240	381,832,608	4,067,040	4,067,040	385,899,648	0.000125	0.000139	47,729	565	48,294	
Tooele Valley Mosquito Abatement District	1,250,056,988	279,145,779	1,529,202,767	371,234,215	371,234,215	1,900,436,982	0.000381	0.000400	582,626	148,494	731,120	
Stansbury Greenbelt Service Area	361,713,179	5,767,345	367,480,524	4,067,040	4,067,040	371,547,564	0.001256	0.001400	461,556	5,694	467,250	
Stansbury Recreation Service Area	361,713,179	5,767,345	367,480,524	4,067,040	4,067,040	371,547,564	0.001256	0.001400	461,556	5,694	467,250	
No. Tooele County Fire Service District	970,896,946	286,938,231	1,257,835,177	372,273,059	372,273,059	1,630,108,236	0.000704	0.000771	885,516	287,023	1,172,539	
Rush Valley Water Conservancy District	89,610,106	96,395,091	186,005,197	3,015,954	3,015,954	189,021,151	0.000072	0.000065	13,392	196	13,588	
Lakepoint Cemetery and Park Service Area	68,107,210	9,246,169	77,353,379	5,956,743	5,956,743	83,310,122	0.000365	0.000379	28,234	2,258	30,492	
No. Tooele City Special Service District	91,640,743	1,811,963	93,452,706	1,220,123	1,220,123	94,672,829	0.000361	0.000362	33,736	442	34,178	
South Rim Special Service District	27,846,280	1,390,063	29,236,343	62,382	62,382	29,298,725	0.000236	0.000192	6,900	12	6,912	
<b>GRAND TOTAL</b>									<u>\$ 46,424,140</u>	<u>\$ 6,716,184</u>	<u>\$ 53,140,324</u>	

**Tooele County, Utah**  
**Statement of Taxes Charged, Collected, and Distributed**  
**For the 2014 Property Tax Year**

