

**DAGGETT COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**DAGGETT COUNTY  
BASIC FINANCIAL STATEMENTS  
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## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Daggett County  
Manila, Utah 84046

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Daggett County, Utah (the County) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards, generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of American require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions, notes to required supplementary information and budgetary comparison information on pages 4 through 11 and pages 63 through 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other information

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Daggett County's internal control over financial reporting and compliance.

SMUIN, RICH & MARSING



Price, Utah

August 10, 2020

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

### **INTRODUCTION**

This Management's Discussion and Analysis (MD&A) of Daggett County's financial performance is designed to assist readers in understanding the County's basic financial statements, the relationship of different types of statements, and the significant differences in the information they provide. The MD&A will identify changes in the County's ability to address the next and subsequent year's financial needs, based on currently known facts and is best understood if read in conjunction with Daggett County's basic financial statements.

### **FINANCIAL HIGHLIGHTS AS OF THE CLOSE OF FY2019**

- During the year, Daggett County and its component units, paid off \$46,000 of Mineral Lease Revenue Bonds, Series 2008A & 2008B, \$120,000 on two General Obligation bonds and \$21,000 on Dutch John water revenue bonds.
- The government-wide assets and deferred outflows of resources of Daggett County exceeded its liabilities and deferred inflows of resources by \$29,148,193 reflecting a change in net position from operations from the prior period increasing the total by \$249,511.
- The County's governmental funds reported combined ending fund balances of \$6,779,523, a decrease of \$45,326 from operations over the prior year.
- Daggett County had total overall governmental fund revenues and other financing sources of \$4,211,987 which were less than total expenditures and transfers of \$4,257,313 by \$45,326.
- The County's government-wide long-term bond and capital lease debt decreased \$243,861 during the current year. The County's debt consists of general obligation bonds, revenue bonds and capital leases. The G.O. bonds were issued to construct the Daggett County Jail and the revenue bonds were issued to finance a water tank for Dutch John and a revenue bond was issued for road construction and improvements to be completed by the Flaming Gorge Road and Transportation Special Service District, a component unit of the County. The County entered into no new capital lease agreements or other long-term debt during the year ended December 31, 2019.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

Daggett County's financial statements focus on both the County as a whole (government-wide) and on the major individual funds. "Funds" are resources segregated for the purposes of implementing specific activities in accordance with special regulations, restrictions, or limitations. Both government-wide and fund perspectives allow users to address relevant questions and understand changes in financial conditions. The structure of the financial statements is presented in the following pages of the MD&A.

The MD&A is intended to be an introduction to Daggett County's basic financial statements. The basic financial statements are comprised of three components, including government-wide financial statements, fund financial statements, and notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

## **Government-Wide Financial Statements**

The government-wide financial statements are designed so that all governmental and business-type activities are reported in columns, which add to a total for the primary government. The Statement of Net Position provides bottom line results of the County's activities as a whole and presents a longer-term view of the County's finances. The Statement of Net Position and the Statement of Activities report information about Daggett County and its activities to reflect the financial position. These two statements divide the County into three kinds of activities:

- Governmental activities – Most of the County's basic services, including general administration, are reported here. Property taxes, fees, and state and federal grants finance most of these activities.
- Business-type activities – The County charges fees to residents of Dutch John to cover the cost of services provided to maintain water and sewer facilities at Dutch John. The County also builds and sales low income housing.
- Component Units – The County includes a separate legal entity in its report – Flaming Gorge Roads and Transportation Special Service District is a legally separate entity independent from the County. Since the District provides services only to Daggett County residents, the County has financial responsibility for the District, generally accepted accounting principles require the District's financial statements to be rolled up into Daggett County's financial statements. The District separately issued financial statements can be accessed from their administrative office in Manila, Utah. The Daggett County RDA is also a legal separate entity and considered a component unit of Daggett County. The RDA is blended in the County's financial statements.

## **Fund Financial Statements**

Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide detailed information that focus on the most significant funds rather than the County as a whole. Major funds are separately reported to control and manage money and to show that legal responsibilities are met for certain taxes, grants and other designated funds. Daggett County uses the following types of funds:

Governmental Funds – Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. Daggett County has the following governmental funds – General, Special Revenue and Capital Projects. The services accounted for in the General Fund include general government, public safety, judicial, public health, highway and public improvements, recreation and economic development.

Proprietary Funds – Consist of enterprise fund activities used to account for operations that are financed and operated in a manner similar to private businesses. Daggett County has two enterprise funds – Dutch John operating fund, which is used to account for the financial activities of the area formerly known as the Dutch John recreational area and the Low Income Housing fund which is used to account for the construction costs and sale of low income housing.

Fiduciary Funds – Fiduciary funds are used to account for resources held by Daggett County in a trustee capacity or as an agent for the benefit of other individuals, governmental units or other funds. Fiduciary funds are not reflected in the government-wide financial statements, as the resources of those funds are not available to support the County's activities.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes are part of the basic financial statements.

**Fund Financial Statements (Continued)**

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

The combining schedules in connection with non-major governmental funds are presented immediately following the required supplementary information.

**FINANCIAL ANALYSIS OF DAGGETT COUNTY, UTAH:  
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Net Position**

The County’s assets exceeded its liabilities at the close of FY2019 by \$29,148,193. The largest segment of the County’s net position reflects its investment in capital assets (e.g., land, buildings, improvements, furniture, and infrastructure), less any related outstanding debt used to acquire those assets. Capital Asset resources are not available for future spending and cannot be liquidated to pay off related liabilities. Resources needed to repay capital-related debt must be provided from other funding sources.

Restricted net position amount to \$3,259,767 and represents resources that are subject to restrictions on how they may be used.

