

**SOLID WASTE LANDFILL ANNUAL REPORT**

For Calendar year 2011

SW232  
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FEB 28 2012

**Administrative Information** (Please enter all the information requested below)

UTAH DIVISION OF  
SOLID & HAZARDOUS WASTE  
2012.00571

Facility Name: Ticaboo Landfill

Facility Mailing Address: P.O. Box 77

(Number & Street, Box and/or Route)

City: Panguitch

Zip Code: 84759

County: Garfield

Permit Number: 92-03R2

**Owner**

Name: Garfield County

Phone No.: (435) 676-1119

Owner Mailing Address: P.O. Box 77

(Number & Street, Box and/or Route)

City: Panguitch

State: Utah

Zip Code: 84759

Contact Name: Brian B. Bremner

Contact Title: County Engineer

Contact's Mailing Address: P.O. Box 77, Panguitch, Utah 84759

Phone No.: (435) 676-1119

Contact's Email Address: engineer@color-country.net

**Operator** (Complete this section only if the operator is not an employee of the Owner shown above)

Name: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Owner Mailing Address: \_\_\_\_\_

(Number & Street, Box and/or Route)

City: \_\_\_\_\_

State: Utah

Zip Code: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Contact Title: \_\_\_\_\_

Contact's Mailing Address: \_\_\_\_\_

Phone No.: \_\_\_\_\_

Contact's Email Address: \_\_\_\_\_

**Facility Type and Status**

Class I

Class IIIb

Class V

Facility Closed during the year

Class II

Class IVa

Class VI

Date Closed: \_\_\_\_\_

Class IIIa

Class IVb

**Annual Disposal** (Tons received at the facility for disposal)

Waste Type	Waste Origin		Total	Measurement	
	In-State	Out-of-State		Tons	Cubic Yards
Municipal	<u>3,620.10</u>	_____	<u>3,620.10</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industrial	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>
C/D*	_____	_____	_____	<input type="checkbox"/>	<input type="checkbox"/>

\*C/D waste includes all waste going to a Class IV or VI landfill cell

**Conversion Factor Used**

None Used

Site Specific

From Rules

List Site Specific Conversion: \_\_\_\_\_

**Recycling**Material Recycled: \_\_\_\_\_ Reported in Tons  Cubic Yards **Utah Disposal Fee**Disposal fee required to be paid to State Yes  No  (If yes please show fees paid below)

Municipal: \_\_\_\_\_ Industrial: \_\_\_\_\_ C/D: \_\_\_\_\_ Annual: \_\_\_\_\_

Municipal, Industrial and C/D are fees paid by Commercial Facilities. Annual fee is paid by facilities operated by a municipality

**Current Landfill Remaining Capacity**Tons: \_\_\_\_\_ Cubic Yards: \_\_\_\_\_ Acre: 4.00 Years: 50.00Acres Currently Open: 40.00 Acres Currently Closed: 0.00**Financial Assurance**Current Closure Cost Estimate: \$93,937.00Current Post-Closure Cost Estimate: \$27,568.00

Current Amount or Balance in Mechanism: \_\_\_\_\_

(If facility permit has been renewed and if balance does not equal or exceed total for closure and post-closure care please contact the Division)

Current Financial Assurance Mechanism: Government Test

(ie. Bond, Trust Fund, Corporate or government Test etc.)

Current Financial Assurance Mechanism Holder: Not Required

(ie. Name of Bond Company, Bank etc. Account number)

**Financial Assurance:** Each facility must recalculate the cost of closure and post-closure care to account for inflation and design changes each year. The inflation factor can be found on the Division web page. Facilities that are using a trust account should include a copy of the most recent account statement.**Note** Facilities using "Local Government Financial Test" or the "Corporate Financial Test" must provide the information required in R315-309-8(4) or R315-309-9(3) each year.**Other Reports and Information to be Submitted with Annual Report****Ground Water Monitoring:** Class I and V landfills only. Check if exempt **Explosive Gas Monitoring:** Class I, II and V landfills only. Check if exempt Does the facility have a landfill gas collection system Yes  No 

If yes please briefly describe use of gas, e.g., flared or used for electricity generation.

**Training Report:** A report of all training programs or procedures completed by facility personnel during the year.**Signature:**  Date: 2-16-2012

Signature should be by an executive officer, general partner, proprietor, elected official, or a duly authorized representative. A duly authorized representative must meet the requirements of the solid waste rules (UAC R315-310-2(4)(d)).

Type Name: Brian B. Bremner Title: County Engineer

TICABOO LANDFILL FINANCIAL ASSURANCE:

A revised calculation for closure and post closure was developed as part of the permit process. The revised figures are identified herein. Garfield County has completed the local government test. Garfield County will use the local government test.

GROUNDWATER MONITORING REPORT:

No groundwater wells exist at this facility, and no activities have been performed.

GAS MONITORING REPORT:

No landfill gas monitoring was conducted at the Ticaboo Landfill during 2011. There are no buildings requiring monitoring.

TRAINING PROGRAM REPORT:

Two permanent employees of Garfield County and two landfill operators have completed training prior to December 31<sup>st</sup>, 2010. However, changes with Ticaboo landfill personnel have resulted in requirements for additional training. Garfield County will coordinate with landfill operators to perform necessary training.

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UTAH DIVISION OF  
SOLID & HAZARDOUS WASTE

**GARFIELD COUNTY**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010**

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# Kimball & Roberts

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners  
Garfield County  
Panguitch, Utah 84759

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Garfield County as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Garfield County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Garfield County Ticaboo Special Service District No. 1, which represents 100 percent of the assets and revenues of the component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for Garfield County Ticaboo Special Service District No. 1 is based on the report of the other auditors.


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, each major fund, and the aggregate remaining fund information of Garfield County as of December 31, 2010, and the respective changes in financial position 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 report dated June 7, 2011, on our consideration of Garfield County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 6 through 15 and 45 through 53 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Garfield County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of Garfield County. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Garfield County. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

June 7, 2011  
Richfield, Utah



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

This discussion of Garfield County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2010. This report is in conjunction with the County's financial statements.

**All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

The purpose of the County is to provide general services to its residents that includes general government, public safety, public health, highways and public improvements, parks and recreation, and economic development.

### **Financial Highlights**

- \* The assets of Garfield County exceeded its liabilities as of the close of the most recent year by \$49,042 (net assets). There were unrestricted assets at year-end in the amount of \$7,538.
- \* The revenues were less than the adopted budgeted amounts and expenditures were less than the adopted budgeted amounts.
- \* At the close of the current year, the Garfield County governmental funds reported combined ending fund balances of \$13,017. Approximately 40 percent of this total amount, \$5,241 is available for spending at the government's discretion (unassigned fund balance).
- \* At the end of the current year, unassigned fund balance for the general fund was \$5,241, or 60 percent of total general fund expenditures.
- \* Garfield County's total debt decreased by \$447 during the current year.

### **Overview of the Financial Statements**

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

### **Government-wide Financial Statements**

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

The statement of net assets presents information on all of Garfield 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 Garfield County is improving or deteriorating.

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

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

The government-wide financial statements include not only Garfield County itself (known as the primary government), but also three entities; two special service districts and a municipal building authority, for which Garfield County is financially accountable. Financial information for these component units are reported separately from the financial information present for the primary government itself. For all practical purposes, they function as departments of Garfield County and, therefore, have been included as an integral part of primary government as blended component units.

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

## **Fund Financial Statements**

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

## **Governmental Funds**

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

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

Garfield County maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Class B Road, Fire Protection SSD, Rural Health Care and Capital Improvement Funds.

All of these funds are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those fund are *not* available to support Garfield County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

### **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 are part of the basic financial statements.

### **Other Information**

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

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

### **Government-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Garfield County, assets exceeded liabilities by \$49,042 at the close of the most recent fiscal year.

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

**Governmental Activities:**

**Garfield County's Net Assets**

	<u>2010</u>	<u>2009</u>
Current and Other Assets	9,311	10,477
Capital Assets	<u>43,202</u>	<u>38,969</u>
Total Assets	<u>52,513</u>	<u>49,446</u>
Current Liabilities	746	635
Long-Term Liabilities	<u>2,725</u>	<u>3,074</u>
Total Liabilities	<u>3,471</u>	<u>3,709</u>
Net Assets:		
Invested in Capital Assets - Net of Related Debt	36,897	36,949
Restricted	4,607	3,687
Unrestricted	<u>7,538</u>	<u>5,101</u>
Total Net Assets	<u>49,042</u>	<u>45,737</u>

A portion of Garfield County's net assets (9 percent) represents resources that are subject to external restrictions on how they may be used. At year end Garfield County is able to report positive balances in all categories.

Governmental activities increased Garfield County's net assets by \$3,305. Key elements of this increase follows:

**Garfield County's Changes in Net Assets**

	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>		
Program Revenues:		
Charges For Services	3,686	3,527
Operating Grants and Contributions	4,511	3,599
Capital Grants and Contributions	287	-
General Revenues:		
Property Taxes	1,026	964
Other Taxes	2,969	2,833
Grants and Contributions Not		
Restricted to Specific Programs	966	1,706
Unrestricted Investment Earnings	81	107
Other	-	-
Gain (Loss) on Sale of Capital Assets	25	(106)
Total Revenues	<u>13,551</u>	<u>12,630</u>
<b>Expenses:</b>		
General Government	2,022	1,919
Public Safety	2,995	3,106
Public Health	1,072	1,143
Highways and Public Improvements	2,560	2,947
Parks and Recreation	649	849
Economic Development	918	1,083
Interest on Long-Term Debt	30	99
Total Expenses	<u>10,246</u>	<u>11,146</u>
Increase in Net Assets	3,305	1,484
Net Assets - Beginning	<u>45,737</u>	<u>44,253</u>
Net Assets - End	<u>49,042</u>	<u>45,737</u>

**Financial Analysis of the Government's Funds**

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

## Governmental Funds

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

At the end of the year, Garfield County's governmental funds reported combined ending fund balances of \$13,017, an increase of \$2,965 in comparison with the prior year. Approximately 40 percent of this amount (\$5,241) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it has already been restricted for: 1) highways and public improvements, \$147; 2) to Debt Service, \$50; 3) Public Health, \$3,954; 4) Landfill Postclosure, \$50; and 5) other commitments for Capital Outlay, \$3,484.

The general fund is the chief operating fund of Garfield County. At the end of the current year, unreserved fund balance of the general fund was \$5,241. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 60 percent of total general fund expenditures.

## General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

- |   |  |
|---|--|
| * \$90 increase in taxes                  | * \$453 increase in General Government           |
| * \$20 decrease in licenses and permits   | * \$343 increase in Public Safety                |
| * \$399 increase in intergovernmental     | * \$8 increase in Health                         |
| * \$537 increase for charges and services | * \$110 increase in Highways                     |
| * \$0 increase in justice court fines     | * \$51 increase in Economic Development          |
| * \$63 increase in misc. revenues         | * \$0 increase in Parks & Recreation             |
| * \$34 decrease in use of fund balance    | * \$70 increase in Transient Room and Other Uses |

During the year actual revenues were less than budgeted revenues by \$123, and actual expenditures were less than budgeted expenditures by \$1,365 resulting in a net increase in fund balance of \$1,242.

## Capital Asset and Debt Administration

### Capital Assets

Garfield County's investment in capital assets for its governmental activities as of December 31, 2010, amounts to \$38,960 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads, highways and bridges. The total decrease in Garfield County's investment in capital assets for the current year was \$9.

