

# **Daggett County**

Daggett County, UT

ANNUAL FINANCIAL REPORT

Year The Year Ended December 31, 2011



Daggett County  
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December 31, 2011

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**AYCOCK, MILES & ASSOCIATES, CPAs, P.C.**

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### **Independent Auditors' Report**

Daggett County Commissioners  
Manila, Utah

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Daggett County as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated July 31, 2012 on our consideration of Daggett County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The tax schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Aycock, Miles & Associates, CPAs*

July 31, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Daggett County  
**Management's Discussion and Analysis**  
December 31, 2011

As management of Daggett County (the County), we offer readers of the County's financial statements this narrative overview and analysis of financial activities of the County for the fiscal year ended December 31, 2011.

**FINANCIAL HIGHLIGHTS**

\*Total net assets for the County as a whole increased by \$85,117.

\*Total unrestricted net assets for the County as a whole decreased by \$424,919.

\*Total net assets for governmental activities increased by \$1,314,604.

\*Total net assets for business-type activities decreased by \$1,229,488.

**BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Daggett County. The basic financial statements comprise three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

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

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

The statement of activities presents information showing how the County's net assets changed during the fiscal year reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the 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 (business-type activities). The statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the County available to cover any remaining costs of the functions or programs.

Daggett County  
**Management's Discussion and Analysis**  
December 31, 2011

**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. The County also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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 government 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 government fund balance sheet and the government fund statement of the revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains four major governmental funds, the General Fund, Class B Road Fund, Jail Fund and Flaming Gorge Road & Transportation Special Service District Fund.

The County adopts an annual appropriated budget for its major funds. A budgetary comparison schedule has been provided to demonstrate legal compliance with the adopted budget for these funds.

The basic governmental fund financial statements can be found later in this report; see Table of Contents.

Proprietary funds. The County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses two enterprise funds to account for the operations of the Dutch John and Low Income Housing activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds are considered major funds of the County.

The proprietary fund financial statements can be found later in this report; see Table of Contents.

**Notes to the 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 to the financial statements are reported later in this report; see Table of Contents.

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

Daggett County  
**Management's Discussion and Analysis**  
December 31, 2011

**FINANCIAL ANALYSIS**

**Daggett County's Net Assets**

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Current and other assets	\$ 6,968,043	5,958,756	1,133,183	2,408,772	8,101,226	8,367,529
Net capital assets	7,096,213	6,772,467	17,938,427	17,906,397	25,034,640	24,678,864
<b>Total assets</b>	<b><u>14,064,256</u></b>	<b><u>12,731,223</u></b>	<b><u>19,071,610</u></b>	<b><u>20,315,169</u></b>	<b><u>33,135,867</u></b>	<b><u>33,046,392</u></b>
Long-term liabilities	2,599,729	2,607,965	242,000	263,000	2,841,729	2,870,965
Other liabilities	340,816	314,150	37,179	30,250	377,995	344,400
<b>Total liabilities</b>	<b><u>2,940,544</u></b>	<b><u>2,922,114</u></b>	<b><u>279,179</u></b>	<b><u>293,250</u></b>	<b><u>3,219,723</u></b>	<b><u>3,215,365</u></b>
Net assets:						
Capital assets, net of debt	4,496,484	4,164,502	17,696,427	17,643,397	22,192,911	21,807,899
Restricted	4,144,454	4,019,431	-	-	4,144,454	4,019,431
Unrestricted	2,482,774	1,625,175	1,096,004	2,378,522	3,578,778	4,003,697
<b>Total net assets</b>	<b><u>\$ 11,123,712</u></b>	<b><u>9,809,109</u></b>	<b><u>18,792,431</u></b>	<b><u>20,021,919</u></b>	<b><u>29,916,143</u></b>	<b><u>29,831,027</u></b>

As noted earlier, net assets may serve over time as a useful indicator of financial position. Total assets exceeded total liabilities at the close of the year by \$29,916,143, an increase of \$85,116 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net assets at the end of the year are \$3,578,778, which represents a decrease of \$424,919 from the previous year. Unrestricted net assets are those available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid during the year.

Daggett County  
**Management's Discussion and Analysis**  
December 31, 2011

**FINANCIAL ANALYSIS (continued)**

**Daggett County's Change in Net Assets**

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
<b>Program revenues:</b>						
Charges for services	2,622,443	2,562,635	191,979	239,934	2,814,421	2,802,569
Operating grants	1,311,275	931,800	53,851	50,000	1,365,126	981,800
Capital grants	497,383	445,699	47,511	962,356	544,894	1,408,055
<b>General revenues:</b>						
Property taxes	1,163,948	1,065,809	-	-	1,163,948	1,065,809
Sales tax	372,054	427,620	-	-	372,054	427,620
Other taxes	38,068	37,591	-	-	38,068	37,591
Other revenues	689,647	799,176	(75,973)	85,103	613,674	884,279
<b>Total revenues</b>	<b>6,694,818</b>	<b>6,270,330</b>	<b>217,367</b>	<b>1,337,393</b>	<b>6,912,185</b>	<b>7,607,723</b>
<b>Expenses:</b>						
General government	1,878,552	1,442,009	-	-	1,878,552	1,442,009
Public safety	2,809,642	2,878,961	-	-	2,809,642	2,878,961
Public health	119,469	121,247	-	-	119,469	121,247
Highways and improvements	1,402,635	1,531,066	-	-	1,402,635	1,531,066
Parks and recreation	57,486	50,778	-	-	57,486	50,778
Economic development	102,498	66,369	-	-	102,498	66,369
Interest on long-term debt	84,932	83,625	3,672	16,063	88,603	99,688
Enterprise - Dutch John	-	-	368,183	829,654	368,183	829,654
Enterprise - Low income housing	-	-	-	-	-	-
<b>Total expenses</b>	<b>6,455,214</b>	<b>6,174,055</b>	<b>371,855</b>	<b>845,718</b>	<b>6,827,069</b>	<b>7,019,773</b>
<b>Excess (deficiency) before transfers</b>	<b>239,604</b>	<b>96,275</b>	<b>(154,488)</b>	<b>491,675</b>	<b>85,117</b>	<b>587,950</b>
Transfers in (out)	1,075,000	(7,500)	(1,075,000)	7,500	-	-
<b>Change in net assets</b>	<b>1,314,604</b>	<b>88,775</b>	<b>(1,229,488)</b>	<b>499,175</b>	<b>85,117</b>	<b>587,950</b>

For the County as a whole, total revenues decreased by \$695,538 compared to the previous year, while total expenses decreased by \$192,704. The total net change of \$85,117 is, in private sector terms, the net income for the year which is \$502,833 less than the previous year.

Governmental activities revenues of \$6,694,818 is an increase of \$424,488 from the previous year. All significant items of revenue increased with the exception of sales tax. Governmental activities expenses of \$6,455,214 is an increase of \$281,159 from the previous year. Expenses in the general government department increased by \$436,543.

Business-type activities revenue of \$217,367 is decrease of \$1,120,025 from the previous year. This is primarily due to a decrease in grant revenues. Business-type activities expenses of \$371,855 is a decrease of \$473,863 from the previous year. This is due to a decrease in administrative costs.

Daggett County  
**Management's Discussion and Analysis**  
December 31, 2011

**BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS**

Some of the more significant changes in fund balances and fund net assets and any restrictions on those amounts is described below:

*General Fund*

The fund balance of \$717,072 reflects an increase of \$24,459 from the previous year. Total revenues, excluding transfers in, increased by \$67,159. Tax revenues, including property taxes and sales taxes increased by \$41,963. Intergovernmental revenue decreased by \$94,572. Charges for services increased by \$138,718. All other revenues decreased by \$18,950.

Total expenditures, excluding transfers out, decreased by \$140,447. Expenditure changes from the previous year, by department: general government decreased by \$163,978; public safety decreased by \$20,124; public health decreased by \$5,285; streets and highways decreased by \$54,484; and parks and recreation decreased by \$3,258. Capital outlay expenditures increased by \$57,180. Debt service expenditures increased by \$49,502.

The unassigned fund balance amounts to \$717,072.

*Dutch John Fund*

The change in net assets (net loss) was \$1,183,175. Before transfers out, the net loss amounted to \$108,175. During the year, transfers out were made totaling \$1,075,000, with \$900,000 being transferred to the Dutch John Financing Fund and \$175,000 being transferred to the Dutch John Town Fund.

Unrestricted net assets amount to \$923,250.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of \$2,565,352. This amount was amended in the final budget to \$2,788,051. Actual revenues, excluding transfers, amounted to \$2,867,845.

Expenditures for the current year, excluding transfers, were originally budgeted in the amount of \$2,680,112. This amount was amended in the final budget to \$2,901,977. Actual expenditures amounted to \$2,647,986.

Net transfers for the year were originally budgeted for net transfers out of \$275,290. Actual net transfers out were made in the amount of \$195,400.

Daggett County  
**Management's Discussion and Analysis**  
December 31, 2011

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Daggett County's Capital Assets (net of depreciation)**

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
<b>Net Capital Assets:</b>						
Land and water rights	\$ 213,218	213,218	12,361,684	12,456,420	12,574,902	12,669,638
Buildings	2,402,818	2,504,292	373,249	379,315	2,776,066	2,883,607
Improvements other than buildings	486,687	383,388	-	-	486,687	383,388
Machinery and equipment	1,490,352	1,263,241	112,134	137,721	1,602,486	1,400,962
Infrastructure	2,062,600	2,157,969	2,457,445	2,113,772	4,520,045	4,271,741
Water and sewer systems	-	-	2,633,915	218,822	2,633,915	218,822
Work in progress	440,538	250,359	-	2,600,346	440,538	2,850,705
<b>Totals</b>	<b><u>\$ 7,096,213</u></b>	<b><u>6,772,467</u></b>	<b><u>17,938,427</u></b>	<b><u>17,906,397</u></b>	<b><u>25,034,640</u></b>	<b><u>24,678,864</u></b>

The total amount of capital assets, net of depreciation, of \$25,034,640 is an increase of \$355,776 from the previous year.

Governmental activities capital assets, net of depreciation, of \$7,096,213 is an increase of \$323,746 from the previous year.

Business-type activities capital assets, net of depreciation, of \$17,938,427 is an increase of \$32,030 from the previous year.

The increase in capital assets is equal to the amount the new additions to capital assets exceeded depreciation charged on capital assets.

Additional information regarding capital assets may be found in the notes to financial statements.