**Table 1  
Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>
Current and other assets	\$ 7,110,486	\$ 7,000,743	\$ 265,898	\$ 322,832	\$ 7,376,384	\$ 7,323,575
Capital assets	18,991,734	18,889,567	5,552,839	5,524,642	24,544,573	24,414,209
Deferred outflows of resources	328,064	341,215	3,902	18,857	331,966	360,072
<b>Total assets &amp; deferred outflows of resources</b>	<b>\$ 26,430,284</b>	<b>\$ 26,231,525</b>	<b>\$ 5,822,639</b>	<b>\$ 5,866,331</b>	<b>\$ 32,252,923</b>	<b>\$ 32,097,856</b>
Current and other liabilities	\$ 287,721	\$ 222,853	\$ 36,998	\$ 37,223	\$ 324,719	\$ 260,076
Long-term liabilities	1,977,479	1,850,566	577,000	588,728	2,554,479	2,439,294
Deferred inflows of resources	469,459	237,185	5,584	13,108	475,043	250,293
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>\$ 2,734,659</b>	<b>\$ 2,310,604</b>	<b>\$ 619,582</b>	<b>\$ 639,059</b>	<b>\$ 3,354,241</b>	<b>\$ 2,949,663</b>
Net position:						
Net investment in capital assets	\$ 17,517,621	\$ 17,638,315	\$ 4,975,839	\$ 4,968,642	\$ 22,493,460	\$ 22,606,957
Restricted	2,816,002	3,202,678	6,027	57,089	2,822,029	3,259,767
Unrestricted	3,362,002	3,079,928	221,191	201,541	3,583,193	3,281,469
<b>Total net position</b>	<b>\$ 23,695,625</b>	<b>\$ 23,920,921</b>	<b>\$ 5,203,057</b>	<b>\$ 5,227,272</b>	<b>\$ 28,898,682</b>	<b>\$ 29,148,193</b>

## Changes in Net Position

Daggett County's combined ending net position total is \$29,148,193, an overall increase from operations of \$249,511 as compared with last year's ending net position balances.

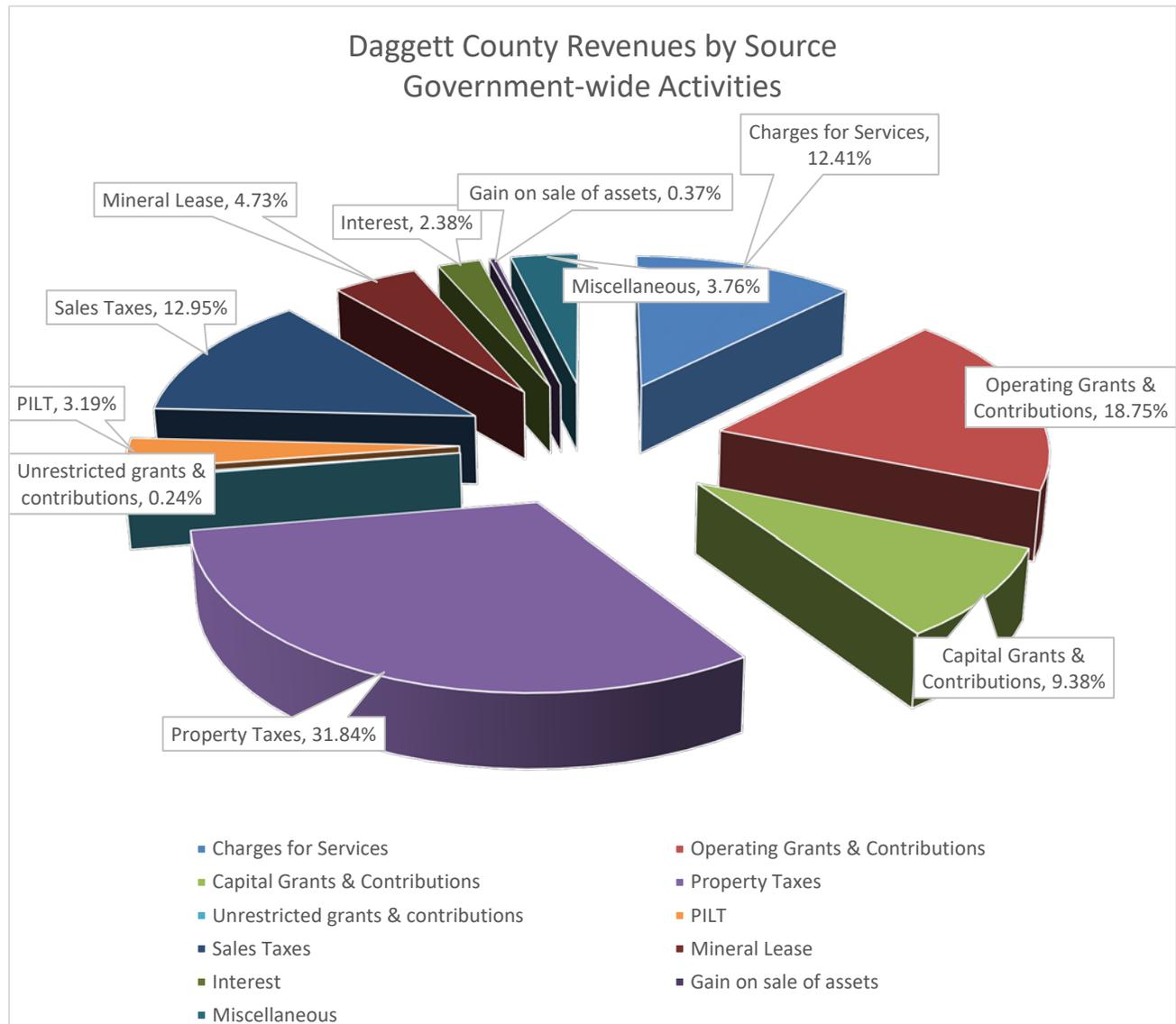
The cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense. The County reported depreciation expense over the past year of \$619,268 in governmental activities. The following table summarizes the changes in Daggett County's net position:

**Table 2**  
**Change in Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2019	2018	2019	2018	2019
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 282,365	\$ 278,800	\$ 247,592	\$ 282,718	\$ 529,957	\$ 561,518
Operating grants and contrib.	897,603	803,261		45,000	897,603	848,261
Capital grants and contrib.	2,158,973	404,288		20,000	2,158,973	424,288
General Revenues:						
Property taxes	1,447,784	1,215,586			1,447,784	1,215,586
Sales taxes	579,059	585,929			579,059	585,929
Assessing & collecting		225,173				225,173
PILT	197,476	144,559			197,476	144,559
Grants & contributions not restricted	215,262	10,891			215,262	10,891
Mineral lease revenue	38,690	213,947			38,690	213,947
Gains/(loss) on sale of assets	(26,990)	16,687			(26,990)	16,687
Interest	90,897	106,261	142	1,409	91,039	107,670
Miscellaneous	50,038	170,293			50,038	170,293
Total revenues	\$ 5,931,157	\$ 4,175,675	\$ 247,734	\$ 349,127	\$ 6,178,891	\$ 4,524,802
<b>Program expenses</b>						
General government	\$ 1,213,329	\$ 1,179,579			\$ 1,213,329	\$ 1,179,579
Public safety	887,711	953,996			887,711	953,996
Public health	155,177	213,333			155,177	213,333
Highways and public improv.	844,352	803,444			844,352	803,444
Parks and recreation	83,666	95,780			83,666	95,780
Economic development	166,689	164,189			166,689	164,189
Capital outlay	232,523	512,192			232,523	512,192
Interest on long-term debt	72,916	27,866			72,916	27,866
Dutch John			\$ 284,625	\$ 316,363	284,625	316,363
Low income housing			11,399	8,549	11,399	8,549
Total expenses	\$ 3,656,363	\$ 3,950,379	\$ 296,024	\$ 324,912	\$ 3,952,387	\$ 4,275,291
Excess (deficiency) before transfers	\$ 2,274,794	\$ 225,296	\$ (48,290)	\$ 24,215	\$ 2,226,504	\$ 249,511
Transfers						
Change in net position	\$ 2,274,794	\$ 225,296	\$ (48,290)	\$ 24,215	\$ 2,226,504	\$ 249,511
Net position - beginning	\$ 21,420,831	\$ 23,695,625	\$ 5,251,347	\$ 5,203,057	\$ 26,672,178	\$ 28,898,682
Net position - ending	23,695,625	23,920,921	5,203,057	5,227,272	28,898,682	29,148,193
Change in net position	\$ 2,274,794	\$ 225,296	\$ (48,290)	\$ 24,215	\$ 2,226,504	\$ 249,511

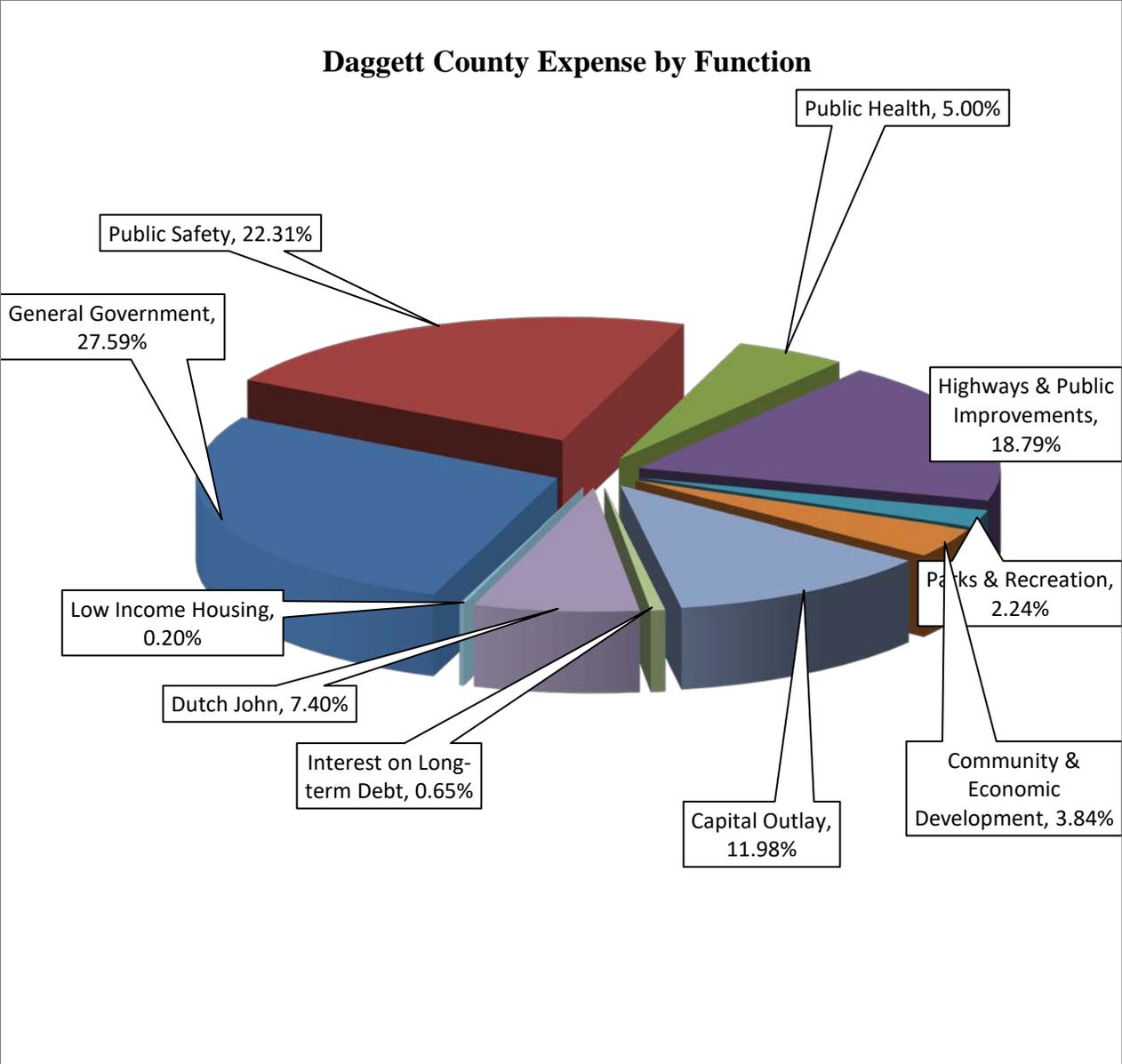
## Government Wide Activities

Sources of revenues for the County’s government-wide activities are comprised of the items listed below and total \$4,524,802