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

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

	<u>2010</u>	<u>2009</u>
Land	5,230	5,230
Infrastructure	18,527	18,786
Construction in Progress	1,147	833
Buildings & Improvements	8,618	8,530
Equipment	<u>5,438</u>	<u>5,590</u>
Total	<u>38,960</u>	<u>38,969</u>

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

**Long -Term Debt**

At the end of the current year, Garfield County had total bonded debt outstanding of \$2,063. The debt is represented by the following:

**Garfield County's Outstanding Debt**

	<u>2010</u>	<u>2009</u>
General Obligation Bonds	951	1,298
Revenue Bonds	<u>1,112</u>	<u>1,212</u>
Total	<u>2,063</u>	<u>2,510</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the County. The current debt limitation for Garfield County is significantly higher than their outstanding G. O. Debt.

Garfield County has general obligation debt of \$951 as of December 31, 2010.

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

### **Economic Factors and Next Year's Budgets and Rates**

- \* The unemployment rate for Garfield County is 14 percent which is an increase from a rate of 7 percent a year ago. This is slightly higher than the State's average unemployment rate of 7.5 percent. The national unemployment rate for the same period was 9.6 percent.

These factors were considered in preparing Garfield County's budget for the 2011 year.

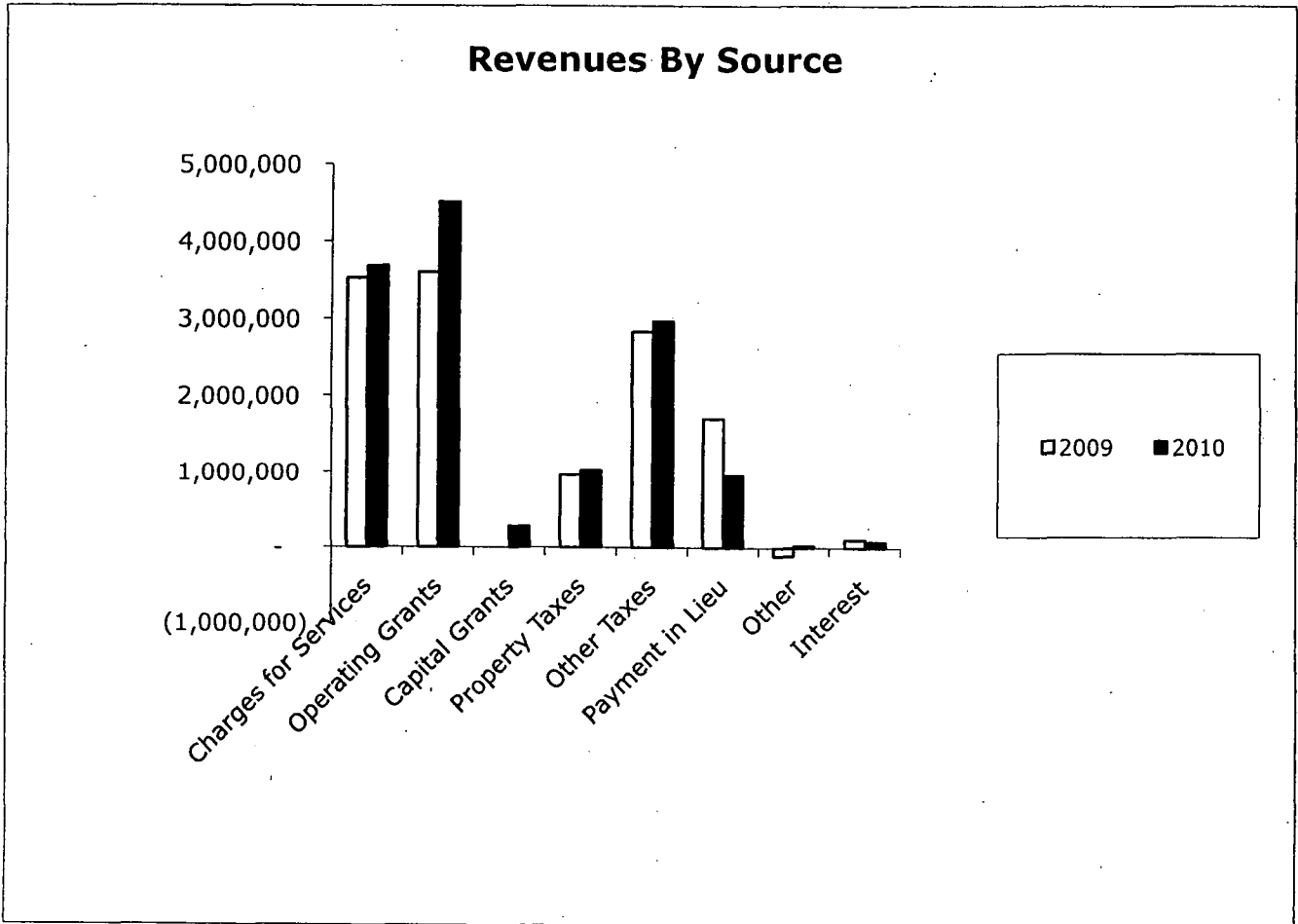
### **Request for Information**

This financial report is designed to provide a general overview of Garfield County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Garfield County Clerk/Auditor, P. O. Box 77, Panguitch, Utah, 84759.



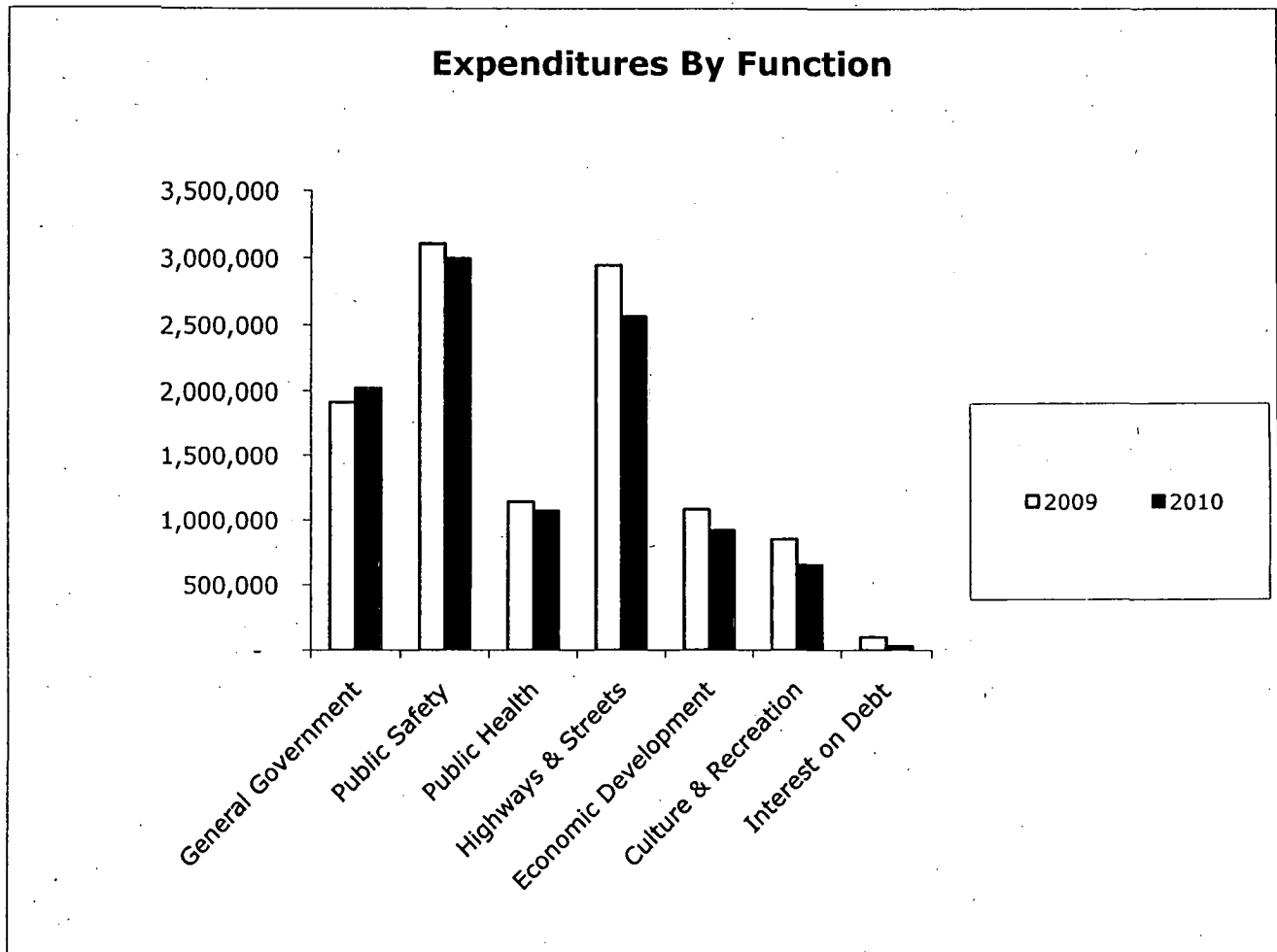
**Garfield County  
Revenues By Source  
For The Year Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
Charges for Services	3,685,528	3,526,984
Operating Grants	4,510,809	3,598,965
Capital Grants	287,011	-
Property Taxes	1,025,905	964,551
Other Taxes	2,969,927	2,833,407
Payment in Lieu	966,061	1,705,732
Other	25,075	(106,342)
Interest	80,869	106,799
<b>Total</b>	<u><u>13,551,185</u></u>	<u><u>12,630,096</u></u>



**Garfield County  
Expenditures By Function  
For The Year Ended December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
General Government	2,021,436	1,919,315
Public Safety	2,995,275	3,106,119
Public Health	1,072,175	1,142,864
Highways & Streets	2,560,299	2,945,898
Economic Development	918,319	1,083,479
Culture & Recreation	649,059	849,074
Interest on Debt	29,476	99,081
<b>Total</b>	<u><u>10,246,039</u></u>	<u><u>11,145,830</u></u>



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# **BASIC FINANCIAL STATEMENTS**

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**GARFIELD COUNTY**  
**STATEMENT OF NET ASSETS**  
**December 31, 2010**

	Primary Governmental Activities	Component Units
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	8,574,476	101,051
Accounts Receivable (Net)	86,273	12,335
Taxes Receivable	94,582	-
Due From Other Government Units	505,651	59,435
Inventory	50,000	-
	<b>9,310,982</b>	<b>172,821</b>
Total Current Assets		
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	4,242,152	-
Capital Assets (Net of Accumulated Depreciation)	38,959,975	1,302,086
	<b>43,202,127</b>	<b>1,302,086</b>
Total Noncurrent Assets		
	<b>52,513,109</b>	<b>1,474,907</b>
<b>TOTAL ASSETS</b>		
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	374,334	60,101
Accrued Liabilities	162,069	7,639
Bond Interest Payable	2,776	-
General Obligation Bonds Payable	107,000	-
Revenue Bonds Payable	100,000	16,000
	<b>746,179</b>	<b>83,740</b>
Total Current Liabilities		
Noncurrent Liabilities:		
General Obligation Bonds Payable	844,000	-
Revenue Bonds Payable	1,012,000	384,000
Closure and Postclosure Costs	371,600	-
Compensated Absences	497,153	-
	<b>2,724,753</b>	<b>384,000</b>
Total Noncurrent Liabilities		
	<b>3,470,932</b>	<b>467,740</b>
<b>TOTAL LIABILITIES</b>		
<b>NET ASSETS</b>		
Investment in Capital Assets, Net of Related Debt	36,896,975	902,086
Restricted For:		
Roads	146,987	-
Bond Reserves	50,000	-
Health Care	3,954,381	-
Capital Outlay	405,879	-
Landfill Postclosure	50,195	-
Unrestricted	7,537,770	105,081
	<b>49,042,187</b>	<b>1,007,167</b>
TOTAL NET ASSETS		
	<b>52,513,119</b>	<b>1,474,907</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		