Daggett County  
**Management's Discussion and Analysis**  
December 31, 2011

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

**Daggett County's Outstanding Debt - Revenue Bonds**

	Current Year	Previous Year
<b>Governmental activities:</b>		
2009 Ford Truck Lease	\$ -	18,940
2009 Ford Escape Lease	-	19,139
2010 Ford Explorer Lease - Dam	17,248	24,886
2009 Ford F150 Lease - Sheriff	20,352	-
2009 Ford Escape Lease - Dam	20,500	-
2011 Ford Explorer - Dam	25,959	-
2011 Ford F-150 Lease - Jail	26,624	-
2011 Ford F-150 Lease - Comm	26,289	-
2011 Ford F-150 Lease - Sheriff	31,124	-
2011 Ford Focus Lease - Comm	15,634	-
2011 Ford F-150 Lease - Jail	79,000	86,000
2008A Mineral Lease Revenue	434,000	467,000
2008B Mineral Lease Revenue	174,000	187,000
2008 Jail Bond	1,729,000	1,805,000
Compensated absences	142,191	124,935
<b>Total governmental</b>	<b>2,741,921</b>	<b>2,732,900</b>
<b>Business-type activities:</b>		
2010 Water Revenue	242,000	263,000
<b>Total business-type</b>	<b>242,000</b>	<b>263,000</b>
<b>Total outstanding debt</b>	<b>\$ 2,983,921</b>	<b>2,995,900</b>

Additional information regarding the long-term liabilities may be found in the notes to financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

No significant economic changes that would affect the County are expected for the next year. Budgets have been set on essentially the same factors as the current year being reported.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Daggett County's finances for all those with an interest in the County's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Ker Pallesen, Daggett County Recorder/Auditor, P.O. Box 219, Manila, Utah 84046.

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**BASIC FINANCIAL STATEMENTS**

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Daggett County  
**STATEMENT OF NET ASSETS**  
December 31, 2011

	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Current Assets:			
Cash and cash equivalents	\$ 3,813,790	939,357	4,753,147
Investments	505	-	505
Accounts receivable, net of allowances	271,344	193,826	465,171
Property taxes receivable	230,781	-	230,781
Due from other governments	1,112,540	-	1,112,540
Other assets	2,323	-	2,323
Total current assets	5,431,284	1,133,183	6,564,467
Non-current assets:			
Restricted cash and cash equivalents	1,511,363	-	1,511,363
Unamortized bond issue costs	25,397	-	25,397
Capital assets:			
Not being depreciated	653,756	12,361,684	13,015,440
Net of accumulated depreciation	6,442,457	5,576,743	12,019,200
Total non-current assets	8,632,973	17,938,427	26,571,400
<b>Total assets</b>	<b>\$ 14,064,256</b>	<b>19,071,610</b>	<b>33,135,867</b>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts payable	\$ 201,185	25,206	226,391
Accrued interest payable	6,019	3,394	9,413
Capital lease - current	44,330	-	44,330
General obligation bonds - current	87,000	-	87,000
Revenue bonds - current	46,000	21,000	67,000
Total current liabilities	384,534	49,600	434,134
Non-current liabilities:			
Compensated absences	133,612	8,579	142,191
Capital lease - noncurrent	139,399	-	139,399
General obligation bonds - noncurrent	1,721,000	-	1,721,000
Revenue bonds - noncurrent	562,000	221,000	783,000
Total non-current liabilities	2,556,011	229,579	2,785,590
<b>Total liabilities</b>	<b>2,940,544</b>	<b>279,179</b>	<b>3,219,723</b>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	4,496,484	17,696,427	22,192,911
Restricted:			
Class "B" roads	828,407	-	828,407
Capital projects	91,918	-	91,918
Flaming Gorge Roads & Transportation SSD	3,202,500	-	3,202,500
Redevelopment Agency	21,628	-	21,628
Unrestricted	2,482,774	1,096,004	3,578,778
<b>Total net assets</b>	<b>\$ 11,123,712</b>	<b>18,792,431</b>	<b>29,916,143</b>

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

Daggett County  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2011

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
<b><u>FUNCTIONS/PROGRAMS:</u></b>					
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 1,878,552	601,042	552,143	-	(725,367)
Public safety	2,809,642	1,990,538	192,915	-	(626,189)
Public health	119,469	1,883	-	-	(117,585)
Highways and public improvements	1,402,635	2,597	551,219	497,383	(351,436)
Parks, recreation and public property	57,486	26,383	14,997	-	(16,106)
Community and economic development	102,498	-	-	-	(102,498)
Interest on long-term debt	84,932	-	-	-	(84,932)
<b>Total governmental activities</b>	<b>6,455,214</b>	<b>2,622,443</b>	<b>1,311,275</b>	<b>497,383</b>	<b>(2,024,113)</b>
Business-type activities:					
Enterprise - Dutch John	372,530	215,568	53,851	47,511	(55,600)
Enterprise - Low income housing	(675)	1,003	-	-	1,678
<b>Total business-type activities</b>	<b>371,855</b>	<b>216,571</b>	<b>53,851</b>	<b>47,511</b>	<b>(53,922)</b>
<b>Total primary government</b>	<b>\$ 6,827,069</b>	<b>2,839,014</b>	<b>1,365,126</b>	<b>544,894</b>	<b>(2,078,035)</b>

(continued on next page)

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

Daggett County  
**STATEMENT OF ACTIVITIES (continued)**  
For the Year Ended December 31, 2011

	Governmental Activities	Business-type Activities	Total
<b>CHANGES IN NET ASSETS:</b>			
<b>Net (expense) revenue (from previous page)</b>	<b><u>\$ (2,024,113)</u></b>	<b><u>(53,922)</u></b>	<b><u>(2,078,035)</u></b>
<b>General revenues:</b>			
Property taxes	1,111,582	-	1,111,582
Sales tax	372,054	-	372,054
Other taxes	7,950	-	7,950
Payment in lieu of taxes	82,484	-	82,484
Mineral lease revenue	394,600	-	394,600
Unrestricted investment earnings	33,620	6,160	39,781
Gain (loss) on sales of capital assets	52,426	(106,726)	(54,300)
Miscellaneous	209,001	-	209,001
<b>Transfers in (out)</b>	<b><u>1,075,000</u></b>	<b><u>(1,075,000)</u></b>	<b><u>-</u></b>
<b>Total general revenues and transfers</b>	<b><u>3,338,717</u></b>	<b><u>(1,175,566)</u></b>	<b><u>2,163,152</u></b>
<b>Change in net assets</b>	<b>1,314,604</b>	<b>(1,229,488)</b>	<b>85,117</b>
Net assets - beginning	<u>9,809,108</u>	<u>20,021,919</u>	<u>29,831,027</u>
<b>Net assets - ending</b>	<b><u><u>\$ 11,123,712</u></u></b>	<b><u><u>18,792,431</u></u></b>	<b><u><u>29,916,144</u></u></b>

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

Daggett County  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2011

	General Fund	Class B Roads	Jail Fund	Flaming Gorge Roads and Transportation Special Service District	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 206,731	342,929	115,199	1,224,038	1,924,894	3,813,790
Investments in stock	505	-	-	-	-	505
Accounts receivable (net)	115,733	7,661	-	-	147,949	271,344
Property taxes receivable	230,781	-	-	-	-	230,781
Due from other governments	224,199	239,954	147,768	467,124	33,496	1,112,540
Due from other funds	11,529	-	-	-	-	11,529
Other assets	2,172	-	150	-	-	2,323
Restricted cash and cash equivalents	25	-	-	1,511,338	-	1,511,363
<b>TOTAL ASSETS</b>	<b>\$ 791,675</b>	<b>590,544</b>	<b>263,118</b>	<b>3,202,500</b>	<b>2,106,339</b>	<b>6,954,176</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 74,603	26,759	54,445	-	45,377	201,185
Due to other funds	-	-	-	-	11,529	11,529
<b>TOTAL LIABILITIES</b>	<b>74,603</b>	<b>26,759</b>	<b>54,445</b>	<b>-</b>	<b>56,907</b>	<b>212,714</b>
<b>FUND BALANCES:</b>						
Restricted for:						
Class "B" Road	-	563,785	-	-	264,622	828,407
Road & Transportation SSD	-	-	-	3,202,500	-	3,202,500
Capital Projects	-	-	-	-	91,918	91,918
Redevelopment agency	-	-	-	-	21,628	21,628
Assigned for:						
Special revenue	-	-	208,672	-	1,671,263	1,879,936
Unassigned	717,072	-	-	-	-	717,072
<b>TOTAL FUND BALANCES</b>	<b>717,072</b>	<b>563,785</b>	<b>208,672</b>	<b>3,202,500</b>	<b>2,049,432</b>	<b>6,741,462</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 791,675</b>	<b>590,544</b>	<b>263,118</b>	<b>3,202,500</b>	<b>2,106,339</b>	<b>6,954,176</b>

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

Daggett County  
**STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
 For the Year Ended December 31, 2011

	General Fund	Class B Roads	Jail Fund	Flaming Gorge Roads and Transportation Special Service District	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Taxes:						
Property	\$ 800,995	-	178,998	-	183,955	1,163,948
Sales	181,275	-	-	-	190,779	372,054
Other taxes	7,950	-	-	-	-	7,950
Licenses and permits	23,465	-	-	-	-	23,465
Intergovernmental revenues	190,885	473,278	-	1,005,163	647,113	2,316,438
Charges for services	1,300,473	2,597	1,123,488	-	118,545	2,545,102
Fines and forfeitures	53,875	-	-	-	-	53,875
Interest	6,359	-	996	17,727	8,538	33,620
Miscellaneous revenue	107,419	27,610	9,327	155	64,491	209,001
<b>Total revenues</b>	<b>2,672,697</b>	<b>503,484</b>	<b>1,312,809</b>	<b>1,023,045</b>	<b>1,213,419</b>	<b>6,725,454</b>
<b>EXPENDITURES:</b>						
Current:						
General government	983,594	-	-	-	824,458	1,808,052
Public safety	1,267,203	-	1,249,440	-	117,765	2,634,408
Public health	9,067	-	-	-	90,927	99,994
Highways and public improvements	46,997	360,392	-	773,544	31,003	1,211,936
Parks, recreation and public property	2,177	-	-	-	47,508	49,686
Community and economic development	-	-	-	-	94,259	94,259
Capital outlay	267,306	221,534	149,991	-	153,618	792,450
Debt service:						
Principal	-	-	83,000	46,000	-	129,000
Capital lease	68,759	-	6,883	-	-	75,642
Interest	2,883	-	80,308	-	-	83,191
<b>Total expenditures</b>	<b>2,647,986</b>	<b>581,926</b>	<b>1,569,622</b>	<b>819,544</b>	<b>1,359,538</b>	<b>6,978,616</b>
<b>Excess (Deficiency) of Revenues over (Under) Expenditures</b>	<b>24,710</b>	<b>(78,441)</b>	<b>(256,813)</b>	<b>203,501</b>	<b>(146,119)</b>	<b>(253,162)</b>
<b>Other Financing Sources and (Uses):</b>						
Capital lease financing	162,898	-	33,507	-	-	196,405
Sale of fixed assets	32,250	-	-	-	34,187	66,437
Transfers in	1	-	167,400	-	1,103,000	1,270,401
Transfers (out)	(195,400)	-	-	-	(1)	(195,401)
<b>Total other financing sources and (uses)</b>	<b>(252)</b>	<b>-</b>	<b>200,907</b>	<b>-</b>	<b>1,137,186</b>	<b>1,337,842</b>
<b>Net Change in Fund Balances</b>	<b>24,459</b>	<b>(78,441)</b>	<b>(55,906)</b>	<b>203,501</b>	<b>991,067</b>	<b>1,084,680</b>
Fund balances - beginning of year	692,613	642,226	264,578	2,998,999	1,058,365	5,656,782
<b>Fund balances - end of year</b>	<b>\$ 717,072</b>	<b>563,785</b>	<b>208,672</b>	<b>3,202,500</b>	<b>2,049,432</b>	<b>6,741,462</b>