Property taxes constitute the largest source of Daggett County revenues at 31.84%. Operating grants and contributions are the second largest source of revenues at 18.75%. Charges for services represent 12.41%, Sales tax represent 12.95%, Unrestricted grants and contributions represent .24%, mineral lease revenue represents 4.73%, Miscellaneous represent 3.76%, Gain on sale of capital assets .37% and PILT, Interest and capital grants represent 3.19%, 2.38%, and 9.38% respectively of the total revenue for the year.

The cost of all activities for FY2019 was \$4,275,291. The following chart represents expenses by the County’s largest functions.



### General Fund Budgetary Highlights

Differences between the original budgeted expenditures and the final amended budget of \$146,134 can be briefly summarized as follows:

- \$ 79,434 increase in general government
- \$ 6,105 decrease in public safety
- \$ 30,096 increase in highways and public improvements
- \$ 1,000 increase in parks and recreations
- \$ 41,709 increase in transfers out

## Capital Asset and Debt Administration

### Capital Assets

Daggett County's investment in capital assets for all activities as of December 31, 2019 amounted to \$24,414,209. Capital asset investments include land, right of ways, water rights, buildings, improvements other than buildings and equipment. Roads, highways, and bridges are incorporated in the infrastructure, as summarized below:

**Table 3**  
**Capital Assets at Year-end**  
**(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2019	2018	2019	2018	2019
Land	\$ 8,723,541	\$ 8,723,541	\$ 1,753,928	\$ 1,753,928	\$ 10,477,469	\$ 10,477,469
Water rights	886,462	886,462			886,462	886,462
Buildings	2,308,030	2,184,447	7,338	6,406	2,315,368	2,190,853
Improvements other than buildings	1,975,207	2,081,672	2,248,758	2,157,734	4,223,965	4,239,406
Equipment	925,237	700,019	23,941	36,014	949,178	736,033
Infrastructure	1,905,741	3,945,299	284,335	271,905	2,190,076	4,217,204
Work in process	2,267,516	368,127	1,234,539	1,298,655	3,502,055	1,666,782
<b>Total</b>	<b>\$ 18,991,734</b>	<b>\$18,889,567</b>	<b>\$ 5,552,839</b>	<b>\$ 5,524,642</b>	<b>\$ 24,544,573</b>	<b>\$ 24,414,209</b>

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

### Long-Term Debt

The Jail Fund accounts for resources obtained through assessing a certified rate on property taxes and used for the payment of principal and interest on long-term obligations and on general obligation bonds, and for operations of the jail. Although the Jail is accumulating funds to make debt payments, the bonds are general obligation debt. The amount of debt a governmental entity may issue is limited to 2 percent of its total fair market value of taxable property. Daggett County currently has general obligation debt of \$989,000.

During the 2019 year, the component unit Flaming Gorge Roads & Transportation Special Service District made payments on two revenue bonds that are still outstanding, Series 2008A and Series 2008B in the amount of \$170,000 and \$70,000 respectfully.

During the 2016 year, the County issued Taxable Revenue Bonds, Series 2016 in the amount of \$640,000 for improvements to the Dutch John culinary water system. At December 31, 2019, their outstanding balance was \$556,000. The County also has several capital leases outstanding at December 31, 2019.

**Long-Term Debt (Continued)**

The following table is a summary of Daggett County’s gross outstanding long-term debt as of December 31, 2019.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
Compensated absences	\$ 41,337	\$ 52,493	\$ 748	\$ 2,490
Net pension liability	462,029	546,821	5,495	30,238
Capital lease payable	79,113	22,252		
GO Bond, Series 1998B	20,000	10,000		
GO Bond, Series 2015	1,089,000	979,000		
Revenue Bond, Series 2008A	203,000	170,000		
Revenue Bond, Series 2008B	83,000	70,000		
Revenue Bond, Series 2016			<u>577,000</u>	<u>556,000</u>
Total outstanding debt	<u>\$ 1,977,479</u>	<u>\$ 1,850,566</u>	<u>\$ 583,243</u>	<u>\$ 588,728</u>

More detailed information about the County’s long-term liabilities is available in the notes to the financial statements.

**Business-Type Activities**

Enterprise Funds are used to report the functions presented as *business-type activities* shown in the above charts and in the government-wide statements. The activity of the Enterprise Funds experienced an increase in net position during the year due to grant revenue received during the year. Revenue and expense both increased during the year. The fund financial statements provide more detail and additional information for the County’s Enterprise Funds.

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

A recent court decision related to property owned by the RDA in the Town of Dutch John has opened up opportunities for additional revenue to the RDA and the County through land sales and in turn additional property taxes.

In February of 2017, all state inmates were removed from the county jail facility and, to date, have not returned and it is questionable if they will ever return. The County has the jail facility listed for sale in order to pay off the bonds associated with construction of the facility and alleviate the need for generating additional revenue from the taxpayers.

**Contacting the County’s Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the County’s finances and show accountability for the money it receives. If you have questions about this report or need additional financial information, contact Keri Pallesen, Daggett County Auditor/Recorder, P.O. Box 219, Manila, Utah 84046 or [kpallesen@daggettcountry.org](mailto:kpallesen@daggettcountry.org).