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

**GARFIELD COUNTY**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended December 31, 2010**

Function/Programs Primary Government:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Governmental Activities:	Charges For Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Governmental Activities
General Government	Expenses	Operating Grants/ Contributions	Capital Grants/ Contributions	Component Unit
General Government	2,021,436	1,681,212	-	433,197
Public Safety	2,995,275	141,085	-	(657,608)
Public Health	1,072,175	160,825	-	(725,158)
Highways and Public Improvements	2,560,299	2,527,687	-	343,648
Park and Recreation	649,059	-	287,011	(208,975)
Economic Development	918,319	-	-	(918,319)
Interest on Long-Term Debt	29,476	-	-	(29,476)
Total Governmental Activities	10,246,039	4,510,809	287,011	(1,762,691)
Component Units:	82,216	138,073	818,857	874,714
Garfield County Ticaboo SSD No. 1				
General Revenues:				
Property Taxes				1,025,905
Fee-In-Lieu of Property Taxes				48,467
Sales Taxes				1,536,145
Transient Room Tax				1,209,014
Restaurant Tax				176,301
Grants and Contributions Not Restricted to Specific Programs				966,061
Loss on Sale of Capital Asset				25,075
Unrestricted Investment Earnings				80,869
Total General Revenues and Transfers				5,067,837
Change in Net Assets				3,305,146
Net Assets - Beginning				45,737,041
Net Assets - Ending				49,042,187

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

**GARFIELD COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010**

	General Fund	Class B Road Fund	Rural Health Care	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	5,284,422	3,321	4,004,381	2,938,125	586,379	12,816,628
Accounts Receivable (Net)	86,273	-	-	-	-	86,273
Taxes Receivable	94,592	-	-	-	-	94,592
Due From Other Government Units	361,985	143,666	-	-	-	505,651
Due From Other Funds	-	-	-	-	-	-
Airport Inventory	50,000	-	-	-	-	50,000
<b>TOTAL ASSETS:</b>	<u>5,877,272</u>	<u>146,987</u>	<u>4,004,381</u>	<u>2,938,125</u>	<u>586,379</u>	<u>13,553,144</u>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities:</b>						
Accounts Payable	374,334	-	-	-	-	374,334
Accrued Liabilities	162,069	-	-	-	-	162,069
<b>Total Liabilities</b>	<u>536,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,403</u>
<b>Fund Balances:</b>						
<b>Unspendable For:</b>						
Inventory	50,000	-	-	-	-	50,000
<b>Restricted For:</b>						
Class B Road	-	146,987	-	-	-	146,987
Bond Reserves	-	-	50,000	-	-	50,000
Public Health	-	-	3,954,381	-	-	3,954,381
Capital Outlay	-	-	-	-	40,589	40,589
Landfill Postclosure	50,195	-	-	-	-	50,195
<b>Committed For:</b>						
Capital Outlay	-	-	-	2,938,125	545,790	3,483,915
<b>Unassigned:</b>						
General Fund	5,240,674	-	-	-	-	5,240,674
<b>Total Fund Balance</b>	<u>5,290,869</u>	<u>146,987</u>	<u>4,004,381</u>	<u>2,938,125</u>	<u>586,379</u>	<u>13,016,741</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>5,827,272</u>	<u>146,987</u>	<u>4,004,381</u>	<u>2,938,125</u>	<u>586,379</u>	<u>13,553,144</u>

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

**GARFIELD COUNTY**  
**BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS**  
**December 31, 2010**

Total Fund Balances - Governmental Fund Types 13,016,741

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

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

Land	5,230,031
Construction In Progress	1,146,934
Buildings and Improvements	8,264,360
Land Improvements	142,686
Improvements Other Than Buildings	210,527
Movable Equipment	657,415
Fixed Equipment	4,780,434
Infrastructure	<u>18,527,588</u>

Total - Net of Depreciation 38,959,975

Long-term liabilities, including bonds payable and capital lease obligations, are not due and payable in the current period and, therefore, are not reported in the funds:

General Obligation Bonds	(951,000)
Special Assessment Bonds	(1,112,000)
Compensated Absences	(497,153)
Closure and Postclosure Costs	(371,600)
Bond Interest Payable	<u>(2,776)</u>

Total (2,934,529)

Net Assets of Government Activities 49,042,187

**GARFIELD COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For The Year Ended December 31, 2010**

	General Fund	Class B Road Fund	Rural Health Care	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	3,019,477	-	976,355	-	-	3,995,832
Licenses and Permits	78,097	-	-	-	-	78,097
Intergovernmental	2,827,250	1,489,001	-	998,126	449,504	5,763,881
Charges for Services	3,210,338	-	-	-	-	3,210,338
Fines and Forfeitures	295,927	-	-	-	-	295,927
Interest	46,175	-	18,135	12,483	4,077	80,870
Miscellaneous	510,748	-	60,322	-	-	571,070
<b>Total Revenues</b>	<b>9,988,012</b>	<b>1,489,001</b>	<b>1,054,812</b>	<b>1,010,609</b>	<b>453,581</b>	<b>13,996,015</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General Government	1,893,650	-	-	10,305	-	1,903,955
Public Safety	2,618,855	-	-	-	201,269	2,820,124
Public Health	314,099	-	-	-	-	314,099
Highways/Public Improvements	936,318	1,409,018	-	-	-	2,345,336
Economic Development	900,766	-	-	-	-	900,766
Culture and Recreation	359,096	-	-	-	-	359,096
Capital Outlay	1,325,044	-	333,187	85,099	166,810	1,910,140
<b>Debt Service:</b>						
Principal	347,000	-	100,000	-	-	447,000
Interest	30,500	-	-	-	-	30,500
<b>Total Expenditures</b>	<b>8,725,328</b>	<b>1,409,018</b>	<b>433,187</b>	<b>95,404</b>	<b>368,079</b>	<b>11,031,016</b>
<b>Excess Revenue Over (Under)</b>						
Expenditures	1,262,684	79,983	621,625	915,205	85,502	2,964,999
<b>Other Financing Sources (Uses):</b>						
Transfers In (Out)	(20,000)	20,000	-	-	-	-
<b>Total Other Financing</b>	<b>(20,000)</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change In Fund Balance</b>	<b>1,242,684</b>	<b>99,983</b>	<b>621,625</b>	<b>915,205</b>	<b>85,502</b>	<b>2,964,999</b>
Fund Balance - Beginning	4,098,185	47,004	3,382,756	2,022,920	500,877	10,051,742
Fund Balance - Ending	<u>5,340,869</u>	<u>146,987</u>	<u>4,004,381</u>	<u>2,938,125</u>	<u>586,379</u>	<u>13,016,741</u>

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



**GARFIELD 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, 2010**

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

Net Changes in Fund Balances - Total Governmental Funds	2,964,999
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlays		1,910,140
Depreciation Expense		<u>(1,474,562)</u>
 Total		 435,578

The statement of activities only reports the loss on the sale of capital assets. In the governmental funds, only the proceeds from the sale are reported. This is the difference between the net book value of the capital assets sold and the proceeds:

Capital Assets Sold	(444,830)
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The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Payment of Long-Term Debt		<u>447,000</u>
 Total		 447,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Increase in Compensated Absences		(66,625)
Increase in Closure and Postclosure Costs		(32,000)
Decrease in Accrued Interest Payable		<u>1,024</u>
 Total		 <u>(97,601)</u>

Changes In Net Assets of Governmental Activities	<u><u>3,305,146</u></u>
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**GARFIELD COUNTY**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
**December 31, 2010**

**ASSETS:**

Cash Invested	599,635
Taxes Receivable	<u>31,853</u>
<b>TOTAL ASSETS</b>	<b><u>631,488</u></b>

**LIABILITIES:**

Collections Payable	34,802
Due to Taxing Units	<u>596,686</u>
<b>TOTAL LIABILITIES</b>	<b><u>631,488</u></b>

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2010**

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

The accompanying basic financial statements of Garfield County have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board.

The basic accompanying financial statements present the financial position of various fund types and the results of operations of the various fund types. The financial statements are presented for the year ended December 31, 2010.

**A. Reporting Entity:**

For financial reporting purposes, Garfield County has included all funds. The County has also considered all potential component units for which it is financially accountable and that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County.

As required by generally accepted accounting principles, these basic financial statements present Garfield County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the individual component units, that issued separate financial statements, can be obtained from the Garfield County Auditor's office.

**Blended Component Units:**

The following blended component unit transactions are blended into the audit report issued by the County. No separate audit report is issued:

- \* The **Garfield County Special Service District #1** provides services to residents within the Geographic boundaries of the government. The District provides construction, maintenance and repair of roads within the unincorporated areas of the County. Funding is provided through allocations of state mineral lease funds. Transaction of the District are blended into the audit report issued by Garfield County. No activity in 2010. No separate audit report is issued.
  
- \* The **Garfield County Fire Protection and Recreation District** was created on June 14, 1999 by Resolution 1999-5. The District was created to provide fire protection and recreation programs for the citizens of Garfield County. The District is governed by a supervisory board comprised of the three elected commissioners of Garfield County and local fire marshals. Transactions of the District are blended into the audit report issued by Garfield County. No separate audit report is issued.

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

- \* The **Municipal Building Authority of Garfield County, Utah** (the Authority) was formally recognized by the State of Utah as an incorporated entity on January 4, 1994. The Authority was formed for the purpose of accomplishing the public purposes for which Garfield County exists by acquiring, improving, or extending one or more projects and financing the cost of such projects on behalf of Garfield County. The Authority is governed by a board of trustees comprised of the three elected commissioners of Garfield County. Transactions of the Authority are blended in the audit report issued by Garfield County. No separate audit report is issued.

**Discrete Component Unit:**

This component unit is an entity which is legally separate from the County, but is financially accountable to the County or whose relationships with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. The County must approve their tax rates and debt. The County could also take away their operating authority and could dissolve the District. This District was organized under the State of Utah's Statute for special service districts, Section 17A-2-1300. The component unit column of the combined financial statements includes the financial data of the following entity:

- \* **Garfield County Ticaboo Special Service District No. 1 (Proprietary Fund Type)** - The District was organized under the State of Utah's Statute for Special Service Districts by the adoption of a resolution to establish a special service district by the Garfield County Commissioners on October 26, 1978, for the purpose of providing water and sewerage services within the boundaries of the district. These services will be paid for only by the residents, property owners, businesses and inhabitants of the area. The special service districts administrative control board consists of three (3) members, each of whom was appointed by the Board of Commissioners. Their services will be required as determined by the Board and their terms of office are in accordance with Section 11-23-24-(5) of the Act. The board members, at their initial meeting, elected a chairperson and a secretary to serve such terms as the board determines. The District was audited by other auditors and their report dated August 15, 2011, has been previously issued under separate cover. A copy of the report can be obtained at the Garfield County Auditor's Office in Panguitch, Utah.

**B. Government-Wide and Fund Financial Statements**

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

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Garfield 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, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The government 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** accounts for collection and disbursement of State of Utah Class B Road allotments on Class B Roads.