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

Daggett County  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET ASSETS**  
 December 31, 2011

<b>Total Fund Balances for Governmental Funds</b>	<b><u>\$ 6,741,462</u></b>
<p>Total net assets reported for governmental activities in the statement is different because:</p>	
<p>Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.</p>	
Capital assets, at cost	13,788,774
Less accumulated depreciation	<u>(6,692,561)</u>
<b>Net capital assets</b>	<b><u>7,096,213</u></b>
<p>Long-term liabilities, for funds other than enterprise funds are recorded in the government-wide statements but not in the fund statements.</p>	
<b>General long-term debt</b>	<b><u>(2,599,729)</u></b>
<b>Unamortized bond issuance costs less accrued interest</b>	<b><u>19,378</u></b>
<b>Compensated absences</b>	<b><u>(133,612)</u></b>
<p>Some revenue will be collected after year-end but are not available soon enough to pay for current year expenditures and are not accrued in fund statements.</p>	
<b>Mineral lease revenue deferred</b>	<b><u>-</u></b>
<b>Total Net Assets of Governmental Activities</b>	<b><u><u>\$ 11,123,712</u></u></b>

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

Daggett County  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2011

**Net Change in Fund Balances - Total Governmental Funds** **\$ 1,084,680**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses.

Capital outlays	792,450
Depreciation expense	<u>(454,693)</u>
<b>Net</b>	<b><u>337,757</u></b>

Cost of retired assets sold is not reported in government fund statements, while it is reported in the statement of activities.

<b>Book cost of assets retired</b>	<b><u>(14,011)</u></b>
------------------------------------	------------------------

Bond proceeds are reported as financing sources in government funds. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities.

<b>Debt issued - capital leases</b>	<b><u>(196,405)</u></b>
-------------------------------------	-------------------------

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

<b>Long-term debt principal repayments</b>	<b><u>204,641</u></b>
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Accrued interest for long-term debt is not reported as expenditure for the current period, while it is recorded in the statement of activities.

<b>Change in accrued interest</b>	<b><u>(1,741)</u></b>
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

<b>Change in compensated absence liability</b>	<b><u>(17,256)</u></b>
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Governmental funds do not report deferred lease revenue as revenue because these revenues are not available for current period expenses.

<b>Change in deferred mineral lease revenue</b>	<b><u>(83,062)</u></b>
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**Change in Net Assets of Governmental Activities** **\$ 1,314,603**

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

Daggett County  
**STATEMENT OF NET ASSETS - PROPRIETARY FUND**  
December 31, 2011

	Dutch John Enterprise	Low Income Housing	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 939,357	-	939,357
Accounts receivable, net	<u>21,072</u>	<u>172,754</u>	<u>193,826</u>
Total current assets	<u>960,429</u>	<u>172,754</u>	<u>1,133,183</u>
Non-current assets:			
Capital assets:			
Not being depreciated	12,361,684	-	12,361,684
Net of accumulated depreciation	<u>5,576,743</u>	<u>-</u>	<u>5,576,743</u>
Total non-current assets	<u>17,938,427</u>	<u>-</u>	<u>17,938,427</u>
<b>Total assets</b>	<b><u>\$ 18,898,856</u></b>	<b><u>172,754</u></b>	<b><u>19,071,610</u></b>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	\$ 25,206	-	25,206
Accrued interest payable	3,394	-	3,394
Revenue bonds - current	<u>21,000</u>	<u>-</u>	<u>21,000</u>
Total current liabilities	<u>49,600</u>	<u>-</u>	<u>49,600</u>
Non-current liabilities:			
Compensated absences	8,579	-	8,579
Revenue bonds - noncurrent	<u>221,000</u>	<u>-</u>	<u>221,000</u>
Total non-current liabilities	<u>229,579</u>	<u>-</u>	<u>229,579</u>
<b>Total liabilities</b>	<b><u>279,179</u></b>	<b><u>-</u></b>	<b><u>279,179</u></b>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	17,696,427	-	17,696,427
Unrestricted	<u>923,250</u>	<u>172,754</u>	<u>1,096,004</u>
<b>Total net assets</b>	<b><u>18,619,677</u></b>	<b><u>172,754</u></b>	<b><u>18,792,431</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 18,898,856</u></b>	<b><u>172,754</u></b>	<b><u>19,071,610</u></b>

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

Daggett County  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET ASSETS - PROPRIETARY FUND**  
For the Year Ended December 31, 2011

	Dutch John Enterprise	Low Income Housing	Total
<b>Operating income:</b>			
Charges for sales and service	\$ 140,634	1,003	141,637
Other operating income	74,934	-	74,934
<b>Total operating revenue</b>	<b><u>215,568</u></b>	<b><u>1,003</u></b>	<b><u>216,571</u></b>
<b>Operating expenses:</b>			
Personnel services	102,814	-	102,814
Utilities	89,078	-	89,078
Repair & maintenance	46,695	-	46,695
Other supplies & expenses	17,290	-	17,290
Insurance expense	4,185	-	4,185
Bad debt expense	16,164	-	16,164
Depreciation expense	91,958	-	91,958
<b>Total operating expense</b>	<b><u>368,183</u></b>	<b><u>-</u></b>	<b><u>368,183</u></b>
<b>Net operating income (loss)</b>	<b><u>(152,615)</u></b>	<b><u>1,003</u></b>	<b><u>(151,612)</u></b>
<b>Non-operating income (expense):</b>			
Grant revenue	101,362	-	101,362
Interest income	6,160	-	6,160
Interest on long-term debt	(4,347)	675	(3,672)
Gain (loss) on retirement of assets	(58,736)	(47,990)	(106,726)
<b>Total non-operating income (expense)</b>	<b><u>44,440</u></b>	<b><u>(47,315)</u></b>	<b><u>(2,875)</u></b>
<b>Income (loss) before transfers and capital contributions</b>	<b><u>(108,175)</u></b>	<b><u>(46,312)</u></b>	<b><u>(154,488)</u></b>
Transfers out	(1,075,000)	-	(1,075,000)
<b>Change in net assets</b>	<b>(1,183,175)</b>	<b>(46,312)</b>	<b>(1,229,488)</b>
Net assets, beginning	19,802,852	219,066	20,021,919
<b>Net assets, ending</b>	<b><u>\$ 18,619,677</u></b>	<b><u>172,754</u></b>	<b><u>18,792,431</u></b>

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

Daggett County  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2011

	Dutch John Enterprise	Low Income Housing	Total
<b>Cash flows from operating activities:</b>			
Cash received from customers - service	\$ 180,253	(47,202)	133,052
Cash paid to suppliers	(125,264)	(178)	(125,442)
Cash paid to employees	(102,814)	-	(102,814)
<b>Net cash provided (used) in operating activities</b>	<b><u>(47,824)</u></b>	<b><u>(47,380)</u></b>	<b><u>(95,204)</u></b>
<b>Cash flows from noncapital financing activities:</b>			
Net interfund activity	(1,075,000)	-	(1,075,000)
<b>Net cash provided (used) in noncapital financing activities</b>	<b><u>(1,075,000)</u></b>	<b><u>-</u></b>	<b><u>(1,075,000)</u></b>
<b>Cash flows from capital and related financing activities:</b>			
Cash received from capital grants	101,362	-	101,362
Cash payments for capital assets	(276,521)	45,806	(230,715)
Cash payments for long-term debt principal	(21,000)	-	(21,000)
Cash payments for long-term debt interest	(4,631)	675	(3,956)
<b>Net cash provided (used) in capital and related financing activities</b>	<b><u>(200,790)</u></b>	<b><u>46,481</u></b>	<b><u>(154,309)</u></b>
<b>Cash flows from investing activities:</b>			
Cash received from interest earned	6,160	-	6,160
<b>Net cash provided (used) in investing activities</b>	<b><u>6,160</u></b>	<b><u>-</u></b>	<b><u>6,160</u></b>
<b>Net increase (decrease) in cash</b>	<b>(1,317,453)</b>	<b>(899)</b>	<b>(1,318,353)</b>
Cash balance, beginning	2,256,810	899	2,257,709
<b>Cash balance, ending</b>	<b><u>\$ 939,357</u></b>	<b><u>-</u></b>	<b><u>939,357</u></b>
<b>Cash reported on the balance sheet:</b>			
Cash and cash equivalents	\$ 939,357	-	939,357
Non-current restricted cash	-	-	-
<b>Total cash and cash equivalents</b>	<b><u>\$ 939,357</u></b>	<b><u>-</u></b>	<b><u>939,357</u></b>

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

Daggett County  
**STATEMENT OF CASH FLOWS (continued)**  
For the Year Ended December 31, 2011

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

	<u>Dutch John Enterprise</u>	<u>Low Income Housing</u>	<u>Total</u>
<b>Net operating income (expense)</b>	<b>\$ (152,615)</b>	<b>1,003</b>	<b>(151,612)</b>
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:			
Depreciation and amortization	91,958	-	91,958
Changes in assets and liabilities:			
(Increase) decrease in receivables	5,442	(48,205)	(42,763)
Increase (decrease) in payables	<u>7,392</u>	<u>(178)</u>	<u>7,213</u>
<b>Net cash provided (used) in operating activities</b>	<b><u><u>\$ (47,824)</u></u></b>	<b><u><u>(47,380)</u></u></b>	<b><u><u>(95,204)</u></u></b>

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

Daggett County  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
December 31, 2011