**DAGGETT COUNTY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

	PRIMARY GOVERNMENT		
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Cash and cash equivalents	\$ 3,081,577	\$ 210,332	\$ 3,291,909
Investments in stock	505		505
Accounts receivable - net	12,211	21,770	33,981
Property taxes receivable	533,235		533,235
Due from other governmental units	290,722		290,722
Prepaid expenses	74,974		74,974
Inventory	11,950		11,950
Loan receivable - current		3,642	3,642
Loan subsidy receivable - current		5,699	5,699
Cash and cash equivalents - restricted	2,995,569	57,089	3,052,658
Loan receivable		21,450	21,450
Loan subsidy receivable		2,850	2,850
Capital assets (net of accumulated depreciation):			
Land	8,723,541	1,753,928	10,477,469
Water rights	886,462		886,462
Infrastructure	3,945,299	271,905	4,217,204
Buildings	2,184,447	6,406	2,190,853
Improvements other than buildings	2,081,672	2,157,734	4,239,406
Machinery and Equipment	700,019	36,014	736,033
Work in progress	368,127	1,298,655	1,666,782
	<u>\$ 25,890,310</u>	<u>\$ 5,847,474</u>	<u>\$ 31,737,784</u>
Deferred outflows of resources related to pensions	\$ 341,215	\$ 18,857	\$ 360,072
	<u>\$ 26,231,525</u>	<u>\$ 5,866,331</u>	<u>\$ 32,097,856</u>

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

**DAGGETT COUNTY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

	PRIMARY GOVERNMENT		
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Accounts payable	\$ 153,192	\$ 37,223	\$ 190,415
Accrued liabilities	56,008		56,008
Bond interest payable	1,633		1,633
Unearned revenue	12,020		12,020
Capital lease - current	14,088		14,088
G.O. Bonds payable - current	122,000		122,000
Revenue Bonds payable - current	48,000	21,000	69,000
Capital lease - noncurrent	8,164		8,164
Revenue Bonds payable - noncurrent	192,000		192,000
G.O. Bonds payable - noncurrent	867,000	535,000	1,402,000
Compensated absences	52,493	2,490	54,983
Net pension liability	546,821	30,238	577,059
	\$ 2,073,419	\$ 625,951	\$ 2,699,370
Deferred inflows of resources related to pensions	\$ 237,185	\$ 13,108	\$ 250,293
	\$ 2,310,604	\$ 639,059	\$ 2,949,663
<b><u>NET POSITION</u></b>			
Net Investment in capital assets	\$ 17,638,315	\$ 4,968,642	\$ 22,606,957
Restricted for:			
Class "B" roads	437,382		437,382
Flaming Gorge Roads & Transportation S.S.D.	48,000		48,000
RDA	787,834		787,834
Forest Reserve	453,893		453,893
Noxious weed	14,541		14,541
SRS roads	296,188		296,188
VAWA	1,028		1,028
VOCA	3,032		3,032
State Beer Tax	24,700		24,700
Transient Room Tax	195,160		195,160
Rural Hospital Tax	519,632		519,632
Homeland Security	5,699		5,699
Assessing and Collecting	213,147		213,147
Trails Fund	64		64
Restaurant Tax	29,871		29,871
Jail Tax	172,507		172,507
Debt Reserve		57,089	57,089
Unrestricted	3,079,928	201,541	3,281,469
	\$ 23,920,921	\$ 5,227,272	\$ 29,148,193

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

**DAGGETT COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Function/Programs</b>							
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 1,179,579	\$ 140,417	\$	\$ 3,649	\$ (1,039,162)	\$	\$ (1,039,162)
Public safety	953,996	79,679	\$ 57,849	\$	(812,819)		(812,819)
Public health	213,333	1,993			(211,340)		(211,340)
Highways and public improvements	803,444	17,574	736,158	400,639	350,927		350,927
Parks, recreation and public property	95,780	38,658			(57,122)		(57,122)
Community and economic development	164,189	479	9,254		(154,456)		(154,456)
Capital outlay	512,192				(512,192)		(512,192)
Interest on long-term debt	27,866				(27,866)		(27,866)
<b>Total governmental activities</b>	<b>\$ 3,950,379</b>	<b>\$ 278,800</b>	<b>\$ 803,261</b>	<b>\$ 404,288</b>	<b>\$ (2,464,030)</b>	<b>\$</b>	<b>\$ (2,464,030)</b>
<b>Business-type activities:</b>							
Enterprise - Dutch John	\$ 316,363	\$ 281,370	\$ 45,000	\$ 20,000	\$	\$ 30,007	\$ 30,007
Enterprise - Low income housing	8,549	1,348			(7,201)		(7,201)
<b>Total business-type activities</b>	<b>\$ 324,912</b>	<b>\$ 282,718</b>	<b>\$ 45,000</b>	<b>\$ 20,000</b>	<b>\$</b>	<b>\$ 22,806</b>	<b>\$ 22,806</b>
<b>Total primary government</b>	<b>\$ 4,275,291</b>	<b>\$ 561,518</b>	<b>\$ 848,261</b>	<b>\$ 424,288</b>	<b>\$ (2,464,030)</b>	<b>\$</b>	<b>\$ (2,441,224)</b>
<b>General revenues:</b>							
Property taxes					\$ 1,215,586		\$ 1,215,586
Sales and use taxes					111,343		111,343
County option and Medical Service sales taxes					74,512		74,512
Restaurant tax revenue					21,008		21,008
Transient room taxes					163,755		163,755
Rural hospital taxes					215,311		215,311
Payment in lieu of taxes					144,559		144,559
Motor fuel tax					10,891		10,891
Assessing and collecting					225,173		225,173
Mineral lease revenue					213,947		213,947
Unrestricted investment earnings					106,261	\$ 1,409	107,670
Miscellaneous					170,293		170,293
Gain/(loss) on sale of capital assets					16,687		16,687
<b>Total general revenues</b>					<b>\$ 2,689,326</b>	<b>\$ 1,409</b>	<b>\$ 2,690,735</b>
<b>Change in net position</b>					<b>\$ 225,296</b>	<b>\$ 24,215</b>	<b>\$ 249,511</b>
<b>Net position - beginning</b>					<b>23,695,625</b>	<b>5,203,057</b>	<b>28,898,682</b>
<b>Net position - ending</b>					<b>\$ 23,920,921</b>	<b>\$ 5,227,272</b>	<b>\$ 29,148,193</b>