The **Rural Health Care Fund** accounts for the collection and disbursement of rural health care tax funds collected by the County and used to support health care facilities within the County.

The **Capital Improvement Fund** accounts for acquisition and of fixed assets or construction of major capital projects not being financed by other funds.

The Government also reports the following Other Governmental Funds:

The **Municipal Building Authority** accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The **Garfield County Fire Protection and Recreation District** accounts for revenues and expenditures allocated for fire protections and recreation purposes.

Additionally the Government reports the following fiduciary fund type:

The **Treasurer's Tax Collection Agency Fund** is used to account for taxes collected by the County Treasurer for the taxing entities within the County.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation.

The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities and Equity**

**Deposits and Investments:**

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

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

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

**Receivables and Payables:**

Activity between funds that representative of lending/borrowing arrangements outstanding at the end of the year are referred to as "due to" or "due from" other funds. The County's governmental funds do not have any trade accounts receivable, all other receivables are deemed collectible and an allowance for uncollectible accounts is deemed immaterial and has not been recorded.

**Inventories and Prepaid Items:**

Inventories are valued at the lower of FIFO cost or market. Market is considered as replacement cost.

Certain payments to vendors reflect costs applicable to future accounting periods and recorded as prepaid items in both the government-wide and fund financial statements.

**Capital Assets:**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), 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 more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Buildings	40 - 50 Years
Improvements Other Than Buildings	20 Years
Equipment	5 - 10 Years

**Compensated Absences:**

It is the County's policy to permit employees to accumulate earned but unused vacation and comp time benefits. All vacation pay is accrued when incurred in the government-wide financial statements. Unused sick time is allowed at 50% of all hours over 60 days.

**Long-Term Obligations:**

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

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

**Equity Classifications:**

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

- a. Invested in capital assets, net of related debt - consists of 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.
- b. Restricted net assets - consists of 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.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".



**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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:

**Nonspendable fund balance** classification includes 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** classification are restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed fund balance** classification include those funds 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.

**Assigned fund balance** classification include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Also includes all remaining amounts that are reported in governmental funds, other than the general fund that are not classified as nonspendable, restricted nor committed or in the General Fund, that are intended to be used for specific purposes.

**Unassigned fund balance** classification is the residual classification for 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.

**E. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**F. Property Taxes:**

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

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Budgets and Budgetary Accounting:**

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the County Auditor and County Commissioners on or before December 15 for the following fiscal year beginning January 1. Estimated revenues and appropriations may be increased or decreased by resolution of the County Commissioners 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 County 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.

Utah State law prohibits the appropriation of unassigned General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. The maximum in the General Fund may not exceed 50% of the General Fund's total revenue.

Once adopted, the budget may be amended by the County Commissioners without a public 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 Commissioners, 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 2 - DEPOSITS AND INVESTMENTS**

The County maintains a cash and investment pool that is available for use by all funds. Each fund types portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents".

**Deposits:**

At December 31, 2010, the carrying amount of the County's deposits for the primary government was \$82,233 and the bank balances were \$203,741. All of the bank balances were covered by federal depository insurance. State statutes do not require collateral to be pledged for deposits. At year end the carrying amounts of the component unit's deposits were \$101,051 and the bank balances were \$106,241. All of the bank balances was covered by Federal Depository Insurance.

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Primary Government:**

Cash and investments as of December 31, 2010, consist of the following:

	Fair Value
Demand Deposits	82,233
Investments - PTIF	13,334,029
Total Cash and Investments	13,416,262

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

Governmental Activities - Unrestricted	8,574,475
Governmental Activities - Restricted	4,242,152
Total Governmental Activities	12,816,627
Fiduciary Fund	599,635
Total Cash and Cash Equivalents	13,416,262

**Component Unit:**

Cash and investments as of December 31, 2010, consist of the following:

	Fair Value
Demand Deposits	101,051
Total Cash and Investments	101,051

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

Business-Type Activities - Unrestricted	101,051
Total Governmental Activities	101,051

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

The Utah Money Management Act (UMMA) established 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.

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 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.

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

**Custodial Credit Risk:**

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2010, \$0 of the local government's bank balances of \$203,741 were uninsured and uncollateralized.

**Credit Risk:**

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the UMMA.

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)**

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended December 31, 2010, the local governments has investments of \$13,334,029 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Concentration of Credit Risk:**

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

**NOTE 3 - TAXES RECEIVABLE - AGENCY FUND**

Garfield County assesses and collects taxes for the taxing units of the County. The County remits such monies to the taxing units according to the tax rates set by each taxing unit. The amount of \$94,592 represents money collected by the County Treasurer in 2010 and apportioned to the General Fund in the following year.

**NOTE 5 - DUE FROM OTHER GOVERNMENT UNITS**

The receivable from other governmental units are as follows:

Agency	Amount
Class B Roads	143,666
State Agencies	233,256
Other	128,729
Total Receivable	505,651

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 6 - CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2010, was as follows:

**Primary Government:**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	5,230,031	-	-	5,230,031
Construction In Progress	832,598	750,807	436,471	1,146,934
<b>Total Capital Assets Not Being Depreciated</b>	<b>6,062,629</b>	<b>750,807</b>	<b>436,471</b>	<b>6,376,965</b>
Capital Assets Being Depreciated:				
Buildings	11,195,882	442,671	-	11,638,553
Land Improvements	186,760	-	-	186,760
Improvements Other Than Buildings	811,658	19,365	2,482	828,541
Major Moveable Equipment	3,193,247	1,120,949	744,209	3,569,987
Fixed Equipment	9,394,492	12,819	-	9,407,311
Infrastructure	39,669,540	-	-	39,669,540
<b>Total Capital Assets Being Depreciated</b>	<b>64,451,579</b>	<b>1,595,804</b>	<b>746,691</b>	<b>65,300,692</b>
Less Accumulated Depreciation For:				
Buildings	3,061,957	312,236	-	3,374,193
Land Improvements	24,003	20,071	-	44,074
Improvements Other Than Buildings	578,755	41,741	2,482	618,014
Major Moveable Equipment	2,513,053	698,898	299,379	2,912,572
Fixed Equipment	4,484,067	142,810	-	4,626,877
Infrastructure	20,883,146	258,806	-	21,141,952
<b>Total Accumulated Depreciation</b>	<b>31,544,981</b>	<b>1,474,562</b>	<b>301,861</b>	<b>32,717,682</b>
<b>Total Capital Assets Being Depreciated (Net)</b>	<b>32,906,598</b>	<b>121,242</b>	<b>444,830</b>	<b>32,583,010</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>38,969,227</b>	<b>872,049</b>	<b>881,301</b>	<b>38,959,975</b>

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions of the Primary Government as follows:

	Governmental Activities
General Government	50,855
Public Safety	175,151
Public Health	726,076
Highways and Airport	214,964
Parks and Recreation	289,963
Economic Development	17,553
Total Depreciation Expense	1,474,562

**Component Unit:**

Statement of Changes in Capital Assets Component Unit) as of December 31, 2010:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-Type Activities:</b>				
Capital Assets Not Being Depreciated:				
Construction In Progress	351,560	922,609	-	1,274,169
Total Capital Assets Not Being Depreciated	351,560	922,609	-	1,274,169
Capital Assets Being Depreciated:				
Sewer Lagoons and Water and Sewer Systems	1,775,000	-	-	1,775,000
Equipment	17,863	13,939	-	31,802
Total Capital Assets Being Depreciated	1,792,863	13,939	-	1,806,802
Less Accumulated Depreciation For:				
Sewer Lagoons and Water and Sewer Systems	1,775,000	-	-	1,775,000
Equipment	893	2,992	-	3,885
Total Accumulated Depreciation	1,775,893	2,992	-	1,778,885
Total Capital Assets Being Depreciated (Net)	16,970	10,947	-	27,917
Governmental Activities Capital Assets, Net	368,530	933,556	-	1,302,086

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT**

**Primary Government:**

**Sick Leave:**

Employees are allowed 12 days of sick leave each year at one day per month. Sick leave may be accumulated up to 60 days. At year end, any accumulated sick leave in excess of 60 days will be paid at 50% of the employee's daily rate.

**Compensated Absences:**

The amount of compensated absences at year end was \$497,152. This has been calculated from accrued compensatory time.

	Balance December 31, 2009	Additions	Deletions	Balance December 31, 2010
Compensated Absences	430,528	66,625	-	497,153

**Bonds Payable:**

The following is a summary of changes in long-term debt for the year ended December 31, 2010:

	Balance December 31, 2009	Additions	Retirements	Balance December 31, 2010
<b>Governmental Activities:</b>				
<b>General Obligation:</b>				
Series 1999-B G.O. Bonds	1,220,000	-	339,000	881,000
Series 1999-C G.O. Bonds	78,000	-	8,000	70,000
Total General Obligation Bonds	1,298,000	-	347,000	951,000
<b>Revenue Bonds:</b>				
Sales Tax Revenue Bonds Series 2006	800,000	-	100,000	700,000
MBA Lease Revenue Bonds Series 2009	412,000	-	-	412,000
Total Revenue Bonds	1,212,000	-	100,000	1,112,000
Total Bonds Payable	2,510,000	-	447,000	2,063,000



**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

Debt Service requirement to maturity for bonds payable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	207,000	22,025	229,025
2012	222,000	49,350	271,350
2013	224,000	43,900	267,900
2014	228,000	38,350	266,350
2015	231,000	32,625	263,625
2016-2020	659,000	77,850	736,850
2021-2025	79,000	32,675	111,675
2026-2030	89,000	22,300	111,300
2031-2035	101,000	10,575	111,575
2036-2040	23,000	575	23,575
<b>Totals</b>	<u><u>2,063,000</u></u>	<u><u>330,225</u></u>	<u><u>2,393,225</u></u>

Long-Term Debt outstanding at year end is composed of the following:

**General Obligation Bonds:**

General obligation Bonds, Series 1999B, due in annual installments at varying amounts through January 1, 2020 with 2.5% interest.	881,000
General obligation Bonds, Series 1999C, due in annual installments at varying amounts through January 1, 2020 with 0% interest.	<u>70,000</u>
Total General Obligation Bonds	<u>951,000</u>

**Revenue Bonds:**

Rural Health Care Sales Tax Revenue Bonds, Series 2006, due in annual installments of \$100,000 through April 1, 2017 at 0% interest, payable from rural health care tax revenues.	700,000
MBA Lease Revenue Bonds Series 2009 due in annual installments beginning July 1, 2012 through July 1, 2036 at 2.5% interest, payable to the Utah Community Impact Fund Board.	<u>412,000</u>
Total Revenue Bonds	<u>1,112,000</u>
Total Bonds Payable	2,063,000

**Less: Current Portion:**

Governmental Type Activities	<u>(207,000)</u>
Net Bonds Payable - Noncurrent	<u><u>1,856,000</u></u>

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**Component Unit:**

Revenue bonds payable at December 31, 2010, with their outstanding balance are comprised of the following. These bonds are secured by a pledge of the net revenues of the District:

\$200,000 Sewer Revenue Bond Series 2009A, due in annual payments of \$8,000 with no interest, issued October 7, 2009.	200,000
\$200,000 Sewer Revenue Bond Series 2009B, due in annual payments of \$8,000 with no interest, issued October 7, 2009.	<u>200,000</u>
	<u><u>400,000</u></u>

Debt Service requirement to maturity for bonds payable are as follows:

Year	Revenue Bond Series 2009A	Revenue Bond Series 2009B	Total
2011	8,000	8,000	16,000
2012	8,000	8,000	16,000
2013	8,000	8,000	16,000
2014	8,000	8,000	16,000
2015	8,000	8,000	16,000
2016-2020	40,000	40,000	80,000
2021-2025	40,000	40,000	80,000
2026-2030	40,000	40,000	80,000
2031-2035	40,000	40,000	80,000
Totals	<u><u>200,000</u></u>	<u><u>200,000</u></u>	<u><u>400,000</u></u>

The following is a summary of changes in long-term debt for the year ended December 31, 2010:

	Balance December 31, 2009	Additions	Retirements	Balance December 31, 2010
<b>Business-Type Activities:</b>				
Revenue Bonds Series 2009	<u>277,644</u>	<u>122,356</u>	<u>-</u>	<u><u>400,000</u></u>

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 8 - MUNICIPAL BUILDING AUTHORITY**

The Municipal Building Authority of Garfield County, Utah was formally recognized by the State of Utah as an incorporated entity on January 4, 1994. The Authority was formed for the purpose of accomplishing the public purposes for which Garfield County exists by acquiring, improving, or extending one or more projects and financing the cost of such projects on behalf of Garfield County. The Authority is governed by a board of trustees comprised of the three elected commissioners of Garfield County. Transactions of the Authority are blended into the audit report issued by Garfield County.