	<u>EMT Fundraising</u>	<u>Court Fines</u>	<u>Bail</u>	<u>Total Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 1,200	18,302	12,811	32,314	-
<b>Total assets</b>	<b><u>\$ 1,200</u></b>	<b><u>18,302</u></b>	<b><u>12,811</u></b>	<b><u>32,314</u></b>	<b><u>-</u></b>
<b>LIABILITIES:</b>					
Accounts payable	\$ -	3,914	-	3,914	-
Due taxing units	-	-	-	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>3,914</u></b>	<b><u>-</u></b>	<b><u>3,914</u></b>	<b><u>-</u></b>
<b>NET ASSETS:</b>					
Restricted	1,200	14,389	12,811	28,400	-
<b>Total liabilities and net assets</b>	<b><u>\$ 1,200</u></b>	<b><u>18,302</u></b>	<b><u>12,811</u></b>	<b><u>32,314</u></b>	<b><u>-</u></b>

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

Daggett County  
**STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET ASSETS - FIDUCIARY FUNDS**  
 For the Year Ended December 31, 2011

	EMT Fundraising	Court Fines	Bail	Total Trust Fund
<b>Operating income:</b>				
Charges for services	\$ -	6,379	5,002	11,381
Fines and fees	-	45,647	-	45,647
Other revenues	-	4,705	-	4,705
<b>Total operating revenues</b>	<b>-</b>	<b>56,732</b>	<b>5,002</b>	<b>61,734</b>
<b>Operating expenses:</b>				
Public safety	-	-	4,903	4,903
Payments to other governments	-	53,100	-	53,100
Miscellaneous	-	2,766	-	2,766
<b>Total operating expenses</b>	<b>-</b>	<b>55,866</b>	<b>4,903</b>	<b>60,769</b>
<b>Change in net assets</b>	<b>-</b>	<b>866</b>	<b>99</b>	<b>965</b>
Net assets - beginning	1,200	13,523	12,712	27,435
<b>Net assets - ending</b>	<b>\$ 1,200</b>	<b>14,389</b>	<b>12,811</b>	<b>28,400</b>

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

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1-A. Reporting entity**

Daggett County (the County) operates under a three-member County Commission form of government. The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable.

**Blended Component Units**

Flaming Gorge Roads & Transportation Special Service District was created by the adoption of a resolution establishing a service district. The District has been established as a separate body politic and corporate. The County appointed the board governing the District. The District was created for the purpose of building, maintaining or improving roads within the District's boundaries. The District is so intertwined with the County that it is, in substance, the same as the County and is reported as part of the county and blended into the appropriate funds. The District was audited and their report was issued under separate cover. An audit report can be obtained from their administrative office in Manila, Utah.

**1-B. Government-wide and fund financial statements**

*Government-wide Financial Statements*

The government-wide financial statements, consisting of the statement of net assets and the statement of changes in net assets report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

*Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement.

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**1-C. Measurement focus, basis of accounting and financial statement presentation**

The financial statements of the County are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to County departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

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. The County 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.

Property taxes, sales taxes, intergovernmental revenues, 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. Only the portion of special assessments, if any, receivable within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

*Policy regarding use of restricted resources*

When restricted, committed, assigned and unassigned resources are available for use, it is the County's policy to use restricted resources first, then committed, assigned and unassigned as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities. *Restricted assets, non-current* reports assets restricted for acquisition or construction of non-current assets, or are restricted for liquidation of long-term debt.

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**1-D. Fund types and major funds**

*Governmental funds*

**The County reports the following major governmental funds:**

The *General Fund* is the government'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 *Class "B" Road Fund* is used to account for the revenues and expenditures used to maintain the County's class B roads.

The *Jail Fund* is used to account for revenues and expenditures used to cover the cost of operating the Daggett County Jail facility.

The *Flaming Gorge Road and Transportation Special Service District Fund* is used to account for the receiving of mineral lease money and using these funds to construct, improve, and repair County roads for the benefit for the citizens of the County.

The County's non-major governmental funds include other special revenue funds and capital projects funds. The non-major special revenue funds account for specific revenue sources that are legally restricted to expenditures, for specified purposes. The capital projects funds account for resources obtained and used for the acquisition, construction or improvement of certain capital facilities.

*Proprietary funds*

**The County reports the following major proprietary funds:**

The *Dutch John Fund* accounts for the resources collected and expenditures incurred for providing utility services to residents within the Dutch John area. The Dutch John fund also accounts for funds received from the sale of land and expenditures used for infrastructure improvements.

The *Low Income Housing Fund* is used to account for the construction costs and sale of low income housing.

*Fiduciary Funds*

**Agency Funds** - Agency Funds are used to account for assets held by the County as an agent for other governments, private organizations, or individuals. Agency Funds include the Treasurer's Tax Collection fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results operations.

**Trust Funds** - The County has the following trust funds, Search and Rescue, EMT Fundraising, Court Fines, and Bail Fund, which it manages in a trustee capacity.

**1-E. Assets, Liabilities, and Net Assets or Equity**

**1-E-1. Deposit and Investments**

Investments are reported at fair value. Deposits are reported at cost, which approximates fair value. Investments of the County are accounts at the Utah Public Treasurers Investments Fund. Additional information is contained in Note 2.

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**1-E. Assets, Liabilities, and Net Assets or Equity (continued)**

**1-E-2. Cash and Cash Equivalents**

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.

**1-E-3. Receivables and Payables**

Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. All receivables are considered collectible. No allowance accounts are maintained. Property tax and intergovernmental receivables are considered collectible.

During the course of operations, there may be transactions occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either *due to* or *due from other funds*.

Property taxes are assessed and collected Daggett County. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

**1-E-4. Restricted Assets**

At times, the County may have funds set aside that are legally restricted or their use is limited by certain covenants. Restricted resources are applied first when eligible expenses are incurred.

**1-E-5. Inventories and Prepaid items**

Inventories in governmental funds are not reported. These consist of immaterial amounts of expendable supplies for consumption. Such supplies are acquired as needed. Proprietary fund inventories, where material, are stated at the lower of cost or market, using the first-in, first-out basis.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

**1-E-6. Capital Assets**

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental 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 \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure is depreciated.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**1-E. Assets, Liabilities, and Net Assets or Equity (continued)**

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>
Buildings	20-40
Improvements	15-20
Infrastructure	40-50
Vehicles and equipment	5-10

**1-E-7. Long-term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Significant or material bond issuance costs are reported as deferred charges.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

**1-E-8. Compensated Absences**

It is the County's policy to permit employees to accumulated earned but unused vacation, comp-time and sick pay benefits. An estimate of sick leave liability, comp-time and vacation pay is accrued when incurred in government-wide financial statements and proprietary funds and reported as a liability.

Accrued unpaid vacation pay and other employee benefit amounts, which vest to the employee in the government-wide financial statements for governmental activities total \$116,356 and for proprietary funds total \$8,579.

**1-E-9. Fund Equity**

*Government-wide Financial Statements*

Equity is classified in the government-wide financial statements as net assets 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 balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**1-E. Assets, Liabilities, and Net Assets or Equity (continued)**

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

*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 of 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. A vote by the County Commission members is required to establish and modify or rescind a fund balance commitment.

**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 is authorized to assign amounts to a specific purpose in accordance with the County's policy.

**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 specific purposes within the General Fund.

Proprietary fund equity is classified the same as in the government-wide statements.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**2-A. Budgetary data**

Annual budgets are prepared by the County Auditor and adopted by the County Commission, in accordance with State law, on or before November 1 for the following fiscal year beginning January 1. Estimated revenues and appropriations may be increased or decreased by resolution of the County Commission at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund.. The level of the County's budgetary control (the level at which the County's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2011

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)**

Once adopted, the budget may be amended by the County Commission without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the County Commission, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

**NOTE 3 - DETAILED NOTES**

**3-A. Deposits and investments**

Cash and investments as of December 31, 2011 consist of the following:

	<u>Fair Value</u>
Demand deposits - checking	\$ 1,602,715
Investments in stock	505
Deposits - PTIF	4,661,795
<b>Total cash</b>	<b>\$ 6,265,015</b>

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Cash and cash equivalents (current)	\$ 4,753,652
Restricted cash and cash equivalents (non-current)	1,511,363
<b>Total cash and cash equivalents</b>	<b>\$ 6,265,015</b>

Cash equivalents and investments are carried at fair value in accordance with GASB Statement No. 31.

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that County funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2011

**3-A. Deposits and investments (continued)**

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares. The County maintains monies not immediately needed for expenditure in PTIF accounts.

**Deposit and Investment Risk**

The County maintains no investment policy containing any specific provisions intended to limit the County's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The County's compliance with the provisions of UMMA addresses each of these risks.

**Interest rate risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investments of the County are available immediately.

**Credit risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. At December 31, 2011, \$250,000 of the County's demand and bank trust deposits are covered by FDIC insurance; \$1,546,799 is uninsured and uncollateralized; \$4,661,795 is deposited in PTIF.

Custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

**Concentration of credit risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

**3-B. Receivables**

Accounts receivable are shown on the financial statements as follows:

	Governmental Activities	Business-type Activities	Total
Property taxes	\$ 230,781	-	230,781
Intergovernmental	1,112,540	-	1,112,540
Customers	271,344	255,429	526,773
<b>Total receivables</b>	<b>\$ 1,614,665</b>	<b>255,429</b>	<b>1,870,095</b>

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**3-C. Capital Assets**

Capital asset activity for the governmental activities was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land and rights	\$ 213,218	-	-	213,218
Construction in progress	250,359	190,179	-	440,538
<b>Total capital assets, not being depreciated</b>	<b><u>463,577</u></b>	<b><u>190,179</u></b>	<b><u>-</u></b>	<b><u>653,756</u></b>
Capital assets, being depreciated:				
Buildings	4,023,841	-	-	4,023,841
Improvements other than buildings	680,619	128,960	-	809,579
Machinery and equipment	2,858,561	460,245	436,497	2,882,309
Infrastructure	5,406,223	13,066	-	5,419,289
<b>Total capital assets, being depreciated</b>	<b><u>12,969,244</u></b>	<b><u>602,271</u></b>	<b><u>436,497</u></b>	<b><u>13,135,018</u></b>
Less accumulated depreciation for:				
Buildings	1,519,549	101,474	-	1,621,023
Improvements other than buildings	297,231	25,661	-	322,892
Machinery and equipment	1,595,321	219,122	422,486	1,391,957
Infrastructure	3,248,254	108,435	-	3,356,689
<b>Total accumulated depreciation</b>	<b><u>6,660,354</u></b>	<b><u>454,693</u></b>	<b><u>422,486</u></b>	<b><u>6,692,561</u></b>
<b>Total capital assets being depreciated, net</b>	<b><u>6,308,890</u></b>	<b><u>147,578</u></b>	<b><u>14,011</u></b>	<b><u>6,442,457</u></b>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 6,772,467</u></b>	<b><u>337,757</u></b>	<b><u>14,011</u></b>	<b><u>7,096,213</u></b>