	Total Taxes Charged	Treasurer's Relief				Net Taxes Collected and Apportioned		Other Collections				Tax Income Paid	Total Distribution
		Unpaid Taxes	Abatements	Other	Total	Amount	Percent	Fee in Lieu	Misc. Collections	Delinquencies Tax	Int/Pen		
<u>Taxing Units</u>													
County Funds													
General	\$ 6,003,874	\$ 262,566	\$ 96,811	(1,855)	\$ 357,522	\$ 5,646,352	94.05%	\$ 376,094	\$ (22,038)	\$ 413,174	\$ 35,806	\$ 533,226	\$ 5,916,162
Assessing & collecting	1,811,557	82,916	30,572	(586)	112,902	1,698,655	93.77%	118,767	(6,959)	130,476	11,307	168,387	1,783,859
Municipal type service	1,349,009	48,016	12,133	(1,114)	59,035	1,289,974	95.62%	56,187	(9,749)	103,630	9,847	271,011	1,178,878
School Districts													
Tooele County - Basic	5,422,706	236,260	87,112	(1,669)	321,703	5,101,003	94.07%	338,413	(19,830)	371,778	32,219	603,766	5,219,817
Tooele County - Local	30,841,831	1,360,949	501,797	(9,615)	1,853,131	28,988,700	93.99%	1,949,395	(114,230)	2,141,586	185,592	3,477,935	29,673,108
State Assessing & Collecting	122,197	2,164	798	(15)	2,947	119,250	97.59%	3,100	(182)	3,406	295	4,394	121,475
Cities and Towns													
Tooele City	3,075,041	189,675	84,525	716	274,916	2,800,125	91.06%	282,803	(3,869)	250,671	18,569	301,965	3,046,334
Grantsville City	1,260,715	70,356	27,495	(407)	97,444	1,163,271	92.27%	126,493	(654)	77,926	8,008	-	1,375,044
Wendover City	172,547	9,687	65	-	9,752	162,795	94.35%	10,415	(2,009)	15,364	1,105	-	187,670
Stockton Town	62,182	6,567	3,373	(16)	9,924	52,258	84.04%	11,266	96	5,765	433	-	69,818
Vernon Town	6,822	394	281	(27)	648	6,174	90.50%	1,196	22	477	65	-	7,934
Ophir Town	530	32	19	-	51	479	90.38%	22	-	17	-	-	518
Rush Valley Town	25,172	415	385	(22)	778	24,394	96.91%	2,631	(153)	777	112	-	27,761
Other Districts													
Lakepoint Improvement District	14,518	1,009	179	(5)	1,183	13,335	91.85%	1,079	(437)	335	27	-	14,339
Stansbury Park Improvement District	48,294	1,247	1,114	(14)	2,347	45,947	95.14%	4,431	(846)	1,244	107	1,156	49,727
Tooele Valley Mosquito Abatement District	731,120	25,087	9,051	(290)	33,848	697,272	95.37%	39,682	(3,958)	48,693	5,232	120,765	666,156
Stansbury Greenbelt Service Area	467,250	10,658	10,836	(138)	21,356	445,894	95.43%	44,247	553	11,654	997	11,609	491,736
Stansbury Recreation Service Area	467,250	10,658	10,836	(138)	21,356	445,894	95.43%	44,247	553	11,654	997	11,609	491,736
No. Tooele County Fire Service District	1,172,539	31,036	9,259	(538)	39,757	1,132,782	96.61%	42,182	(7,941)	48,295	2,459	223,147	994,630
Rush Valley Water Conservancy District	13,588	636	216	(35)	817	12,771	93.99%	696	(23)	3,258	597	-	17,299
Lakepoint Cemetery and Park Service Area	30,492	2,180	349	(10)	2,519	27,973	91.74%	2,425	(984)	446	37	-	29,897
No. Tooele City Special Service District	34,178	1,259	1,248	(4)	2,503	31,675	92.68%	1,420	51	1,401	73	-	34,620
South Rim Special Service District	6,912	345	210	(12)	543	6,369	92.14%	315	(2)	8,677	1,810	-	17,169
<b>GRAND TOTAL</b>	<b>\$ 53,140,324</b>	<b>\$ 2,354,112</b>	<b>\$ 888,664</b>	<b>\$ (15,794)</b>	<b>\$ 3,226,982</b>	<b>\$ 49,913,342</b>		<b>\$ 3,457,506</b>	<b>\$ (192,589)</b>	<b>\$ 3,650,704</b>	<b>\$ 315,694</b>	<b>\$ 5,728,970</b>	<b>\$ 51,415,687</b>

## **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, 2014, which collectively comprise Tooele County, Utah's basic financial statements and have issued our report thereon dated June 25, 2015.

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  
June 25, 2015

**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, 2014. 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, 2014.

### 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 2014-1 . 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 2014-1, 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  
June 25, 2015