**NOTE 9 - CLASS B ROAD - RESERVED FUND BALANCE**

The following is a statement of changes in Class B Roads Restricted Fund Balance:

Balance - Beginning of Year		47,004
Revenues:		
State Allotments	1,489,001	
Transfer from General Fund	20,000	
Total Revenues		1,509,001
Expenditures		(1,409,018)
Balance - End of Year		146,987

**NOTE 10 - LANDFILL CLOSURE AND POSTCLOSURE COSTS**

The County owns and operates two landfills (Johns Valley and Ticaboo) and a dead animal pit. State and Federal laws and regulations require the County to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near to or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in the government-wide statements based on landfill capacity used as of the balance sheet date. The landfills are divided into various cells which will each be opened as the need arises for additional capacity. The \$371,600 reported as estimated landfill closure and postclosure costs liability at December 31, 2010, represents the cumulative amount of closure and postclosure costs reported to date based on the use of the estimated capacity of the constructed portions of the landfills. An estimated 67% of the constructed capacity of the Johns Valley landfill and an estimated 38% of the constructed capacity of the Ticaboo landfill had been used by December 31, 2010. The District will recognize the remaining estimated cost of closure and postclosure care of \$164,400 as the remaining estimated capacity of the constructed cells is filled. These amounts are based on what it would cost to perform all closure and postclosure care for the constructed cells in 2010 using a third party to perform the work. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County meets the "Local Governmental Financial Test" as described in Section R315-309-8 which does not require annual contributions to a trust to finance closure and postclosure care costs.

Estimated the useful life of each landfill is as follows:

Johns Valley	50 plus years
Ticaboo	25 years
Dead Animal Pit	10 years

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 11 - RESTRICTED FUND BALANCES:**

The following fund balances are restricted for:

Health Care	3,954,381
Bond Reserves - General	50,000
Capital Outlay - Municipal Building Authority	40,589
Landfill Postclosure - General	50,195
B Roads	<u>146,987</u>
Total Reserves	<u><u>4,242,152</u></u>

**NOTE 12 - TRANSFERS**

Transfers between fund occur primarily to finance programs accounted for in one fund with resources collected in other funds in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2010 are shown in the following table:

<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	-	20,000
Class B Road Fund	<u>20,000</u>	<u>-</u>
Total	<u><u>20,000</u></u>	<u><u>20,000</u></u>

**NOTE 13 - RISK MANAGEMENT**

Garfield County is exposed to various types of risk such as tort actions, theft of, damage to or destruction of assets by intent or acts of god, errors and omissions and job related illnesses or injury.

The County has procured commercial insurance coverage which, in the County's estimation, is adequate to reduce the risk of loss to a manageable level.

There were no significant reductions in insurance coverage from the previous year and the amount of settlements have not exceeded coverages for each of the past three years.

**NOTE 14 - STATE OF UTAH RETIREMENT PLANS**

**Local Governmental - Cost Sharing**

**Plan Description:**

Garfield County contributes to the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System and Public Safety Other Division A Noncontributory Retirement System for employers with Social Security coverage both of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement System (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 14 - STATE OF UTAH RETIREMENT PLANS (CONTINUED)**

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended. The Utah Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under 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 State and School Contributory Retirement System and State and School Noncontributory Retirement Systems. 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:**

Plan members are required to contribute a percent of their covered salary (all or part may be paid by the employer) to the respective systems to which they belong; 6.00% to the Contributory Retirement System. Garfield County is required to contribute a percent of covered salary to the respective systems, 9.36% to the Contributory Retirement System, 13.37% to the Noncontributory Retirement System, and 28.82% to the Public Safety Other Division A Noncontributory Retirement System. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Garfield County contributions to the various systems for the years ending December 31, 2010, 2009 and 2008 respectively were; for the Contributory System, \$26,658.83, \$23,731.35 and \$22,799.64; for the Noncontributory System, \$198,978.46, \$175,292.98 and \$171,165.02; and for the Public Safety Other Division A Noncontributory, \$267,176.39, \$221,333.14 and \$206,749.30 respectively. The contributions were equal to required contributions for each year.

**NOTE 15 - HOSPITAL ACQUISITION**

The County entered into an asset purchase agreement with IHC Health Services, Inc., a Utah nonprofit corporation effective July 1, 2000 to purchase the assets of Garfield Memorial Hospital located in Panguitch, Utah. The asset purchase agreement was approved and ratified by a unanimous vote of the Garfield County Commission on October 9, 2000. The approval of the asset purchase agreement is documented by Garfield County Resolution No. 2000-15.

Pursuant to the asset purchase agreement, IHC Health Services, Inc. transferred hospital assets to the County. The County in turn assumed certain liabilities associated with the operation of the hospital. The County has reflected the cost of assets of the hospital in capital assets.

In order to assure that funds will be available to cover operations of the Garfield Memorial Hospital and clinics, the County imposed a rural health care tax applicable to all transactions in the County which are subject to sales tax.

**GARFIELD COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 15 - HOSPITAL ACQUISITION (CONTINUED)**

Also effective July 1, 2000, the County entered into a management agreement with IHC Health Services, Inc. to provide management services to the hospital. The agreement runs for a one year period and from year-to-year thereafter.

We were not engaged to audit the operations of the hospital and their activity is not included in our audit report. However, the capital assets are included since they are owned by the County and are included in the capital assets.

**NOTE 14 - CONDENSED FINANCIAL STATEMENTS - DISCRETELY PRESENTED COMPONENT UNIT**

Garfield County has one component unit that is a proprietary fund type and is described below:

**Proprietary Fund Type:**

Garfield County Ticaboo Special Service District No. 1 - The purpose of the District is providing water and sewerage services within the area of the special service district, which will be paid by the residents, property owners, businesses and inhabitants of the district.

Condensed information for the Proprietary Fund Types for the year ended December 31, 2010, is as follows:

	<u>Garfield County Ticaboo Special Service District No. 1</u>
<b>Condensed Statement of Net Assets:</b>	
Current Assets	172,821
Noncurrent Assets	<u>1,302,086</u>
Total Assets	<u><u>1,474,907</u></u>
Current Liabilities	83,740
Noncurrent Liabilities	<u>384,000</u>
Total Liabilities	467,740
Net Assets	<u>1,007,167</u>
Total Liabilities and Net Assets	<u><u>1,474,907</u></u>
<b>Condensed Statement of Revenues, Expenditures and Changes in Net Assets:</b>	
Revenues	138,162
Grants and Contributions	<u>818,857</u>
Total Revenues	957,019
Current Expenditures	<u>(82,216)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u><u>874,803</u></u>

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
"UNAUDITED"**

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**GARFIELD COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**For The Year Ended December 31, 2010**

**Budgetary Comparison Schedules:**

The Budgetary Comparison Schedules presented in this section of the report are for the County's General Fund, Garfield County Fire Protection and Recreation District and Rural Health Care Fund.

**Budgeting and Budgetary Control:**

Budgets for the General Fund, Class B Road Fund and the Rural Health Care Fund 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.

**Current Year Budgetary Compliance:**

For the year ended December 31, 2010, spending for all funds and departments of the County was within the approved budgets.



**GARFIELD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For The Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With
	<u>Original</u>	<u>Final</u>	Budgetary Basis	Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes:				
General Property Taxes	690,000	690,000	681,998	(8,002)
General Sales and Use Tax	500,000	550,000	559,790	9,790
Restaurant Tax	150,000	175,000	176,301	1,301
Transient Room Tax	1,100,000	1,100,000	1,209,014	109,014
Assessing and Collecting Taxes	325,000	325,000	343,907	18,907
Fee-In-Lieu of Property Taxes	45,000	60,000	48,467	(11,533)
<b>Total Taxes</b>	<u>2,810,000</u>	<u>2,900,000</u>	<u>3,019,477</u>	<u>119,477</u>
Licenses and Permits:				
Building Permits	90,000	70,000	57,979	(12,021)
Non-Business Licenses and Permits	16,500	16,500	20,118	3,618
<b>Total Licenses and Permits</b>	<u>106,500</u>	<u>86,500</u>	<u>78,097</u>	<u>(8,403)</u>
Intergovernmental Revenue:				
Emergency Preparedness Grants	26,300	90,000	89,230	(770)
Care and Share	16,721	32,000	29,697	(2,303)
Forest Reserve	804,050	1,038,687	1,038,686	(1)
Federal Payment-In-Lieu	695,969	745,656	745,656	-
Ambulance Grants	7,500	7,500	40,652	33,152
Aging	108,785	125,000	131,128	6,128
Liquor Fund Allotment	12,000	12,000	11,203	(797)
Airport Grants	411,145	411,145	287,011	(124,134)
State Grants	35,400	54,342	54,342	-
State Mineral Lease	332,000	332,000	233,582	(98,418)
State Payment-In-Lieu	167,186	167,186	166,063	(1,123)
<b>Total Intergovernmental Revenue</b>	<u>2,617,056</u>	<u>3,015,516</u>	<u>2,827,250</u>	<u>(188,266)</u>

(Continued)