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

<b>Governmental activities:</b>	
General government	\$ 52,934
Public health	19,474
Public safety	175,234
Highways and public improvements	190,699
Parks, recreation and public property	7,800
Economic development	8,239
Dutch John Town	310
<b>Total</b>	<b><u>\$ 454,693</u></b>

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**3-C. Capital assets (continued)**

Capital asset activity for business-type activities was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land and water shares	\$ 12,456,420	59,520	154,256	12,361,684
Construction in progress	2,600,346	278,245	2,878,591	-
<b>Total capital assets, not being depreciated</b>	<b><u>15,056,767</u></b>	<b><u>337,765</u></b>	<b><u>3,032,847</u></b>	<b><u>12,361,684</u></b>
Capital assets, being depreciated:				
Buildings	568,628	13,978	-	582,606
Improvements other than buildings	1,603,407	-	-	1,603,407
Machinery and equipment	510,501	-	17,335	493,166
Infrastructure	1,110,079	2,805,093	-	3,915,172
<b>Total capital assets, being depreciated</b>	<b><u>3,792,614</u></b>	<b><u>2,819,071</u></b>	<b><u>17,335</u></b>	<b><u>6,594,350</u></b>
Less accumulated depreciation for:				
Buildings	189,313	20,044	-	209,357
Improvements other than buildings	-	-	-	-
Machinery & equipment	367,716	26,371	17,335	376,752
Infrastructure	385,955	45,543	-	431,498
<b>Total accumulated depreciation</b>	<b><u>942,984</u></b>	<b><u>91,958</u></b>	<b><u>17,335</u></b>	<b><u>1,017,607</u></b>
<b>Total capital assets being depreciated, net</b>	<b><u>2,849,630</u></b>	<b><u>2,727,113</u></b>	<b><u>-</u></b>	<b><u>5,576,743</u></b>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 17,906,397</u></b>	<b><u>3,064,878</u></b>	<b><u>3,032,847</u></b>	<b><u>17,938,427</u></b>

Depreciation expense was charged to functions/programs of the primary government business-type activities as follows:

<b>Business-type activities:</b>	
Dutch John	<u>\$ 91,958</u>
<b>Total</b>	<b><u>\$ 91,958</u></b>

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**3-D. Long-term debt**

	Original Principal	%	12/31/2010	Additions	Reductions	12/31/2011	Due Within One Year
<b><u>Governmental activities:</u></b>							
2009 Ford Truck Lease Matures 4/30/2011	\$ 24,943	4.80	\$ 18,940	-	18,940	-	-
2009 Ford Escape Lease Hybrid 4x4 Matures 6/5/2011	26,553	4.50	19,139	-	19,139	-	-
2010 Ford Explorer (Dam) Lease Matures 4/15/2014	33,609	4.36	24,886	-	7,638	17,248	5,506
2009 Ford F150 Lease - Sheriff Matures 5/9/2014	20,352	3.17	-	20,352	-	20,352	6,573
2009 Ford Escape Lease - Dam Matures 6/5/2014	20,500	3.17	-	20,500	-	20,500	6,622
2011 Ford Explorer - Dam Matures 10/25/2015	32,572	3.64	-	32,572	6,613	25,959	5,675
2011 Ford F-150 Lease - Jail Matures 10/25/2015	33,507	3.64	-	33,507	6,883	26,624	5,907
2011 Ford F-150 Lease - Comm Matures 12/20/2015	32,200	3.26	-	32,200	5,911	26,289	5,054
2011 Ford F-150 Lease - Sheriff Matures 12/20/2015	38,124	3.26	-	38,124	7,000	31,124	5,986
2011 Ford Focus Lease - Comm Matures 12/20/2015	19,150	3.26	-	19,150	3,516	15,634	3,007
Jail 1998 B Matures 6/30/2020	150,000	3.00	86,000	-	7,000	79,000	8,000
2008A Mineral Lease Revenue Matures 4/1/2024	500,000	-	467,000	-	33,000	434,000	33,000
2008B Mineral Lease Revenue Matures 4/1/2024	200,000	-	187,000	-	13,000	174,000	13,000
Series 2008 Jail Matures 12/15/2027	2,031,000	4.32	<u>1,805,000</u>	-	<u>76,000</u>	<u>1,729,000</u>	<u>79,000</u>
<b>Total governmental activity long-term liabilities</b>			<b><u>\$2,607,965</u></b>	<b><u>196,405</u></b>	<b><u>204,640</u></b>	<b><u>2,599,730</u></b>	<b><u>177,330</u></b>

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2011

**3-D. Long-term debt (continued)**

Debt service requirements to maturity for governmental activities are as follows:

	Principal	Interest	Total
2012	\$ 177,330	82,587	259,916
2013	187,578	77,990	265,568
2014	192,360	72,959	265,319
2015	176,461	67,669	244,129
2016	146,000	62,837	208,837
2017 - 2021	789,000	250,576	1,039,576
2022 - 2026	785,000	124,406	909,406
2027 - 2027	146,000	6,789	152,789
<b>Total</b>	<b><u>\$2,599,729</u></b>	<b><u>745,812</u></b>	<b><u>3,345,541</u></b>

	Original Principal	% Rate	12/31/2010	Additions	Reductions	12/31/2011	Due Within One Year
<b><u>Business-type activities:</u></b>							
2010 Water Revenue Matures 4/1/2040	\$ 263,000	1.87	\$ 263,000	-	21,000	242,000	21,000
<b>Total business-type activity long-term liabilities</b>			<b><u>\$263,000</u></b>	<b><u>-</u></b>	<b><u>21,000</u></b>	<b><u>242,000</u></b>	<b><u>21,000</u></b>

Revenue bond debt service requirements to maturity for business-type activities are as follows:

	Principal	Interest	Total
2012	\$ 21,000	4,525	25,525
2013	21,000	4,132	25,132
2014	21,000	3,740	24,740
2015	5,000	3,347	8,347
2016	6,000	3,253	9,253
2017 - 2021	30,000	14,584	44,584
2022 - 2026	32,000	11,761	43,761
2027 - 2031	35,000	8,600	43,600
2032 - 2036	38,000	5,270	43,270
2037 - 2040	33,000	1,569	34,569
<b>Total</b>	<b><u>\$242,000</u></b>	<b><u>60,781</u></b>	<b><u>302,781</u></b>

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**3-D. Long-term debt (continued)**

**Other long-term liabilities:**

	Beginning	Increase (Decrease)	Ending
<b>Compensate absences:</b>			
Governmental	\$ 116,356	17,256	133,612
Business-type	8,579	-	8,579
<b>Total</b>	<b>\$ 124,935</b>	<b>17,256</b>	<b>142,191</b>

**Capital Leases:**

Daggett County has entered into lease agreements as a lessee for financing the acquisition of the vehicles for Public Safety functions. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The asset through capital leases are as follows:

	Governmental Activities
Vehicles	\$ 230,014
Less: Accumulated Depreciation	(19,991)
<b>Net assets</b>	<b>\$ 210,023</b>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2011 were as follows:

<u>Years Ending</u> <u>December 31</u>	
2012	\$ 50,670
2013	56,382
2014	56,382
2015	35,638
<b>Total minimum lease payments</b>	<b>\$ 199,073</b>
Less: amount representing interest	(15,344)
<b>Present value of minimum lease payments</b>	<b>\$ 183,729</b>

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
 December 31, 2011

**3-E. Interfund receivables, payables, and transfers**

Due to/from other funds:

	<b>Payable Funds:</b>		
	Economic Development	Geo Info Systems	Total
<b><u>Receivable Funds:</u></b>			
General	\$ 1,261	10,268	11,529
<b>Total</b>	<b>\$ 1,261</b>	<b>10,268</b>	<b>11,529</b>

Amounts represent the result of transactions occurring between funds that are representative of lending/borrowing arrangements due to overdrafts in the payable funds.

Interfund transfers:

	<b>Transfers Out:</b>			
	General Fund	Global Positioning System	Dutch John Enterprise	Total
<b><u>Transfers In:</u></b>				
General	\$ -	1	-	1
Jail	167,400	-	-	167,400
Dutch John Financing Museum	-	-	900,000	900,000
	2,000	-	-	2,000
Dutch John Town	-	-	175,000	175,000
Search and Rescue	1,000	-	-	1,000
Geo Info Systems	2,000	-	-	2,000
Predator Control	2,000	-	-	2,000
Capital Projects	21,000	-	-	21,000
<b>Total</b>	<b>\$ 195,400</b>	<b>1</b>	<b>1,075,000</b>	<b>1,270,401</b>

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**NOTE 4 - OTHER INFORMATION**

**4-A. 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. The County participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The County is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

**4-B. Employee pension and other benefit plans**

**Plan Description:**

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

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

**Funding Policy:**

In the Local Government Noncontributory Retirement System, Daggett County is required to contribute 13.37% and 13.77% of employees' annual covered salary for the respective periods of January 2011 through Jun 2011 and July 2011 through December 2011. In the Public Safety Retirement System for employers with (without) Social Security coverage contributory division, members are required to contribute 12.29% of their covered salary for the period of January 2011 through December 2011 and Daggett County is required to contribute 14.86% and 15.78% of covered salaries during the respective periods of January 2011 through June 2011 and July 2011 through December 2011. In the Public Safety Noncontributory division, Daggett County is required to contribute 26.13% and 27.07% for the respective periods of January 2011 through June 2011 and July 2011 through December 2011. The contribution rate is the actuarially determined rate and is approved by the Board as authorized by Chapter 49.

The County's contributions to the various systems for the years ending December 31, 2011, 2010 and 2009 respectively were: for the Local Governmental Noncontributory Retirement System, \$110,219, \$93,526, and \$81,933; for the Public Safety Contributory Retirement System \$30,349, \$38,627, and \$35,832; and for the Public Safety Noncontributory Retirement System \$91,316, \$82,516, and \$67,893. The contributions were equal to the required contributions for each year.

Daggett County  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**4-B. Employee pension and other benefit plans (continued)**

The County also sponsors a defined contribution retirement plan under Internal Revenue Code 401(k), which is administered by the Utah Retirement System (Systems). The Plan covers all County employees who participate in the System and Utah Public Safety Retirement System retirement plans. Participants are fully vested in employer and employee contributions. The County's contributions for December 31, 2011, 2010 and 2009 were \$53,641, \$79,662 and \$78,615, respectively. Participants may make tax deferred contributions through salary reduction agreement up to a maximum of \$16,500. The participants' contributions for the year ended December 31, 2011, 2010 and 2009 were \$35,586, \$35,012 and \$34,187, respectively.