**Tooele County, Utah**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2014**

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	\$ 46,276
SAPT Block Grant	93.959	13-0350	391,080
SMHS Block Grant	93.958	12-2399	47,112
Transitional Mental Health	93.243	10-1600	92,875
System of Care Expansion and Planning	93.104	132112	12,000
Title VII, Long-term Care Ombudsman Services for Older Individuals	93.042	14-0072/14-2452	15,605
Title III, PT F, Disease Prevention and Health Promo Services	93.043	14-0072/14-2452	3,379
Title III, Part B, Grants for Supportive Services and Seniors - AAD/PDS	93.044	14-0072/14-2452	114,120
Title III, Part C, Nutrition Services - HDM	93.045	14-0072/14-2452	65,393
Title III, Part C, Nutrition Services - CMM	93.045	14-0072/14-2452	56,948
Health Insurance Counseling	93.779	13-0572/14-0072	18,606
Respite Program	93.052	14-0072/14-2452	36,807
Medicaid Waiver HCFA	93.667	132408/142461	6,500
Medicaid Waiver Admin Alternatives - State	93.667	132408/142461	6,217
Alternatives - State	93.667	14-0072/14-2452	102,691
Passed Through Utah Department of Health			
LHD=ChEC	93.778	140609/150616	13,387
Choice of Health Care Delivery, Consumer Ed. & Assist.	93.778	140609/150616	55,175
Cancer Control Program	93.283	132436/142243	25,955
Cancer control Program - be wise	93.283	132436/142243	10,948
FDA Tob Retail Inspections	93.283	1324371/142227	2,141
Comprehensive Tobacco Program	93.283	1324371/142227	22,536
Abstinence Only Education	93.235	140164/152700006	51,705
T.B. Medication Program	93.116	141679	2,791
STD Control	93.977	141679	2,527
HIV Aids Counseling and Education	93.940	141679	1,500
Immunization Program	93.268	141679	235,624
Health Care Preparedness (MRC)	93.889	140030/150344	10,642
Public Health Emergency Preparedness /biorterr.	93.069	140030/150344	211,769
City Readiness Initiative /panflu	93.069	140030/150344	23,303
Diabetes Today	93.757		36,039
Arthritis/Chronic Disease	93.945	132432/142228	6,593
Community Transformation	93.531	132432/142228	29,332
MCH and Child Injury Prevention	93.994	140609/150616	27,963
MCH and Child Injury Prevention	93.994	132432/142228/152700217	2,500
MCH Block Grant	93.994	140164/152700006	39,887
EPICC	93.991	132432/142228	45,835
Child Adolescence School Health Prenatal to 5 Home Visitations	93.994	140164/152400006	11,500
ELC ACA Health Care Associated Infections	93.521	140164	7,578
Total U.S. Department of Health and Human Services			1,892,839

**Tooele County, Utah**  
**Schedule of Expenditures of Federal Awards - continued**  
**For the Year Ended December 31, 2014**

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Grant Number	Grant Expend- itures
U.S Federal Emergency Management Agency			
Passed Through Utah Department of Public Safety			
Emergency Management Assistance	97.042		\$ 34,181
Total U.S. Federal Emergency Management Agency			<u>34,181</u>
U.S. Department of Agriculture / Food and Nutrition Service			
Passed Through Utah Department of Human Services			
Elderly Feeding Program, Cash-in-Lieu - CIH	10.550	13-0572/14-0072	26,259
Elderly Feeding Program, Cash-in-Lieu - CIC	10.550	13-0572/14-0072	15,983
Passed Through Utah Department of Health			
Women, Infants, and Children	10.557	141129/152700146	456,358
Women, Infants, and Children - vouchers	10.557	141129/152700146	851,111
Total U.S. Department of Agriculture			<u>1,349,711</u>
U.S. Department of Homeland Security			
CERT Planning Grant	97.067		44,493
FEMA Planning	97.067		5,040
Operations Planning	97.067		22,500
Passed Through Utah Division of Emergency			
Services and Homeland Security			
HLS WMD Grant	97.067		9,002
Total U.S. Department of Homeland Security			<u>81,035</u>
U.S. Department of Justice			
Passed Through the Utah State Attorney General			
Children's Justice Grants to States	93.643	110199	135,986
Total U.S. Department of Justice			<u>135,986</u>
U.S. Federal Aviation Administration / Airports Division			
Passed Through The State of Utah			
Runway Extension	20.106	DOT-FA13NM-1079	3,971,058
Snow Plow	20.106		225,043
Total U.S. Federal Aviation Administration / Airports Division			<u>4,196,101</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	229,030
Valley Mental Health			
/Domestic Violence Shelter	14.228	B-12-DC-49-0001	230,000
Wasatch Front Regional Council - Pass Through	14.228		38,368
Total U.S. Department of Housing and Urban Development			<u>497,398</u>
		Total federal expenditures	<u>\$ 8,187,251</u>

**Tooele County, Utah**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2014**

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**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, 2014 were \$391,080 which related to the Block Grant for Prevention and Treatment of Substance Abuse, CFDA 93.959 and \$497,398 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, 2014**

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**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>
20.106	Airport Improvement 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

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**Tooele County, Utah**  
**Summary Schedule of Findings and Questioned Costs - continued**  
**For the Year Ended December 31, 2014**

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**Findings and Questioned Costs - Major Federal Award Programs Audit**

*Significant Deficiency*

Finding 2014-1 - 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 Health Director with the responsibility to follow-up on the agreed upon deliverables.