**GARFIELD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For The Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With
	<u>Original</u>	<u>Final</u>	Budgetary Basis	Final Budget Positive (Negative)
<b>Charges for Services:</b>				
Clerk's Fees	5,000	5,000	6,679	1,679
Recorder's Fees	50,000	50,000	40,651	(9,349)
Zoning and Subdivision Fees	1,500	1,500	1,375	(125)
Attorney's Fees	1,000	1,000	702	(298)
Assessor's Fees	12,000	12,000	14,331	2,331
Surveyor's Fees	500	500	180	(320)
Road Contracts	376,000	376,000	376,260	260
Sheriff's Fees	55,000	160,000	168,577	8,577
Search and Rescue	-	14,000	14,008	8
Correction Revenues	1,366,850	1,301,850	1,307,833	5,983
Ambulance Fees	395,000	395,000	384,317	(10,683)
Sanitation Fees	160,000	185,000	186,192	1,192
Airport Sales	200,000	210,800	153,073	(57,727)
Marathon Revenue	50,000	60,000	61,684	1,684
Miscellaneous Revenue	13,800	451,000	454,548	3,548
E-911 Collections	40,000	40,000	39,928	(72)
<b>Total Charges for Services</b>	<u>2,726,650</u>	<u>3,263,650</u>	<u>3,210,338</u>	<u>(53,312)</u>
<b>Fines and Forfeitures:</b>				
Justice and District Court Fines	288,964	288,964	295,927	6,963
<b>Miscellaneous Revenue:</b>				
Interest Earnings	60,000	45,000	46,175	1,175
Rental Income	1,000	1,000	679	(321)
Miscellaneous Revenues	2,000	40,000	39,534	(466)
Sale of Assets	430,000	470,000	470,535	535
<b>Total Miscellaneous Revenue</b>	<u>493,000</u>	<u>556,000</u>	<u>556,923</u>	<u>923</u>
<b>Contributions and Transfers:</b>				
Use of Fund Balance	33,491			
Transfers from Other Funds	256,000	256,000	256,000	-
<b>Total Contributions and Transfers</b>	<u>289,491</u>	<u>256,000</u>	<u>256,000</u>	<u>-</u>
<b>Total Revenues</b>	<u>9,331,661</u>	<u>10,366,630</u>	<u>10,244,012</u>	<u>(122,618)</u>

(Continued)

**GARFIELD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For The Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance With
	<u>Original</u>	<u>Final</u>	Budgetary Basis	Final Budget Positive (Negative)
<b>Expenditures:</b>				
General Government:				
County Commission	174,262	174,262	165,625	8,637
District Court	93,569	93,569	92,657	912
Judicial - JP	144,025	144,025	139,821	4,204
Public Defender	35,777	35,777	31,753	4,024
Clerk-Auditor	170,191	170,191	166,504	3,687
Treasurer	114,125	114,125	111,625	2,500
Recorder	150,773	150,773	139,796	10,977
Attorney	183,149	197,149	187,236	9,913
County Assessor	217,001	217,001	207,525	9,476
Surveyor	34,640	34,640	32,640	2,000
Assessing and Collecting	65,700	105,000	100,079	4,921
Non-Departmental	266,263	666,263	252,547	413,716
Building and Grounds	120,687	120,687	120,366	321
Elections	57,516	57,516	37,194	20,322
Planning and Zoning	5,150	5,150	3,885	1,265
Building Inspector	207,221	207,221	165,697	41,524
	<u>2,040,049</u>	<u>2,493,349</u>	<u>1,954,950</u>	<u>538,399</u>
Public Safety:				
Sheriff	822,605	822,605	679,777	142,828
Emergency Communications	45,000	49,000	48,594	406
Search and Rescue	20,000	25,000	17,605	7,395
Forestry and Fire Control	-	-	-	-
Corrections/Jail	1,838,819	2,098,819	2,088,978	9,841
Ambulance	309,600	319,600	314,760	4,840
Emergency Services	26,300	90,000	69,301	20,699
County Trails	20,000	20,000	9,400	10,600
	<u>3,082,324</u>	<u>3,425,024</u>	<u>3,228,415</u>	<u>196,609</u>

(Continued)

**GARFIELD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For The Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (Continued):</b>				
Public Health:				
Care and Share	42,500	45,000	42,642	2,358
Mental Health Service	10,534	10,534	10,534	-
Public Health	24,537	24,917	24,917	-
Aging	235,559	240,559	236,006	4,553
Indigent	1,500	1,500	-	1,500
	<u>314,630</u>	<u>322,510</u>	<u>314,099</u>	<u>8,411</u>
Total Public Health				
Highways and Public Improvements:				
Road Projects	1,127,219	1,237,219	1,005,483	231,736
Sanitation	558,000	558,000	387,652	170,348
Weed Control	50,600	50,600	37,715	12,885
	<u>1,735,819</u>	<u>1,845,819</u>	<u>1,430,850</u>	<u>414,969</u>
Total Highways and Public Improvements				
Parks, Recreation and Public Property:				
Television	47,000	47,000	41,018	5,982
Airport	802,745	802,745	799,464	3,281
Library	35,505	35,505	17,512	17,993
	<u>885,250</u>	<u>885,250</u>	<u>857,994</u>	<u>27,256</u>
Total Parks, Recreation and Public Property				
Community and Economic Development:				
Extension Service	60,490	76,490	74,636	1,854
County Fair	30,000	65,000	64,879	121
Queen Pageant	15,450	15,450	4,884	10,566
Transient Room Tax	989,849	989,849	903,570	86,279
Planning	74,800	74,800	72,801	1,999
	<u>1,170,589</u>	<u>1,221,589</u>	<u>1,120,770</u>	<u>100,819</u>
Total Community and Economic Development				

(Continued)

**GARFIELD COUNTY**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**For The Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures (Continued):</b>				
Transient Room Tax and Other Uses:				
Senior Citizen Project	90,000	10,630	10,625	5
Color Country Co-Op	13,000	13,000	14	12,986
CCC Multi Use Center	-	90,000	63,611	26,389
Hospital Operations	-	-	-	-
Transfer to Capital Improvement Fund	-	59,459	20,000	39,459
	<u>103,000</u>	<u>173,089</u>	<u>94,250</u>	<u>78,839</u>
Total Expenditures	<u>9,331,661</u>	<u>10,366,630</u>	<u>9,001,328</u>	<u>1,365,302</u>
Excess Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	1,242,684	<u>1,242,684</u>
Fund Balance - Beginning			<u>4,098,185</u>	
Fund Balance - Ending			<u>5,340,869</u>	

**GARFIELD COUNTY  
BUDGETARY COMPARISON SCHEDULE  
CLASS B ROAD FUND  
For The Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	1,456,000	1,456,000	1,489,001	33,001
Transfer From General Fund	-	-	20,000	20,000
Total Revenues	<u>1,456,000</u>	<u>1,456,000</u>	<u>1,509,001</u>	<u>53,001</u>
<b>Expenditures:</b>				
Road Expenditures	<u>1,463,594</u>	<u>1,463,594</u>	<u>1,409,018</u>	<u>54,576</u>
Total Expenditures	<u>1,463,594</u>	<u>1,463,594</u>	<u>1,409,018</u>	<u>54,576</u>
Excess Revenues Over (Under) Expenditures	<u>(7,594)</u>	<u>(7,594)</u>	99,983	<u>107,577</u>
Fund Balance - Beginning			<u>47,004</u>	
Fund Balance - Ending			<u>146,987</u>	

**GARFIELD COUNTY  
BUDGETARY COMPARISON SCHEDULE  
RURAL HEALTH CARE FUND  
For The Year Ended December 31, 2010**

	<u>Budgeted Amounts</u>		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	900,000	950,000	976,355	26,355
Interest	30,000	20,000	18,135	(1,865)
Total Revenues	<u>930,000</u>	<u>970,000</u>	<u>994,490</u>	<u>24,490</u>
<b>Expenditures:</b>				
Contribution to Hospital Operation	100,000	272,865	272,865	-
Debt Service	100,000	100,000	100,000	-
Total Expenditures	<u>200,000</u>	<u>372,865</u>	<u>372,865</u>	<u>-</u>
Excess Revenues Over (Under) Expenditures	<u>730,000</u>	<u>597,135</u>	621,625	<u>24,490</u>
Fund Balance - Beginning			<u>3,382,756</u>	
Fund Balance - Ending			<u>4,004,381</u>	

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is used to assist in formatting for easier reading)



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**COMBINING FINANCIAL  
STATEMENTS AND SCHEDULES**

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is used to assist in formatting for easier reading)

**GARFIELD COUNTY  
FIDUCIARY FUNDS  
TRUST AND AGENCY  
For The Year Ended December 31, 2010**

Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable, Nonexpendable Trust, Pension Trust, and Agency Funds. Nonexpendable Trust and Pension Trust Funds are accounted for in essentially the same manner as propriety funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**GARFIELD COUNTY**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL FIDUCIARY FUNDS**  
**For The Year Ended December 31, 2010**

	Balance December 31, 2009	Additions	Deletions	Balance December 31, 2010
<b>PROPERTY TAX FUND</b>				
<b>ASSETS</b>				
Cash	618,344	5,590,710	5,609,419	599,635
Taxes Receivable	40,865	31,853	40,865	31,853
<b>TOTAL ASSETS</b>	<b>659,209</b>	<b>5,622,563</b>	<b>5,650,284</b>	<b>631,488</b>
<b>LIABILITIES</b>				
Due to Taxing Units	641,534	5,605,436	5,650,284	596,686
Collections Payable	17,675	31,726	14,599	34,802
<b>TOTAL LIABILITIES</b>	<b>659,209</b>	<b>5,637,162</b>	<b>5,664,883</b>	<b>631,488</b>

**GARFIELD COUNTY  
NONMAJOR GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2010**

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Municipal Building Authority:**

This fund accounts for the construction of major capital assets, which are then leased to Garfield County for County purposes.

**Garfield County Fire Protection and Recreation District:**

This fund accounts for funds received generally from State allocated mineral lease funds and expends those funds for fire protections and recreation purposes in unincorporated areas of Garfield County.

**GARFIELD COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
December 31, 2010**

	<u>Municipal Building Authority</u>	<u>Fire Protection and Recreation District</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	<u>40,589</u>	<u>545,790</u>	<u>586,379</u>
TOTAL ASSETS	<u><u>40,589</u></u>	<u><u>545,790</u></u>	<u><u>586,379</u></u>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted For:			
Capital Outlay	40,589	-	40,589
Committed For:			
Capital Outlay	<u>-</u>	<u>545,790</u>	<u>545,790</u>
Total Fund Balance	<u>40,589</u>	<u>545,790</u>	<u>586,379</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>40,589</u></u>	<u><u>545,790</u></u>	<u><u>586,379</u></u>

**GARFIELD COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year ended December 31, 2010**

	Municipal Building Authority	Fire Protection and Recreation District	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
State Grants	-	449,504	449,504
Interest	430	3,647	4,077
Total Revenues	<u>430</u>	<u>453,151</u>	<u>453,581</u>
<b>Expenditures:</b>			
Current:			
Public Safety	-	201,269	201,269
Capital Improvements	166,810	-	166,810
Total Expenditures	<u>166,810</u>	<u>201,269</u>	<u>368,079</u>
Excess Revenue Over (Under) Expenditures	<u>(166,380)</u>	<u>251,882</u>	<u>85,502</u>
<b>Other Financing Sources (Uses):</b>			
Transfers to General Fund	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(166,380)	251,882	85,502
Fund Balances - Beginning	<u>206,969</u>	<u>293,908</u>	<u>500,877</u>
Fund Balances - Ending	<u><u>40,589</u></u>	<u><u>545,790</u></u>	<u><u>586,379</u></u>

**GARFIELD COUNTY  
TREASURER'S TAX COLLECTION AGENCY FUND  
BALANCE SHEET  
December 31, 2010**

**ASSETS:**

Cash Invested	599,635
Motor Carrier Recievable	<u>31,853</u>
<b>TOTAL ASSETS</b>	<b><u>631,488</u></b>

**LIABILITIES:**

Due to Taxing Units	<u>631,488</u>
<b>TOTAL LIABILITIES</b>	<b><u>631,488</u></b>