Participants may also contribute to a County sponsored 457 Plan which is administered by the Utah Retirement System. The participants' contributions for the year ended December 31, 2011, 2010 and 2009 were \$4,052, \$260 and \$0.

**4-C. Contingent Liabilities**

**Litigation**

Daggett County has no pending lawsuits and/or notice of claims as of December 31, 2011.

**Closure and Post-Closure Cost Landfills**

During 2003, Daggett County deeded their ½ interest in the landfill to the Town of Manila on the condition the land would continue to be used, operated, and maintained as a public landfill open and available to the residents of the unincorporated area of Daggett County. If the land is not maintained and operated as a public landfill, open and available to the residents of the unincorporated area of Daggett County, the county may re-enter and repossess their ½ of the landfill. Currently, the County has no responsibility for closure and post-closure costs associated with the landfill.

**4-D. Redevelopment Agency Information**

The following information relates to the redevelopment agency:

- (a) the tax increment collected by the agency for each project area. The agency did not receive any amount in taxes.
- (b) the amount of tax increment paid to any taxing agency. No taxes were paid by the agency to any other agency.
- (c) the outstanding principal amount for bonds issued or other loans incurred to finance costs associated with the project areas. None.
- (d) the actual amount expended for:
  - (i) acquisition of property \$0
  - (ii) site improvement of preparation costs \$0
  - (iii) installation of public utilities or other public improvements \$0
  - (iv) administrative cost of agency \$0

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**REQUIRED SUPPLEMENTAL INFORMATION**  
**(Unaudited)**

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Daggett County  
**Notes to Required Supplementary Information**  
December 31, 2011

**Budgetary Comparison Schedules**

The Budgetary Comparison Schedules presented in this section of the report are for the County's General Fund, Class "B" Road Fund, Jail Fund, and Flaming Gorge Road & Transportation Special Service District Fund.

**Budgeting and Budgetary Control**

Budgets for these funds are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the County Commission prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Commission through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Daggett County  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITUES AND**  
**CHANGED IN FUND BALANCES - BUDGET AND ACTUAL**  
**(Unaudited)**  
For the Year Ended December 31, 2011

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 979,000	979,000	990,221	11,221
Licenses and permits	38,100	38,100	23,465	(14,635)
Intergovernmental revenues	242,988	249,693	190,885	(58,808)
Charges for services	1,152,864	1,230,657	1,300,473	69,816
Fines and forfeitures	47,100	47,100	53,875	6,775
Interest	12,000	12,000	6,359	(5,641)
Miscellaneous revenue	67,300	67,300	107,419	40,119
<b>Total revenues</b>	<b><u>2,539,352</u></b>	<b><u>2,623,850</u></b>	<b><u>2,672,697</u></b>	<b><u>48,847</u></b>
<b>Expenditures</b>				
General government	1,277,025	1,333,983	1,142,831	191,152
Public safety	1,315,667	1,480,574	1,446,913	33,661
Public health	17,620	17,620	9,067	8,553
Highways and public improvements	66,050	66,050	46,997	19,053
Parks, recreation and public property	3,750	3,750	2,177	1,573
<b>Total expenditures</b>	<b><u>2,680,112</u></b>	<b><u>2,901,977</u></b>	<b><u>2,647,986</u></b>	<b><u>253,991</u></b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b><u>\$ (145,510)</u></b>	<b><u>(282,877)</u></b>	<b><u>24,710</u></b>	<b><u>307,588</u></b>
<b>Other Financing Sources and (Uses)</b>				
Capital lease financing	26,000	164,201	162,898	(1,303)
Sale of fixed assets	-	-	32,250	32,250
Transfers in	-	-	1	1
Transfers (out)	(275,290)	(275,290)	(195,400)	79,890
<b>Total Other Financing Sources and (Uses)</b>	<b><u>(249,290)</u></b>	<b><u>(111,089)</u></b>	<b><u>(252)</u></b>	<b><u>110,837</u></b>
<b>Net Change in Fund Balances</b>	<b><u>(394,800)</u></b>	<b><u>(393,966)</u></b>	<b><u>24,459</u></b>	<b><u>418,425</u></b>
Fund Balances - beginning of year	692,613	692,613	692,613	-
<b>Fund Balances - end of year</b>	<b><u>\$ 297,813</u></b>	<b><u>298,647</u></b>	<b><u>717,072</u></b>	<b><u>418,425</u></b>

Daggett County  
**CLASS "B" ROAD FUND**  
**SCHEDULE OF REVENUES, EXPENDITUES AND**  
**CHANGED IN FUND BALANCES - BUDGET AND ACTUAL**  
**(Unaudited)**  
For the Year Ended December 31, 2011

	<u>Budgeted Original</u>	<u>Budgeted Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Intergovernmental revenues	\$ 532,938	457,000	473,278	16,278
Charges for services	-	-	2,597	2,597
Miscellaneous revenue	3,000	3,000	27,610	24,610
<b>Total revenues</b>	<b><u>535,938</u></b>	<b><u>460,000</u></b>	<b><u>503,484</u></b>	<b><u>43,484</u></b>
<b>Expenditures</b>				
Highways and public improvements	596,610	597,510	581,926	15,584
<b>Total expenditures</b>	<b><u>596,610</u></b>	<b><u>597,510</u></b>	<b><u>581,926</u></b>	<b><u>15,584</u></b>
<b>Net Change in Fund Balances</b>	<b>(60,672)</b>	<b>(137,510)</b>	<b>(78,441)</b>	<b>59,069</b>
Fund Balances - beginning of year	642,226	642,226	642,226	-
<b>Fund Balances - end of year</b>	<b><u><u>\$ 581,554</u></u></b>	<b><u><u>504,716</u></u></b>	<b><u><u>563,785</u></u></b>	<b><u><u>59,069</u></u></b>

Daggett County  
**JAIL FUND**  
**SCHEDULE OF REVENUES, EXPENDITUES AND**  
**CHANGED IN FUND BALANCES - BUDGET AND ACTUAL**  
**(Unaudited)**  
For the Year Ended December 31, 2011

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
<b>Revenues</b>				
Property taxes	\$ 162,078	162,078	178,998	16,920
Charges for services	1,253,813	1,253,813	1,123,488	(130,325)
Interest	-	-	996	996
Miscellaneous revenues	-	-	9,327	9,327
<b>Total revenues</b>	<b><u>1,415,891</u></b>	<b><u>1,415,891</u></b>	<b><u>1,312,809</u></b>	<b><u>(103,082)</u></b>
<b>Expenditures</b>				
Public safety	1,893,109	1,893,109	1,569,622	323,487
<b>Total expenditures</b>	<b><u>1,893,109</u></b>	<b><u>1,893,109</u></b>	<b><u>1,569,622</u></b>	<b><u>323,487</u></b>
<b>Excess (Deficiency) of Revenues over (Under) Expenditures</b>	<b><u>(477,218)</u></b>	<b><u>(477,218)</u></b>	<b><u>(256,813)</u></b>	<b><u>220,405</u></b>
<b>Other Financing Sources and (Uses)</b>				
Capital lease financing	25,000	25,000	33,507	8,507
Transfers in	452,218	452,218	167,400	(284,818)
<b>Total other financing sources and (uses)</b>	<b><u>477,218</u></b>	<b><u>477,218</u></b>	<b><u>200,907</u></b>	<b><u>(276,311)</u></b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(55,906)</b>	<b>(55,906)</b>
Fund Balance - beginning of year	264,578	264,578	264,578	-
<b>Fund Balance - end of year</b>	<b><u>\$ 264,578</u></b>	<b><u>264,578</u></b>	<b><u>208,672</u></b>	<b><u>(55,906)</u></b>

Daggett County  
**FLAMING CORGE ROADS & TRANSPORTATION  
SPECIAL SERVICE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITUES AND  
CHANGED IN FUND BALANCES - BUDGET AND ACTUAL  
(Unaudited)**  
For the Year Ended December 31, 2011

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
<b>Revenues</b>				
Intergovernmental revenues	\$ 380,950	998,118	1,005,163	7,045
Interest	19,500	17,727	17,727	-
Miscellaneous	-	-	155	155
<b>Total revenues</b>	<b>400,450</b>	<b>1,015,845</b>	<b>1,023,045</b>	<b>7,200</b>
<b>Expenditures</b>				
Highways and public improvements	214,000	712,000	819,544	(107,544)
<b>Total expenditures</b>	<b>214,000</b>	<b>712,000</b>	<b>819,544</b>	<b>(107,544)</b>
<b>Net Change in Fund Balance</b>	<b>186,450</b>	<b>303,845</b>	<b>203,501</b>	<b>(100,344)</b>
Fund Balance - beginning of year	2,998,999	2,998,999	2,998,999	-
<b>Fund Balance - end of year</b>	<b>\$ 3,185,449</b>	<b>3,302,744</b>	<b>3,202,500</b>	<b>(100,344)</b>

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**SUPPLEMENTAL INFORMATION**

Daggett County  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2011

(Continued on next page)

	Special Revenue Funds										
	Forest Service Roads	Dutch John Financing	Economic Development	Transient Room Tax	Museum	Dutch John RDA	Dutch John Town	Homeland Security	Commissary	Rodeo	Assessing and Collecting
<b>ASSETS</b>											
Cash and cash equivalents	\$ 249,292	803,182	-	151,615	22,582	42,086	82,443	6,229	4,171	8,510	110,609
Receivables	-	59,990	2,292	-	-	-	-	4,166	-	50	67,669
Due from other governments	15,330	-	-	4,243	-	-	4,528	-	3,578	-	-
<b>TOTAL ASSETS</b>	<b>\$ 264,622</b>	<b>863,172</b>	<b>2,292</b>	<b>155,858</b>	<b>22,582</b>	<b>42,086</b>	<b>86,972</b>	<b>10,395</b>	<b>7,749</b>	<b>8,560</b>	<b>178,278</b>
<b>LIABILITIES</b>											
Accounts payable	\$ -	-	219	237	168	20,457	6,510	206	5,642	-	-
Due to other funds	-	-	1,261	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>1,480</b>	<b>237</b>	<b>168</b>	<b>20,457</b>	<b>6,510</b>	<b>206</b>	<b>5,642</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>											
Restricted for:											
Class "B" roads	264,622	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-	-
Redevelopment Agency	-	-	-	-	-	21,628	-	-	-	-	-
Assigned	-	863,172	812	155,621	22,414	-	80,461	10,189	2,107	8,560	178,278
<b>TOTAL FUND BALANCES</b>	<b>264,622</b>	<b>863,172</b>	<b>812</b>	<b>155,621</b>	<b>22,414</b>	<b>21,628</b>	<b>80,461</b>	<b>10,189</b>	<b>2,107</b>	<b>8,560</b>	<b>178,278</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 264,622</b>	<b>863,172</b>	<b>2,292</b>	<b>155,858</b>	<b>22,582</b>	<b>42,086</b>	<b>86,972</b>	<b>10,395</b>	<b>7,749</b>	<b>8,560</b>	<b>178,278</b>