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

**DAGGETT COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	GENERAL FUND	FLAMING GORGE ROADS AND TRANSPORTATION SPECIAL SERVICE DISTRICT	RURAL HOSPITAL TAX	DAGGETT COUNTY REDEVELOPMENT AGENCY	CLASS "B" ROAD	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>							
Cash and cash equivalents	\$ 650,442	\$ 2,235,102				\$ 215,093	\$ 3,100,637
Restricted cash and cash equivalents	488	48,000	\$ 552,457	\$ 794,910	\$ 363,163	1,236,551	2,995,569
Investments in stock	505						505
Account receivable (net)	4,211	8,000					12,211
Property taxes receivable	389,452					143,783	533,235
Due from other governments	85,462	44,682	20,391		76,547	63,640	290,722
Inventory		11,950					11,950
Prepaid expenses	73,375			1,599			74,974
<b>Total assets</b>	<b>\$ 1,203,935</b>	<b>\$ 2,347,734</b>	<b>\$ 572,848</b>	<b>\$ 796,509</b>	<b>\$ 439,710</b>	<b>\$ 1,659,067</b>	<b>\$ 7,019,803</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Cash deficit		\$ 9,270				\$ 9,790	\$ 19,060
Accounts payable	\$ 71,087		\$ 53,216		\$ 2,328	26,561	153,192
Accrued liabilities	56,008						56,008
Unearned revenue	3,345			\$ 8,675			12,020
<b>Total liabilities</b>	<b>\$ 130,440</b>	<b>\$ 9,270</b>	<b>\$ 53,216</b>	<b>\$ 8,675</b>	<b>\$ 2,328</b>	<b>\$ 36,351</b>	<b>\$ 240,280</b>
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Inventory		\$ 11,950					\$ 11,950
Prepays	\$ 73,375						73,375
<b>Restricted for:</b>							
Class "B" Road					\$ 437,382		437,382
Flaming Gorge Roads & Transportation S.S.D.		48,000					48,000
Redevelopment Agency				\$ 787,834			787,834
Forest Reserve						\$ 453,893	453,893
Noxious weed						14,541	14,541
SRS roads						296,188	296,188
VAWA						1,028	1,028
VOCA						3,032	3,032
Beer Tax						24,700	24,700
Transient Room Tax						195,160	195,160
Rural Hospital Tax			\$ 519,632				519,632
Homeland Security						5,699	5,699
Assessing and Collecting						213,147	213,147
Trails fund						64	64
Restaurant Tax						29,871	29,871
Jail Fund						172,507	172,507
<b>Assigned for:</b>							
Special Revenue		43,412				91,287	134,699
Debt Service		248,765					248,765
Capital Projects		1,986,337				121,599	2,107,936
Unassigned	1,000,120						1,000,120
<b>Total fund balances</b>	<b>\$ 1,073,495</b>	<b>\$ 2,338,464</b>	<b>\$ 519,632</b>	<b>\$ 787,834</b>	<b>\$ 437,382</b>	<b>\$ 1,622,716</b>	<b>\$ 6,779,523</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,203,935</b>	<b>\$ 2,347,734</b>	<b>\$ 572,848</b>	<b>\$ 796,509</b>	<b>\$ 439,710</b>	<b>\$ 1,659,067</b>	<b>\$ 7,019,803</b>

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

**DAGGETT COUNTY  
RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2019**

Total fund balances - governmental fund types: \$ 6,779,523

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

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

Land	\$	8,723,541	
Water rights		886,462	
Infrastructure		3,945,299	
Buildings		2,184,447	
Improvements other than buildings		2,081,672	
Machinery and equipment		700,019	
Work in progress		<u>368,127</u>	
Total			18,889,567

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

Bond interest payable	\$	(1,633)	
Capital lease - current portion		(14,088)	
Capital lease - due in more than one year		(8,164)	
G.O. bonds payable - current portion		(122,000)	
G.O. bonds payable - due in more than one year		(867,000)	
Revenue bonds payable - current portion		(48,000)	
Revenue bonds payable - due in more than one year		(192,000)	
Net pension liability		(546,821)	
Deferred inflows of resources related to pensions		(237,185)	
Deferred outflows of resources related to pensions		341,215	
Compensated absences		<u>(52,493)</u>	
Total			<u>(1,748,169)</u>