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**Tooele County, Utah**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 2014**

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

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

Status

Uncorrected. See finding 2014-1

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**INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE  
WITH STATE COMPLIANCE AUDIT GUIDE ON:**

- COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS**
- COMPLIANCE FOR EACH MAJOR STATE PROGRAM**
- INTERENAL CONTROL OVER COMPLIANCE**
- SCHEDULE OF EXPENDITURES OF STATE AWARDS**

The Honorable County Commission  
Tooele County, Utah

**Report On Compliance with General State Compliance Requirements and for Each Major State Program**

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*, issued by the Office of the Utah State Auditor, for the year ended December 31, 2014.

General state compliance requirements were tested for the year ended December 31, 2014 in the following areas:

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

The county received state funding from the following programs classified as major programs for the year ended December 31, 2014:

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*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on Tooele County, Utah's compliance based on our audit of the 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 the *State Compliance Audit Guide*. Those standards and the *State 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 on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of Tooele County's compliance.

### *Opinion on General State Compliance Requirements and Each Major State Program*

In our opinion, Tooele County, Utah complied, in all material respects, with the general compliance requirements identified above that could have a direct and material effect on the County or on each of its major state programs for the year ended December 31, 2014.

### *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 is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tooele County's internal control over compliance with the compliance requirements that could have a direct and material effect on Tooele County or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, 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'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 2014-2 that we consider to be a significant deficiencies.

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, 2014, and the related notes to the financial statements, which collectively comprise Tooele County, Utah's basic financial statements. We issued our report thereon dated June 25, 2015, 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  
June 25, 2015

**Tooele County, Utah**  
**State Legal Compliance - Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2014**

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**CURRENT YEAR FINDINGS**

Statement of Condition - 2014 -1

*Cash Management:* The County did not include cash balances relating to debt reserve and landfill closure requirements in the amount of approximately \$2 million.

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.

**Tooele County, Utah**  
**State Legal Compliance - Schedule of Findings**  
**and Recommendations - continued**  
**For the Year Ended December 31, 2014**

---

Statement of Condition - 2014-2

*Significant Deficiency*

*State Grants, Contracts, and Loans:* 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. The Director of the Health Department will represent the County and perform regular site visits to the subrecipient. The County Auditor will set up a more detailed chart of accounts to provide transparency for the transactions. The County Auditor will maintain written agreements and coordinate with the County Commission on the approval of the agreements between the subrecipient and the County. The County Auditor will request a copy of the annual audited financial statements of the sub recipient and review the information provided.

**Tooele County, Utah**  
**State Legal Compliance - Schedule of Findings**  
**and Recommendations - continued**  
**For the Year Ended December 31, 2014**

---

Statement of Condition - 2014-3

*Justice Courts:* 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 policies and laws.

Response

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

Statement of Condition - 2014-4

*Budgetary Compliance:* Detailed financial information was not provided to the County Commission on a quarterly basis.

Criteria

State Law requires that management provide quarterly financial reports to the County Commission in sufficient detail for the commission to make decisions.

Cause

The County Commission was not provided with detailed financial that includes revenues and expenditures to date by category and department, for each active fund.

Effect

The County is not in compliance with reporting requirements.

Recommendation

We recommend that the County review procedures to ensure complete and accurate reports are available to the County Commission. These reports should be for each fund, by category (property taxes, sales taxes, etc.), including budget to actual, and by department or function.

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, 2014**

---

Statement of Condition - 2014-5

*Budgetary Compliance:* 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 - 2014-6

*Fund Balance:* The County's Human Services Fund has fund balance in a deficit position.

Criteria

State Law requires that all funds maintain a positive fund balance.

Cause

Because multiple transactions were not entered on a timely basis, amounts needed to cover pending transactions were not transferred by year end.

Effect

The County is not in compliance with fund balance requirements.

Recommendation

We recommend that transactions be recorded on a timely basis so that adequate transfers 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.

**Tooele County, Utah**  
**State Legal Compliance - Schedule of Findings**  
**and Recommendations - continued**  
**For the Year Ended December 31, 2014**

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**PRIOR 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.