Daggett County  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2011

(Continued from previous page)

	Special Revenue Funds						Capital Projects Fund					Total Non-Major Governmental Funds
	Rural Hospital Tax	Park	Search & Rescue	Global Positioning System	Geo Info System	Predator Control	Ambulance	Election	Computer	Building	Jail	
<b>ASSETS</b>												
Cash and cash equivalents	\$ 290,390	48,805	6,446	-	-	6,557	1,310	5,000	48,495	24,951	12,222	1,924,894
Receivables	-	2,853	-	-	10,600	330	-	-	-	-	-	147,949
Due from other governments	5,816	-	-	-	-	-	-	-	-	-	-	33,496
<b>TOTAL ASSETS</b>	<b>\$ 296,206</b>	<b>51,658</b>	<b>6,446</b>	<b>-</b>	<b>10,600</b>	<b>6,887</b>	<b>1,310</b>	<b>5,000</b>	<b>48,495</b>	<b>24,951</b>	<b>12,222</b>	<b>2,106,339</b>
<b>LIABILITIES</b>												
Accounts payable	\$ 11,301	90	68	-	-	420	-	-	60	-	-	45,378
Due to other funds	-	-	-	-	10,268	-	-	-	-	-	-	11,529
<b>TOTAL LIABILITIES</b>	<b>11,301</b>	<b>90</b>	<b>68</b>	<b>-</b>	<b>10,268</b>	<b>420</b>	<b>-</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>-</b>	<b>56,907</b>
<b>FUND BALANCES</b>												
Restricted for:												
Class "B" roads	-	-	-	-	-	-	-	-	-	-	-	264,622
Capital projects	-	-	-	-	-	-	1,310	5,000	48,435	24,951	12,222	91,918
Redevelopment Agency	-	-	-	-	-	-	-	-	-	-	-	21,628
Assigned	284,905	51,568	6,378	-	332	6,467	-	-	-	-	-	1,671,264
<b>TOTAL FUND BALANCES</b>	<b>284,905</b>	<b>51,568</b>	<b>6,378</b>	<b>-</b>	<b>332</b>	<b>6,467</b>	<b>1,310</b>	<b>5,000</b>	<b>48,435</b>	<b>24,951</b>	<b>12,222</b>	<b>2,049,432</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 296,206</b>	<b>51,658</b>	<b>6,446</b>	<b>-</b>	<b>10,600</b>	<b>6,887</b>	<b>1,310</b>	<b>5,000</b>	<b>48,495</b>	<b>24,951</b>	<b>12,222</b>	<b>2,106,339</b>

Daggett County  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES -  
 NONMAJOR GOVERNMENTAL FUNDS**  
 For the Year Ended December 31, 2011

(Continued on next page)

	Special Revenue Funds										
	Forest Service Roads	Dutch John Financing	Economic Development	Transient Room Tax	Museum	Dutch John RDA	Dutch John Town	Homeland Security	Commissary	Rodeo	Assessing and Collecting
<b>REVENUES:</b>											
Taxes	\$ -	-	-	62,707	-	-	-	-	-	-	183,955
Intergovernmental	77,942	-	2,543	-	-	-	413,013	125,733	-	-	-
Charges for services	-	-	14,804	-	1,676	-	50	-	77,723	22,288	-
Interest income	-	3,182	-	-	-	224	5,132	-	-	-	-
Miscellaneous	-	-	-	-	-	36	30,891	-	-	11,915	-
<b>Total revenues</b>	<b>77,942</b>	<b>3,182</b>	<b>17,347</b>	<b>62,707</b>	<b>1,676</b>	<b>260</b>	<b>449,085</b>	<b>125,733</b>	<b>77,723</b>	<b>34,203</b>	<b>183,955</b>
<b>EXPENDITURES:</b>											
General government	-	-	26,463	609	4,064	60,819	503,382	-	-	-	170,024
Public safety	-	-	-	-	-	-	4,571	30,736	82,457	-	-
Public health	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	19,448	-	-	-	-	-	11,555	-	-	-	-
Parks and recreation	-	-	-	-	-	-	5,800	-	-	32,752	-
Community development	-	40,010	2,359	51,890	-	-	-	-	-	-	-
Capital outlay	-	-	-	11,976	-	-	18,316	92,220	-	-	-
<b>Total expenditures</b>	<b>19,448</b>	<b>40,010</b>	<b>28,822</b>	<b>64,475</b>	<b>4,064</b>	<b>60,819</b>	<b>543,624</b>	<b>122,956</b>	<b>82,457</b>	<b>32,752</b>	<b>170,024</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>58,494</b>	<b>(36,828)</b>	<b>(11,475)</b>	<b>(1,768)</b>	<b>(2,388)</b>	<b>(60,559)</b>	<b>(94,539)</b>	<b>2,777</b>	<b>(4,735)</b>	<b>1,451</b>	<b>13,931</b>
<b>Other Financing Sources (Uses):</b>											
Sale of fixed assets	-	-	-	-	-	34,187	-	-	-	-	-
Transfers in	-	900,000	-	-	2,000	-	175,000	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>900,000</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>34,187</b>	<b>175,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>58,494</b>	<b>863,172</b>	<b>(11,475)</b>	<b>(1,768)</b>	<b>(388)</b>	<b>(26,372)</b>	<b>80,461</b>	<b>2,777</b>	<b>(4,735)</b>	<b>1,451</b>	<b>13,931</b>
Fund Balances - Beginning of year	206,128	-	12,287	157,388	22,802	48,000	-	7,412	6,842	7,109	164,347
<b>Fund Balances - End of year</b>	<b>\$ 264,622</b>	<b>863,172</b>	<b>812</b>	<b>155,621</b>	<b>22,414</b>	<b>21,628</b>	<b>80,461</b>	<b>10,189</b>	<b>2,107</b>	<b>8,560</b>	<b>178,278</b>

Daggett County  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES -  
 NONMAJOR GOVERNMENTAL FUNDS**  
 For the Year Ended December 31, 2011

(Continued from previous page)

	Special Revenue Funds						Capital Projects Fund					Total Non-Major Governmental Funds
	Rural Hospital Tax	Park	Search & Rescue	Global Positioning System	Geo Info System	Predator Control	Ambulance	Election	Computer	Building	Jail	
<b>REVENUES:</b>												
Taxes	\$ 128,072	-	-	-	-	-	-	-	-	-	-	374,734
Intergovernmental	-	14,997	-	-	10,600	2,285	-	-	-	-	-	647,113
Charges for services	-	-	504	-	-	1,500	-	-	-	-	-	118,545
Interest income	-	-	-	-	-	-	-	-	-	-	-	8,538
Miscellaneous	-	100	21,549	-	-	-	-	-	-	-	-	64,491
<b>Total revenues</b>	<b>128,072</b>	<b>15,097</b>	<b>22,053</b>	<b>-</b>	<b>10,600</b>	<b>3,785</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,213,419</b>
<b>EXPENDITURES:</b>												
General government	-	-	18,044	-	12,600	6,400	-	-	22,054	-	-	824,458
Public safety	-	-	-	-	-	-	-	-	-	-	-	117,765
Public health	90,927	-	-	-	-	-	-	-	-	-	-	90,927
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	31,003
Parks and recreation	-	8,956	-	-	-	-	-	-	-	-	-	47,508
Community development	-	-	-	-	-	-	-	-	-	-	-	94,259
Capital outlay	-	-	-	-	-	-	24,205	-	6,901	-	-	153,618
<b>Total expenditures</b>	<b>90,927</b>	<b>8,956</b>	<b>18,044</b>	<b>-</b>	<b>12,600</b>	<b>6,400</b>	<b>24,205</b>	<b>-</b>	<b>28,955</b>	<b>-</b>	<b>-</b>	<b>1,359,538</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>37,145</b>	<b>6,141</b>	<b>4,009</b>	<b>-</b>	<b>(2,000)</b>	<b>(2,615)</b>	<b>(24,205)</b>	<b>-</b>	<b>(28,955)</b>	<b>-</b>	<b>-</b>	<b>(146,119)</b>
<b>Other Financing Sources (Uses):</b>												
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	34,187
Transfers in	-	-	1,000	-	2,000	2,000	-	1,000	20,000	-	-	1,103,000
Transfers out	-	-	-	(1)	-	-	-	-	-	-	-	(1)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>(1)</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>1,000</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>1,103,000</b>
<b>Net change in fund balances</b>	<b>37,145</b>	<b>6,141</b>	<b>5,009</b>	<b>(1)</b>	<b>-</b>	<b>(615)</b>	<b>(24,205)</b>	<b>1,000</b>	<b>(8,955)</b>	<b>-</b>	<b>-</b>	<b>991,067</b>
Fund Balances - Beginning of year	247,760	45,427	1,369	1	332	7,082	25,515	4,000	57,390	24,951	12,222	1,058,364
<b>Fund Balances - End of year</b>	<b>\$ 284,905</b>	<b>51,568</b>	<b>6,378</b>	<b>-</b>	<b>332</b>	<b>6,467</b>	<b>1,310</b>	<b>5,000</b>	<b>48,435</b>	<b>24,951</b>	<b>12,222</b>	<b>2,049,432</b>



**Daggett County**  
Treasurer's Statement of Current Taxes Levied and Collected Including Treasurer's Relief  
December 31, 2011