Net position of government activities \$ 23,920,921

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

**DAGGETT COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	GENERAL FUND	FLAMING GORGE ROADS AND TRANSPORTATION SPECIAL SERVICE DISTRICT	RURAL HOSPITAL TAX	DAGGETT COUNTY REDEVELOPMENT AGENCY	CLASS "B" ROAD	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>							
Taxes	\$ 1,246,956		\$ 215,311			\$ 575,312	\$ 2,037,579
Licenses and permits	26,511						26,511
Intergovernmental revenues	622,693	\$ 175,004		\$ 67,220	\$ 433,850	339,191	1,570,738
Charges for services	135,370					49,439	252,029
Fines and forfeitures	35,893						35,893
Interest income	44,460	51,432		9,949		420	106,261
Miscellaneous revenues	112,009			3,000	31,774	36,193	182,976
<b>Total revenues</b>	<b>\$ 2,223,892</b>	<b>\$ 226,436</b>	<b>\$ 215,311</b>	<b>\$ 80,169</b>	<b>\$ 465,624</b>	<b>\$ 1,000,555</b>	<b>\$ 4,211,987</b>
<b>EXPENDITURES:</b>							
Current:							
General government	\$ 999,005					\$ 249,296	\$ 1,248,301
Public safety	744,593		\$ 1,180			52,592	798,365
Public health	9,877		203,456				213,333
Highways and public improvements	481,298	\$ 19,138			\$ 335,704	147,084	983,224
Parks, recreation, and public property	6,132					79,881	86,013
Community and economic development				\$ 7,832		156,357	164,189
Capital outlay		512,192					512,192
Debt service:							
Principal retirement		46,000					46,000
Interest and fiscal charges							
<b>Total expenditures</b>	<b>\$ 2,240,905</b>	<b>\$ 577,330</b>	<b>\$ 204,636</b>	<b>\$ 7,832</b>	<b>\$ 335,704</b>	<b>\$ 890,906</b>	<b>\$ 4,257,313</b>
Excess revenues over (under) expenditures	\$ (17,013)	\$ (350,894)	\$ 10,675	\$ 72,337	\$ 129,920	\$ 109,649	\$ (45,326)
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	\$ (143,209)					\$ 159,209	\$ 159,209
Transfers out						(16,000)	(159,209)
<b>Total other financing sources (uses)</b>	<b>\$ (143,209)</b>	<b>\$ .....</b>	<b>\$ .....</b>	<b>\$ .....</b>	<b>\$ .....</b>	<b>\$ 143,209</b>	<b>\$ .....</b>
Excess of revenues and other sources over (under) expenditures and other uses	\$ (160,222)	\$ (350,894)	\$ 10,675	\$ 72,337	\$ 129,920	\$ 252,858	\$ (45,326)
<b>FUND BALANCES - beginning of year</b>	<b>1,233,717</b>	<b>2,689,358</b>	<b>508,957</b>	<b>715,497</b>	<b>307,462</b>	<b>1,369,858</b>	<b>6,824,849</b>
<b>FUND BALANCES - end of year</b>	<b>\$ 1,073,495</b>	<b>\$ 2,338,464</b>	<b>\$ 519,632</b>	<b>\$ 787,834</b>	<b>\$ 437,382</b>	<b>\$ 1,622,716</b>	<b>\$ 6,779,523</b>

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

**DAGGETT COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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

Net changes in fund balances - total governmental funds	\$	(45,326)
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Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$619,268) exceeds capital outlay (\$553,413) in the period.		(65,855)
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In the statement of activities, only the loss on the sale of the capital assets is reported, whereas, in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the net book value of the capital assets sold.		(36,312)
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Governmental funds report bond proceeds as an other financing source, while repayment of the bond principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due, but in the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. The following amounts are the net effect of these differences in the treatment of the long-term debt and related items.

Change in interest payable	\$	969	
Retirement of long-term debt		222,861	
Total			223,830

As net pension assets, liabilities and deferred inflows and outflows change during the year it has the affect of increasing or decreases net position in the government wide financial statement but has no effect on fund statements. This is the amount of the net changes in pension related accounts.		160,115
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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 (Compensated Absences)		(11,156)

Change in net position of governmental activities	\$	<u>225,296</u>
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"The notes to the financial statements are an integral part of this statement."

**DAGGETT COUNTY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2019**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	DUTCH JOHN ENTERPRISE	NON-MAJOR LOW INCOME HOUSING	TOTAL BTAs
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Current assets:			
Cash and cash equivalents	\$ 180,216	\$ 30,116	\$ 210,332
Accounts receivable (net of allowance \$14,504)	21,770		21,770
Loan receivable - current		3,642	3,642
Loan subsidy receivable - current		5,699	5,699
Total current assets	\$ 201,986	\$ 39,457	\$ 241,443
Noncurrent assets:			
Loan receivable		\$ 21,450	\$ 21,450
Loan subsidy receivable		2,850	2,850
Restricted cash and cash equivalents	\$ 57,089		57,089
Capital Assets:			
Land	1,753,928		1,753,928
Infrastructure	372,927		372,927
Buildings	13,978		13,978
Improvements	2,975,332		2,975,332
Machinery and equipment	82,971		82,971
Work in progress	1,298,655		1,298,655
Less accumulated depreciation	(973,149)		(973,149)
Total noncurrent assets	\$ 5,581,731	\$ 24,300	\$ 5,606,031
Total assets	\$ 5,783,717	\$ 63,757	\$ 5,847,474
Deferred outflows of resources:			
Deferred outflows - related to pensions	\$ 18,857		\$ 18,857
Total deferred outflows of resources	\$ 18,857	\$ ...	\$ 18,857
Total assets and deferred outflows of resources	\$ 5,802,574	\$ 63,757	\$ 5,866,331

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

DAGGETT COUNTY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	DUTCH JOHN ENTERPRISE	NON-MAJOR LOW INCOME HOUSING	TOTAL BTAs
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
Current Liabilities:			
Accounts payable	\$ 37,223		\$ 37,223
Current portion - long-term debt	21,000		21,000
Total current liabilities	\$ 58,223	\$ ...	\$ 58,223
Noncurrent Liabilities:			
Compensated absences	\$ 2,490		\$ 2,490
Net pension liability	30,238		30,238
Revenue bonds payable	535,000		535,000
Total noncurrent liabilities	\$ 567,728	\$ ...	\$ 567,728
Total liabilities	\$ 625,951	\$ ...	\$ 625,951
Deferred inflows of resources:			
Deferred inflows- related to pensions	\$ 13,108		\$ 13,108
Total deferred inflows of resources	\$ 13,108	\$ ...	\$ 13,108
Total liabilities and deferred inflows of resources	\$ 639,059	\$ ...	\$ 639,059
<u>NET POSITION</u>			
Net Position			
Net Investment in capital assets	\$ 4,968,642		\$ 4,968,642
Restricted	57,089		57,089
Unrestricted	137,784	\$ 63,757	201,541
Total net position	\$ 5,163,515	\$ 63,757	\$ 5,227,272