Status

Uncorrected, see finding 2014-1.

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.

Status

Corrected in 2014.

**Tooele County, Utah**  
**State Legal Compliance - Schedule of Findings**  
**and Recommendations - continued**  
**For the Year Ended December 31, 2014**

---

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.

Status

Uncorrected, see finding 2014-5.

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.

Status

The County implemented a short-term agreement setting forth the terms of the interfund loan. During the 2014 year that loan was paid in full.

**Tooele County, Utah**  
**State Legal Compliance - Schedule of Findings**  
**and Recommendations - continued**  
**For the Year Ended December 31, 2014**

---

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.

Status

Uncorrected, see finding 2014-2.

**Tooele County, Utah**  
**State Legal Compliance - Schedule of Findings**  
**and Recommendations - continued**  
**For the Year Ended December 31, 2014**

---

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 policies

Response

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

Status

Uncorrected, see finding 2014-3.

**Tooele County**

**Schedule of Expenditures of State Grants, Contracts, and Loan Funds**  
**For the Year Ended December 31, 2014**

Grant Name	Award/Contract # (if applicable)	Year of Last Audit	Expenditures
<b><u>Utah Department of Health</u></b>			
LHD Environmental Services	132125		\$ 12,500
Environmental Quality			81,463
Komen Cancer Screening	132436		60
Minimum Performance Standards	122309/132125		103,242
	130826/ 130827/		
Primary Care Grant	141158/ 141172		57,244
Safe Community			12,521
Tobacco Prevention and Control Tax	132437/130892		40,756
Tobacco Prevention and Control Program	132437/ 130892		85,033
Tobacco Prevention and Control Program/Compliance checks	132437/ 130892		4,800
Traumatic Brain Injury	132432		2,500
Utah Cancer Control/Screening	132436/130892		780
Utah Indoor Clear Air Act	132125/ 122309		1,935
<b>Subtotal – Utah Department of Health</b>			<b>\$ 402,834</b>
<b><u>Utah Department of Human Services</u></b>			
Mental Health - State General FY15	122399	2014	\$ 212,896
Mental Health - State General FY14	122399	2014	179,929
Mental Health - State Children FY15	122399	2014	86,958
Mental Health - State Children FY14	122399	2014	73,489
Mental Health - State Early Intervention FY15	122399	2014	37,772
Mental Health - State Early Intervention FY14	122399	2014	37,919
Mental Health - Non Medicaid FY15	122399	2014	47,810
Mental Health - Non Medicaid FY14	122399	2014	47,904
Substance Abuse - State Treatment FY15	130350	2014	87,156
Substance Abuse - State Treatment FY14	130350	2014	89,810
Substance Abuse - State Women's Treatment FY15	130350	2014	49,025
Substance Abuse - State Women's Treatment FY14	130350	2014	50,686
Substance Abuse - DUI fees	130350	2014	22,461
Substance Abuse - Felony Drug Court FY14	130350	2014	10,915
Substance Abuse - Felony Drug Court FY15	130350	2014	18,542
Substance Abuse - Juvenile Drug Court FY14	130350	2014	24,733
Substance Abuse - Juvenile Drug Court FY15	130350	2014	23,118
Family Resource Facilitators	130350	2014	8,808
DORA Substance Abuse Treatment Services FY14	130350	2014	29,025
DORA Substance Abuse Treatment Services FY15	130350	2014	28,995
Aging and Adult Services	130572/140072		91,581
<b>Subtotal –Utah Department of Human Services</b>			<b>\$ 1,259,527</b>
<b><u>Administrative Office of the Courts</u></b>			
Bailiff and Security Services	102637		\$ 222,064
<b><u>Department of Transportation</u></b>			
Class B Roads		2014	\$ 2,187,651
<b><u>Commission on Criminal and Juvenile Justice</u></b>			
Liquor Law Enforcement			\$ 60,940
<b>TOTAL GRANT, CONTRACT, AND LOAN FUND EXPENDITURES</b>			<b>\$ 4,072,076</b>