Taxing Unit	Local & State Real Property	Personal Property Value	Current Year Tax Rate	Prior Year Tax Rate	Real Property Tax	Personal Property Tax	Total Tax	Treasurer's Relief				Taxes Collected	Percent Collected	Delinquent/Redemption				Total Collections
								Unpaid Taxes	Abate-ments	Other	Total Relief			Fees In-Lieu	Misc.	Tax	Interest/ Penalty	
Daggett County General	258,750,685	2,526,240	0.002837	0.002813	734,076	7,106	741,182	22,484	2,433	(1,513)	23,404	717,778	96.84%	52,366	(28)	25,318	5,605	801,039
Daggett County Bond Assessing & Collecting:	258,750,685	2,526,240	0.000640	0.000649	165,600	1,640	167,240	5,072	549	(167)	5,454	161,786	96.74%	12,082	(12)	5,006	136	178,998
Local	258,750,685	2,526,240	0.000302	0.000300	78,143	758	78,901	2,393	259	(78)	2,574	76,327	96.74%	5,585	(6)	2,628	105	84,639
State	258,750,685	2,526,240	0.000172	0.000162	44,505	409	44,914	1,363	147	(439)	1,467	43,447	96.73%	3,016	(3)	1,355	50	47,865
School District:																		
General	258,750,685	2,526,240	0.002792	0.002792	722,432	7,053	729,485	22,127	2,394	(727)	23,794	705,691	96.74%	51,975	(54)	24,506	976	783,094
Basic School Levy	258,750,685	2,526,240	0.001591	0.001495	411,672	3,777	415,449	12,609	1,364	(406)	13,567	401,882	96.73%	27,830	(31)	12,835	501	443,017
Town of Manila	49,467,365	470,325	0.000680	0.000683	33,638	321	33,959	2,379	399	(25)	2,753	31,206	91.89%	4,247	1	2,767	85	38,306
Mosquito Abatement	93,152,265	808,330	0.000300	0.000301	27,946	243	28,189	18,174	223	(41)	1,999	26,190	92.91%	3,774	-	2,055	79	32,098
Mountain View Service Area	4,918,385	6,680	0.000763	0.000750	3,753	5	3,758	221	-	(17)	219	3,539	94.17%	424	-	203	5	4,171
Daggett Water & Sewer	40,263,940	192,205	0.000453	0.000453	18,240	87	18,327	1,137	71	(11)	1,197	17,130	93.47%	2,688	(1)	1,375	80	21,272
<b>Totals</b>							2,261,404	87,959	7,839	(3,424)	76,428	2,184,976		163,987	(134)	78,048	7,622	2,434,499

Note: Amounts based on a tax year of January 15, 2010 to January 15, 2011. Balances may vary from financial statements due to timing differences.  
Balances do not include amounts received directly from State Tax Commission, for example, State fee-in-lieu taxes.

**Daggett County**  
**SCHEDULE OF TRANSIENT ROOM TAX**  
December 31, 2011

Unexpended transient room tax and restaurant tax, December 31, 2010	\$ 157,388
<b>Revenues:</b>	
Transient room tax revenues	62,707
<b>Expenditures:</b>	
Tourism promotion expenditures	<u>(64,475)</u>
Unexpended transient room tax and restaurant tax, December 31, 2011	<u>\$ 155,620</u>



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### Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Daggett County Commissioners

We have audited the financial statements of Daggett County as of and for the year ended December 31, 2011, and have issued our report thereon dated July 31, 2012. 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.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance

As part of obtaining reasonable assurance about whether Daggett County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under Government Auditing Standards.

#### Distribution

This report is intended solely for the information and use of the audit committee, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Aycock, Miles & Associates, CPAs*

July 31, 2012





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### Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

Daggett County Commissioners

#### Compliance

We have audited the compliance of Daggett County 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 Daggett County's major federal programs for the year ended December 31, 2011. Daggett County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Daggett County's management. Our responsibility is to express an opinion on Daggett County's compliance based on our audit.

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 Daggett County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Daggett County's compliance with those requirements.

In our opinion, Daggett County complied, in all material respects, with the 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, 2011.

#### Internal Control Over Compliance

The management of Daggett County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Daggett County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 Daggett County 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 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.

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 over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Information

This report is intended for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Aycock, Miles & Associates, CPAs*

July 31, 2012

Daggett County  
**Schedule of Expenditures of Federal Awards**  
*Year Ended December 31, 2011*

Federal Department	C.F.D.A. Number	Grantor Agency	Federal Expenditures
<u>Department of Agriculture</u>			
SISK Cooperative Agreement	10.664	USDA	\$ 54,950
National Forest-Rural Communities	10.670	State of Utah	<u>189,372</u>
Sub-total			244,322
<u>Environmental Protection Agency</u>			
Dutch John Water Project, STAG	66.606	EPA	<u>47,511</u>
Sub-total			47,511
<u>Department of Homeland Security</u>			
Homeland Security, LEPC	97.055	State of Utah	7,500
Emergency Management	97.042	State of Utah	66,127
State Homeland Security Program	97.073	State of Utah	<u>84,165</u>
Sub-total			157,792
<u>Department of Justice</u>			
Justice Assistance Grant (JAG)	16.738	State of Utah	7,415
Violence Against Women	16.588	State of Utah	<u>21,916</u>
Sub-total			29,331
<u>Department of Interior</u>			
Bureau of Reclamation, Dutch John Privatization	15.503	Bureau of Reclamation	389,965
Bureau of Reclamation, Dam Security	15.503	Bureau of Reclamation	<u>587,453</u>
Sub-total			<u>977,418</u>
		Grand Total	<u>\$ 1,456,374</u>

Note: The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the County. These expenditures include the disbursement of federal loan proceeds and federal grants. The information in the schedule is presented in accordance with OMB Circular A-133. The schedule is prepared using the same accounting policies and basis of accounting as the District's basic financial statement described in Note 1.

## Schedule of Findings and Questioned Costs, Prior and Current

This report discusses four key areas: 1) a summary of auditor's results, 2) findings related to the financial statements, and 3) findings and questioned costs related to federal awards.

### Summary of Auditors' Results

Financial Statement Opinion: The auditor's report expresses an unqualified opinion

Internal Control Over Financial Reporting: No significant deficiencies and no material weaknesses reported

Noncompliance Material to the Financial Statements: No instances of material noncompliance

Major Program Internal Controls: No significant deficiencies or material weaknesses

Opinion on Compliance for Major Programs: Unqualified opinion on major programs

Audit Findings Required to be Disclosed under Section 510(d) of Circular A-133: None

Major Programs Identified: 1) Bureau of Reclamation, CFDA 15.503

Dollar Threshold Used to Determine Type A & B Programs: \$300,000

Low-Risk or High-Risk Qualification: Low risk

### Findings Related to Financial Statements

Prior Year Findings: There are four prior year significant deficiencies. Please refer to the accompanying report *Findings and Questioned Costs* items 2010-1, 2, 3, and 4.

Current Year Findings: No current year findings related to the financial statements.

### Findings and Questioned Costs Related to Federal Awards

Prior Year Findings: There are no prior year findings in this area.

Current Year Findings: There are current year findings regarding major programs.



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## **Independent Auditors' Report on State of Utah Legal Compliance**

Honorable County Commissioners of Daggett County

We have audited the general purpose financial statements of Daggett County, Utah, for the year ended December 31, 2011, and have issued our report thereon dated July 31, 2012. As part of our audit, we have audited Daggett County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; special tests and provisions as applicable to each of its major State assistance programs as required by the *State of Utah's Legal Compliance Audit Guide* for the year ended December 31, 2011. The County received the following major State assistance programs from the State of Utah:

Class B Road, Liquor Law Enforcement

The County also received the following nonmajor grants which are not required to be audited for specific compliance requirements; however, these programs, if any, were subject to testwork as part of the audit.

Community Impact Board, Utah AGRC Cadastral, Utah Museum, Mineral Lease, Local Emergency Planning, EMS Ambulance

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the *State of Utah's Legal Compliance Audit Guide*:

Debt, Justice Courts, Cash Management, Purchasing, Budget, Property Taxes, Transient Room Tax, B & C Roads, Uniform Building Codes, Impact Fees, Asset Forfeiture, URS Compliance, and Fund Balance

The management of Daggett County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 a material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for my opinion. Our audit does not provide a legal determination on the county's compliance with these requirements.

The results of our audit procedures disclosed no instances of noncompliance with the above requirements.

In our opinion, Daggett County complied, in all material respects, with the general compliance requirements and major assistance requirements identified above for the year ended December 31, 2011.

This report is intended solely for the information and use of management of the County and is not intended to be and should not be used by anyone other than specified parties. However, the report is a matter of public record and its distribution is not limited.

*Aycock, Miles & Associates, CPAs*

July 31, 2012



## Prior Year Findings and Questioned Costs

**2010-1 Bank Statement Review and Outstanding Items**—Inadequate review of monthly bank statements and bank reconciliations. A small number of checks have been outstanding for many months, even years, and a deposit was recorded twice and the amount was being carried in deposits in transit.

**Criteria**—Bank statement reconciliations should be completed by an individual in a position of approval and not involved in bookkeeping or should be reviewed by a person in a separate department. The review process should determine if reconciling items need adjusted.

**Cause**—The County Treasurer's office has receipting and recording duties and also performs the bank reconciliation. Outstanding items needing adjustment were not identified.

**Effect**—Without review, the County's risk of misstatement and fraud are increased.

**Recommendation**—We recommend that the County Auditor's office review the bank reconciliations, the bank statements, and compare the transactions clearing the bank to approved payments and cash receipts. Upon completing this review, we encourage written documentation of approval on the bank reconciliation and bank statement.

**Status**—resolved.

**2010-2 Utility Billing Accounts Receivable Balances and Allowances Not Posted Monthly**—Dutch John utility billing accounts receivable balances should be posted monthly. Applicable allowance for doubtful accounts should also be posted monthly. A number of customer accounts have very large, old balances.

**Criteria**—Accounts receivable and allowance balances should be posted monthly so that management can review the status of balances so that appropriate collection decisions can be made.

**Cause**—The County operates utility revenues on the cash basis until year-end when accounts receivable balances are adjusted to actual.

**Effect**—Collections, doubtful accounts and cash flow may be negatively affected without periodic review.

**Recommendation**—We recommend that accounts receivable and aged accounts receivable balances exceeding 90 plus days be posted monthly. We recommend that the aging of accounts receivable be reviewed monthly so that payment plans can be initiated and shut-off notices be considered.

**Status**—resolved.

**2010-3 Combined Accounting Duties at Assessor's Office**—The Assessor's office bills and collects ambulance fees.

**Criteria**—The process of billing and collection should be separated.

**Cause**—The County Assessor's office bills and collects ambulance revenues.

**Effect**—Fraud and embezzlement may occur because those accounting duties are combined.

**Recommendation**—We recommend that all ambulance payments through mail or walk-in be directed to the Treasurer's office. The Treasurer's office can periodically report payments on account to the Assessor's office.

**Status**—resolved.

**2010-4 Journal Entries, Other Charges & Credits, and Utility Billing Adjustments Not Reviewed**—Journal entries and billing adjustments should be routinely reviewed.

**Criteria**—Adjustments to the general ledger and utility billing system should be reviewed to guard against unauthorized changes to customer accounts or general ledger balances. Review/approval process of these changes should be completed by individual without access to the general ledger.

**Cause**—Review of journal entries and adjustments is currently not done.

**Effect**—Fraud and embezzlement is possible if adjustments can be made by a department that receipts cash.

**Recommendation**—We recommend that the Auditor's office approve all utility billing adjustments and OCC items. Current software should provide audit trail reports that reflect these changes to accounts. We recommend that journal entries be approved as well.

**Status**—resolved.