**GARFIELD COUNTY  
COUNTY TREASURER  
CURRENT YEAR TAXABLE VALUES  
December 31, 2010**

TAXING UNITS	Real and Centrally Assessed Values	Total Real and Centrally Assessed Tax Rates	Taxes Charged	Personal Property Values	Personal Property Tax Rates	Personal Property Taxes Charged	Total Taxes Charged
<b>County Funds:</b>							
General	573,696,030	.001090	625,329	15,363,270	.001107	17,007	642,336
Tax Collection - State	573,696,030	.000162	92,939	15,363,270	.000142	2,182	95,120
Tax Collection - County	573,696,030	.000300	<u>172,109</u>	15,363,270	.000313	<u>4,809</u>	<u>176,918</u>
<b>Total County Funds</b>			<u>890,376</u>			<u>23,997</u>	<u>914,374</u>
Garfield County School District	573,696,030	.006109	<u>3,504,709</u>	15,363,270	.006165	<u>94,715</u>	<u>3,599,424</u>
<b>Total School District</b>			<u>3,504,709</u>			<u>94,715</u>	<u>3,599,424</u>
<b>Cities and Towns:</b>							
Antimony	6,740,255	.000790	5,325	73,102	.000811	59	5,384
Boulder	18,462,005	.000296	5,465	603,786	.000291	176	5,640
Cannonville	6,861,185	.002872	19,705	226,440	.002985	676	20,381
Escalante	35,865,435	.002641	94,721	902,707	.002630	2,374	97,095
Hatch	11,239,565	.001288	14,477	126,235	.001320	167	14,643
Henrieville	5,128,330	.000822	4,215	4,826	.000878	4	4,220
Panguitch	64,058,690	.002216	141,954	2,811,057	.002156	6,061	148,015
Tropic	22,901,600	.000631	<u>14,451</u>	496,004	.000662	<u>328</u>	<u>14,779</u>
<b>Total Cities and Towns</b>			<u>300,313</u>			<u>9,845</u>	<u>310,157</u>
<b>Other:</b>							
Antimony Cemetery	8,709,555	.000179	1,559	73,102	.000184	13	1,572
Panguitch Cemetery	107,590,405	.000164	17,645	3,965,670	.000161	638	18,283
Hatch Cemetery	21,960,210	.000047	1,032	343,176	.000048	16	1,049
Tropic Cemetery	70,695,245	.000141	9,968	7,718,646	.000146	1,127	11,095
Cannonville Cemetery	7,092,430	.000338	2,397	239,820	.000350	84	2,481
Henrieville Cemetery	5,823,140	.000147	856	4,826	.000152	1	857
Escalante Cemetery	78,516,270	.000195	15,311	1,556,225	.000216	336	15,647
Sevier River Water CD	415,127,010	.000035	14,529	12,059,665	.000035	422	14,952
Panguitch Lake Fire Dist.	98,665,210	.000304	29,994	162,140	.000308	50	30,044
Mammoth Creek Fire Protect.	59,283,280	.000728	43,158	-	.000734	-	43,158
Central Utah Water CD	415,127,010	.000421	<u>174,768</u>	12,059,665	.000400	<u>4,824</u>	<u>179,592</u>
<b>Total Other</b>			<u>311,218</u>			<u>7,512</u>	<u>318,730</u>
<b>GRAND TOTALS</b>			<u>5,006,616</u>			<u>136,069</u>	<u>5,142,685</u>

**GARFIELD COUNTY  
COUNTY TREASURER  
STATEMENT OF TAXES CHARGED, COLLECTED AND DISBURSED  
CURRENT AND PRIOR YEARS  
December 31, 2010**

TAXING UNITS	Current Years Taxes			
	Taxes Charged	Treasurer's Relief		
		Unpaid Taxes	Abatements	Other
County Funds:				
General	642,336	58,936	478	134
Tax Collection - State	95,120	8,759	258	73
Tax Collection - County	<u>176,918</u>	<u>16,221</u>	<u>1,736</u>	<u>488</u>
Total County Funds	<u>914,374</u>	<u>83,916</u>	<u>2,472</u>	<u>695</u>
Garfield County School District	<u>3,599,424</u>	<u>330,312</u>	<u>9,729</u>	<u>2,735</u>
Towns:				
Antimony	5,384	349	30	-
Boulder	5,640	557	17	1
Cannonville	20,381	1,121	243	5
Escalante	97,095	10,637	765	49
Hatch	14,643	2,330	61	60
Henrieville	4,220	342	130	1
Panguitch	148,015	19,414	1,269	16
Tropic	<u>14,779</u>	<u>1,182</u>	<u>26</u>	<u>2</u>
Total Towns	<u>310,157</u>	<u>35,932</u>	<u>2,541</u>	<u>134</u>
Other:				
Antimony Cemetery	1,572	101	6	1
Panguitch Cemetery	18,283	2,578	113	9
Hatch Cemetery	1,049	167	-	4
Tropic Cemetery	11,095	630	6	1
Cannonville Cemetery	2,481	112	27	1
Henrieville Cemetery	857	65	13	1
Escalante Cemetery	15,647	1,100	66	4
Sevier River Water CD	14,952	1,557	30	11
Panguitch Lake Fire Dist.	30,044	2,617	24	33
Mammoth Creek Fire Prot.	43,158	4,373	-	4
Central Utah Water CD	<u>179,592</u>	<u>18,723</u>	<u>355</u>	<u>132</u>
Total Other	<u>318,730</u>	<u>32,023</u>	<u>640</u>	<u>201</u>
<b>GRAND TOTALS</b>	<u><u>5,142,685</u></u>	<u><u>482,183</u></u>	<u><u>15,382</u></u>	<u><u>3,765</u></u>

<u>Current Years Taxes</u>			<u>Other Collections</u>			
<u>Total</u>					<u>Delinquencies</u>	
<u>Treasurer's</u>	<u>Taxes</u>	<u>Collection</u>	<u>Fee</u>	<u>Motor Carrier</u>	<u>Tax</u>	<u>Interest and</u>
<u>Relief</u>	<u>Collected</u>	<u>Rate</u>	<u>In Lieu</u>	<u>Collections</u>		<u>Penalty</u>
59,548	582,788	90.73%	52,058	20,071	36,340	20,457
9,090	86,030	90.44%	6,678	-	4,656	192
<u>18,445</u>	<u>158,473</u>	<u>89.57%</u>	<u>14,719</u>	<u>-</u>	<u>10,514</u>	<u>437</u>
87,083	827,291	90.48%	73,455	20,071	51,510	21,086
<u>342,776</u>	<u>3,256,648</u>	<u>90.48%</u>	<u>289,915</u>	<u>79,196</u>	<u>210,032</u>	<u>9,121</u>
379	5,005	92.96%	1,175	124	122	12
575	5,065	89.80%	714	126	246	7
1,369	19,012	93.28%	6,343	481	540	12
11,451	85,644	88.21%	19,423	2,078	7,181	374
2,451	12,192	83.26%	1,805	331	817	12
473	3,747	88.79%	1,655	92	135	6
20,699	127,316	86.02%	25,241	3,102	10,467	345
<u>1,210</u>	<u>13,569</u>	<u>91.81%</u>	<u>3,129</u>	<u>330</u>	<u>330</u>	<u>9</u>
<u>38,607</u>	<u>271,550</u>	<u>87.55%</u>	<u>59,485</u>	<u>6,664</u>	<u>19,838</u>	<u>777</u>
108	1,464	93.13%	274	37	28	3
2,700	15,583	85.23%	2,552	392	1,175	44
171	878	83.70%	151	23	59	1
637	10,458	94.26%	1,132	207	696	31
140	2,341	94.36%	758	59	17	1
79	778	90.78%	287	19	26	1
1,170	14,477	92.52%	1,658	351	773	33
1,598	13,354	89.31%	1,069	325	933	38
2,674	27,370	91.10%	537	694	2,145	88
4,377	38,781	89.86%	78	995	2,208	111
<u>19,210</u>	<u>160,382</u>	<u>89.30%</u>	<u>12,213</u>	<u>3,680</u>	<u>9,833</u>	<u>363</u>
<u>32,864</u>	<u>285,866</u>	<u>89.69%</u>	<u>20,709</u>	<u>6,782</u>	<u>17,893</u>	<u>714</u>
<u>501,330</u>	<u>4,641,355</u>	<u>90.25%</u>	<u>443,564</u>	<u>112,713</u>	<u>299,273</u>	<u>31,698</u>

**GARFIELD COUNTY**  
**TAX COLLECTION AGENCY FUND**  
**CASH RECEIPTS AND DISBURSEMENTS**  
**For The Year Ended December 31, 2010**

	Treasurer's Balance December 31, 2009	Tax Collection Receipts	Current Taxes Apportioned	Fee-In-Lieu Apportioned
<b>Tax Collection Accounts:</b>				
Current Years Taxes	-	4,626,756	(4,626,756)	-
Fee In Lieu	-	443,564	-	(443,564)
Delinquent Taxes	-	330,971	-	-
Motor Carrier and Protest Money	-	112,713	-	-
Miscellaneous	-	(23,952)	-	-
Prepayments	14,599	29,609	(14,599)	-
Bank Interest	3,076	2,117	-	-
Refunds, Rebates	-	100,785	-	-
<b>Total Collections</b>	<b>17,675</b>	<b>5,622,563</b>	<b>(4,641,355)</b>	<b>(443,564)</b>
<b>Taxing Units:</b>				
County General Fund	115,550	-	582,788	52,058
Assessing and Collecting - State	-	-	86,030	6,678
Assessing and Collecting - County	-	-	158,473	14,719
 Garfield County School District	 472,817	 -	 3,256,648	 289,915
<b>Cities and Towns:</b>				
Antimony	257	-	5,005	1,175
Boulder	563	-	5,065	714
Cannonville	1,272	-	19,012	6,343
Escalante	8,015	-	85,644	19,423
Hatch	1,708	-	12,192	1,805
Henrieville	283	-	3,747	1,655
Panguitch	8,294	-	127,316	25,241
Tropic	1,450	-	13,569	3,129
<b>Other Districts:</b>				
Antimony Cemetery	84	-	1,464	274
Panguitch Cemetery	193	-	15,583	2,552
Hatch Cemetery	65	-	878	151
Tropic Cemetery	453	-	10,458	1,132
Cannonville Cemetery	185	-	2,341	758
Henrieville Cemetery	14	-	778	287
Escalante Cemetery	5,963	-	14,477	1,658
Sevier River Water CD	969	-	13,354	1,069
Panguitch Lake Fire Dist.	2,692	-	27,370	537
Mammoth Creek Fire Prot.	4,552	-	38,781	78
Central Utah Water CD	16,155	-	160,382	12,213
<b>Total Due Taxing Units</b>	<b>641,534</b>	<b>-</b>	<b>4,641,355</b>	<b>443,564</b>
<b>GRAND TOTALS</b>	<b>659,209</b>	<b>5,622,563</b>	<b>-</b>	<b>-</b>

Delinquent Taxes Apportioned	Motor Carrier	Circuit Breaker	Additional Apportionment	Total	Disbursements	Treasurer's Balance December 31, 2010
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(330,971)	-	-	-	-	-	-
-	(112,713)	-	-	-	-	-
-	-	-	23,952	-	-	-
-	-	-	-	29,609	-	29,609
-	-	-	-	5,193	-	5,193
-	-	(100,785)	-	-	-	-
<u>(330,971)</u>	<u>(112,713)</u>	<u>(100,785)</u>	<u>23,952</u>	<u>34,802</u>	<u>-</u>	<u>34,802</u>
56,797	20,071	3,378	(454)	830,188	735,768	94,420
4,848	-	14,057	(5,997)	105,616	105,444	172
10,951	-	-	-	184,143	184,143	-
219,153	79,196	26,375	(5,997)	4,338,107	3,952,950	385,157
134	124	3,440	(776)	9,359	6,313	3,046
253	126	1,261	(291)	7,691	6,491	1,200
552	481	7,163	(332)	34,491	26,316	8,175
7,555	2,078	11,326	(2,592)	131,449	109,752	21,697
829	331	5,604	(1,264)	21,205	14,206	6,999
141	92	3,653	(807)	8,764	5,117	3,647
10,812	3,102	9,394	(2,175)	181,984	156,690	25,294
339	330	2,779	(619)	20,977	17,869	3,108
31	37	780	(176)	2,494	1,729	765
1,219	392	698	(161)	20,476	18,852	1,624
60	23	204	(46)	1,335	1,090	245
727	207	617	(138)	13,456	12,504	952
18	59	1,479	(332)	4,508	3,174	1,334
27	19	643	(144)	1,624	1,026	598
806	351	883	(191)	23,947	21,313	2,634
971	325	830	(34)	17,484	15,411	2,073
2,233	694	1,315	(298)	34,543	29,728	4,815
2,319	995	3,142	(715)	49,152	43,622	5,530
10,196	3,680	1,764	(413)	203,977	180,776	23,201
<u>330,971</u>	<u>112,713</u>	<u>100,785</u>	<u>(23,952)</u>	<u>6,246,970</u>	<u>5,650,284</u>	<u>596,686</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,281,772</u>	<u>-</u>	<u>631,488</u>

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is used to assist in formatting for easier reading)

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## **COMPLIANCE SECTION**

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# Kimball & Roberts

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*Phone 896-6488*

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

The Honorable Board of County Commissioners  
Garfield County  
Panguitch, Utah 84759

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Garfield County as and for the year ended December 31, 2010, which collectively comprise Garfield County's basic financial statements and have issued our report thereon dated June 7, 2011. 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 Garfield 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 Garfield County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Garfield County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies, that adversely affects Garfield County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Garfield County's financial statements that is more than inconsequential will not be prevented or detected by Garfield County's internal control. We consider the deficiency described in the accompanying schedule of findings and recommendations to be a significant deficiency in internal control over financial reporting.

2010-1 Sufficient Accounting Experience and Expertise



A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Garfield County's internal control.

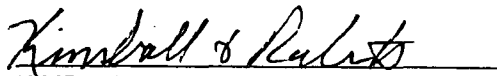
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above to be a material weakness.

Compliance and Other Matters

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

The County's response to the finding identified in our audit is found in the letter of findings and recommendations. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, County Commission and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

June 7, 2011  
Richfield, Utah

# Kimball & Roberts

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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

The Honorable Board of County Commissioners  
Garfield County  
Panguitch, Utah 84759

### Compliance

We have audited the compliance of Garfield County with the types of compliance requirements described in the *U. S. Office of Management of and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2010. Garfield 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 Garfield County's management. Our responsibility is to express an opinion on Garfield 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 State and 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 Garfield 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 Garfield County's compliance with those requirements.

In our opinion, Garfield County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010.

### Internal Control Over Compliance

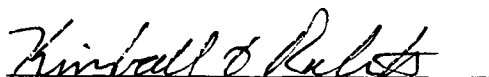
The management of Garfield County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Garfield County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Garfield County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operations of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

This report is intended solely for the information and use of management, County Commission, others within the entity 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.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

June 7, 2011  
Richfield, Utah

**GARFIELD COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended December 31, 2010**

**A. SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- \* Material weakness identified?  Yes  No
- \* Significant deficiency identified that is not considered to be a material weakness?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal Control over major programs:

- \* Material weaknesses identified?  Yes  No
- \* Significant deficiency identified that are not considered to be material weaknesses?  Yes  None Reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of circular A-133?  Yes  No

Identification of major programs.

CFDA Number

Name of Federal Program or Cluster

10.665

Secure Payments For States and Counties Containing Federal Lands

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee?  Yes  No

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

No significant matters were noted.

**C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No significant matters were noted.

**GARFIELD COUNTY**  
**SCHEDULE OF FEDERAL AWARDS EXPENDED**  
**For The Year Ended December 31, 2010**

<u>Federal Grantor/Pass Through Grantor</u>	<u>State Pass-Thru #</u>	<u>Federal Catalogue #</u>	<u>Disbursement/ Expenditures</u>
<b>Direct Assistance:</b>			
<b>Department of Agriculture:</b>			
Secure Payments for States and Counties Containing Federal Lands	N/A	10.665	* <u>1,038,686</u>
Total Department of Agriculture			<u>1,038,686</u>
Total Direct Assistance			<u>1,038,686</u>
<b>Indirect Assistance:</b>			
<b>Department of Agriculture:</b>			
Passed Through Rural Housing Service:			
Community Facilities Loans and Grants	N/A	10.766	<u>38,753</u>
Total Department of Agriculture			<u>1,077,439</u>
<b>Department of Transportation:</b>			
Passed Through Utah Department of Transportation Division of Aeronautics:			
Airport Improvement Program	DOT-FA07NM-1069	20.106	<u>498,898</u>
Total Department of Transportation			<u>498,898</u>

\* Tested as a Major Federal Program.

(Continued)

**GARFIELD COUNTY**  
**SCHEDULE OF FEDERAL AWARDS EXPENDED**  
**For The Year Ended December 31, 2010**

<u>Federal Grantor/Pass Through Grantor</u>	<u>State Pass-Thru #</u>	<u>Federal Catalogue #</u>	<u>Disbursement/ Expenditures</u>
<b>Department of Health and Human Services:</b>			
Pass Through Five County Association of Governments:			
Aging Title IIIB	N/A	93.044	32,155
Aging Title IIIC - Nutrition	N/A	93.045	103,580
Community Service Block Grant	N/A	93.569	<u>16,496</u>

**American Recovery Reinvestment Act: (ARRA)**

**Department of Health and Human Services**

Passed Through Five County Association of Governments:

Community Service Block Grant		93.569	10,889
Total Department of Health and Human Services			<u>10,889</u>
Total Indirect Assistance			<u>1,728,568</u>
Total Assistance			2,767,254

## NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDED

### NOTE A - SIGNIFICANT ACCOUNTING POLICIES

#### **General:**

The accompanying Schedule of Federal Awards Expended presents the activity of all federal financial assistance programs of Garfield County. The reporting entity, Garfield County, is defined in Note 1 of Garfield County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed-through other government agencies are included on the Schedule of Federal Awards Expended.

#### **Basis of Accounting:**

The accompanying Schedule of Federal Awards Expended is presented using the modified accrual basis of accounting for assistance received by governmental fund types, which is described in Note 1 to Garfield County's basic financial statements.

**GARFIELD COUNTY**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For The Year Ended December 31, 2010**

There were no prior audit findings.



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## AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

The Honorable Board of County Commissioners  
Garfield County  
Panguitch, Utah 84759

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Garfield County, for the year ended December 31, 2010, and have issued our report thereon dated June 7, 2011. As part of our audit, we have audited Garfield County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2010. The County received the following major State assistance programs from the State of Utah:

B Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)  
Mineral Lease Distribution to Special Service Districts (Department of Transportation)

The County also received the following nonmajor grants that are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Garfield County's financial statements.)

EMS Grant (Department of Health)  
Cadastral Mapping (Department of Technological Services)  
Utah Tourism Co-Op (State Travel Council)

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

Public Debt	Other General Issues
Cash Management	Uniform Building Code Standards
Purchasing Requirements	Statement of Taxes Charged
Budgetary Compliance	Collected & Disbursed
Truth in Taxation & Property Tax Limitations	Assessing and Collecting of
Liquor Law Enforcement	Property Taxes
Justice Court	Transient Room Tax
B & C Road Funds	

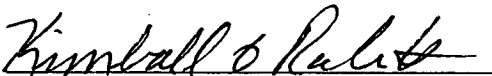
The management of Garfield County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 our opinion.

The schedule of transient room, tourism, recreation, culture and convention facilities tax expenditures on page 74 is not a required part of the basic financial statements but is information required by the State of Utah. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required information and test of expenditures. However, we did not audit the information and express no opinion on it.

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

In our opinion, Garfield County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to its major State assistance programs for the year ended December 31, 2010.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

June 7, 2011  
Richfield, Utah

**GARFIELD COUNTY**  
**SCHEDULE OF TRANSIENT ROOM, TOURISM, RECREATION, CULTURE AND**  
**CONVENTION FACILITIES TAX EXPENDITURES**  
**For The Year Ended December 31, 2010**

**Transient Room Tax:**

Establish and Promoting:	
Recreation	-
Tourism	647,570
Film Production	-
Conventions	-
Acquiring, Leasing, Construction, Furnishing or Operating:	
Convention Meeting Rooms	-
Exhibit Halls	-
Visitor Information Centers	-
Museums	-
Related Facilities	-
Acquiring or Leasing Land Required For or Related To:	
Convention Meeting Rooms	-
Exhibit Halls	-
Visitor Information Centers	-
Museums	-
Related Facilities	-
Mitigation Costs:	
Mitigation	256,000
Payment of Principal, Interest, Premiums and Reserves on Bonds	-
	<hr/>
Total Expenditures	<u>903,570</u>

**Tourism, Recreation, Culture and Convention Facilities Taxes:**

Financing Tourism Promotion	-
Development, Operation and Maintenance of:	
Tourist Facilities	-
Recreation Facilities	176,301
Culture Facilities	-
Pledges as Security for Evidence of Indebtedness	-
Reserves and Pledges:	
Reserves on Bonds Related to TRT Funds	-
Pledges as Security for Evidences of Indebtedness Related to TRCC	-
	<hr/>
Total Expenditures	<u>176,301</u>

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## **FINDINGS AND RECOMMENDATIONS**

The Honorable Board of County Commissioners  
Garfield County  
Panguitch, Utah 84759

During our audit of the financial statements of Garfield County for the year ended December 31, 2010, we found a circumstance that, if improved, would strengthen the County's accounting system and control over its assets. This item is discussed below for your consideration:

### **Significant Deficiency Finding and Recommendation:**

#### **2010-1 Sufficient Accounting Experience and Expertise**

##### **Finding:**

Statement on Auditing Standards #112 indicates that it is a significant deficiency in the County's internal controls when the County's personnel may not have sufficient experience or expertise to select and apply generally accepted accounting principles. The County's personnel may not have sufficient training or experience in the accounting field, specifically in the preparation of the County's financial statements and related notes to the financial statements.

##### **Recommendation:**

We would suggest that the County provide the training necessary for the present accounting personnel to properly prepare the financial statements and related notes to the financial statements. If the County believes that the cost of preparing the financial statements and related notes to the financial statement is prohibitive then the County should consider other alternatives to comply with this new Statement on Auditing Standards #112.

##### **Garfield County's Response:**

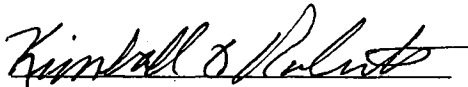
The cost to prepare full disclosures and financial statements according to the new standard is prohibitive for our County. We will continue to prepare our financial statements and full disclosures as in the past years.

This report is intended solely for the information and use of management, County Commission and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

The Honorable Board of County Commissioners  
Garfield County  
Panguitch, Utah 84759

We thank you for the opportunity to perform the audit of the County this past fiscal year. We would like to express a special thanks to those who have given us assistance in this year's audit. If you have any questions throughout the year that we may help with, please give us a call. We look forward to a continued professional relationship with the County.

Respectfully submitted,



KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

June 7, 2011  
Richfield, Utah