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

**DAGGETT COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS		
	DUTCH JOHN ENTERPRISE	NON-MAJOR LOW INCOME HOUSING	TOTAL BTAs
Operating Revenues:			
Charges for services	\$ 294,463	\$ 1,348	\$ 295,811
Fines and penalties	5,707		5,707
Miscellaneous	1,200		1,200
	<hr/>	<hr/>	<hr/>
Total operating revenues	\$ 301,370	\$ 1,348	\$ 302,718
	<hr/>	<hr/>	<hr/>
Operating Expenses:			
Salaries, wages and benefits	\$ 115,204		\$ 115,204
Administration costs	9,848		9,848
Insurance	1,288		1,288
Repairs & Maintenance	8,361		8,361
Supplies	13,943		13,943
Contractual services	1,035		1,035
Utilities	30,259		30,259
Travel	2,628		2,628
Fuel	3,190		3,190
Water Treatment & Distribution	16,995		16,995
Sewer Treatment & Collection	4,299		4,299
Amortization		\$ 8,549	8,549
Depreciation	109,313		109,313
	<hr/>	<hr/>	<hr/>
Total operating expenses	\$ 316,363	\$ 8,549	\$ 324,912
	<hr/>	<hr/>	<hr/>
Operating income (loss)	\$ (14,993)	\$ (7,201)	\$ (22,194)
	<hr/>	<hr/>	<hr/>
Nonoperating Revenues (Expenses):			
Water grant	\$ 45,000		\$ 45,000
Interest income	1,409		1,409
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues (expenses)	\$ 46,409	\$ ...	\$ 46,409
	<hr/>	<hr/>	<hr/>
Change in net position	\$ 31,416	\$ (7,201)	\$ 24,215
	<hr/>	<hr/>	<hr/>
Total net position - beginning	5,132,099	70,958	5,203,057
	<hr/>	<hr/>	<hr/>
Total net position - ending	\$ 5,163,515	\$ 63,757	\$ 5,227,272
	<hr/>	<hr/>	<hr/>

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

**DAGGETT COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	DUTCH JOHN ENTERPRISE	NON-MAJOR LOW INCOME HOUSING	TOTAL BTA's
<b>Cash Flows From Operating Activities:</b>			
Cash receipts from customers	\$ 292,020	\$ 4,800	\$ 296,820
Cash payments to suppliers	(85,378)		(85,378)
Cash payments to employees	(96,144)		(96,144)
Net cash provided (used) by operating activities	<u>\$ 110,498</u>	<u>\$ 4,800</u>	<u>\$ 115,298</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Transfers out			
Net cash provided (used) by noncapital financing activities	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Capital grant	\$ 45,000		\$ 45,000
Acquisition of capital assets	(81,116)		(81,116)
Principal paid on revenue bonds	(21,000)		(21,000)
Net cash provided (used) by capital and related financing activities	<u>\$ (57,116)</u>	<u>\$ ...</u>	<u>\$ (57,116)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest and dividends received	\$ 1,409		\$ 1,409
Net cash provided (used) by investing activities	<u>\$ 1,409</u>	<u>\$ ...</u>	<u>\$ 1,409</u>
Net increase (decrease) in cash and cash equivalents	\$ 54,791	\$ 4,800	\$ 59,591
Cash and cash equivalents, January 1	<u>182,514</u>	<u>25,316</u>	<u>207,830</u>
Cash and cash equivalents, December 31	<u>\$ 237,305</u>	<u>\$ 30,116</u>	<u>\$ 267,421</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (14,993)	\$ (7,201)	\$ (22,194)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 109,313		\$ 109,313
Amortization		\$ 8,549	8,549
(Increase) Decrease in accounts receivable	(9,350)		(9,350)
(Increase) Decrease in notes receivable		3,452	3,452
(Increase) Decrease in net pension assets	6		6
(Increase) Decrease in deferred outflows of resources	(14,955)		(14,955)
Increase (Decrease) in accounts payable	6,468		6,468
Increase (Decrease) in compensated absences	1,742		1,742
Increase (Decrease) in net pension liabilities	24,743		24,743
Increase (Decrease) in deferred inflows of resources	7,524		7,524
Total adjustments	<u>\$ 125,491</u>	<u>\$ 12,001</u>	<u>\$ 137,492</u>
Net cash provided (used) by operating activities	<u>\$ 110,498</u>	<u>\$ 4,800</u>	<u>\$ 115,298</u>
<b>Noncash Investing, Capital and Financing Activities:</b>			

The Low Income Housing Fund reduced the payment subsidy receivable by \$8,549.

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

**DAGGETT COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2019**

	<u>EMT FUNDRAISING</u>	<u>COURT FINES</u>	<u>BAIL</u>	<u>TOTAL TRUST FUND</u>	<u>AGENCY FUND</u>
<b><u>ASSETS</u></b>					
Cash & cash equivalents	\$ 1,200	\$ 11,181	\$ 9,335	\$ 21,716	\$ 1,391,013
Total assets	<u>\$ 1,200</u>	<u>\$ 11,181</u>	<u>\$ 9,335</u>	<u>\$ 21,716</u>	<u>\$ 1,391,013</u>
<b><u>LIABILITIES</u></b>					
Accounts payable		\$ 5,750	\$ 3	\$ 5,753	
Due taxing units					\$ 1,391,013
Total liabilities	<u>\$ ...</u>	<u>\$ 5,750</u>	<u>\$ 3</u>	<u>\$ 5,753</u>	<u>\$ 1,391,013</u>
<b><u>NET POSITION</u></b>					
Restricted	<u>\$ 1,200</u>	<u>\$ 5,431</u>	<u>\$ 9,332</u>	<u>\$ 15,963</u>	
Total net position	<u><u>\$ 1,200</u></u>	<u><u>\$ 5,431</u></u>	<u><u>\$ 9,332</u></u>	<u><u>\$ 15,963</u></u>	<u><u>\$ ...</u></u>

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

**DAGGETT COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>EMT FUNDRAISING</u>	<u>COURT FINES</u>	<u>BAIL</u>	<u>TOTAL TRUST FUND</u>
Additions:				
Charges for services		\$ 5,680	\$ 1,388	\$ 7,068
Fines and fees		27,461	968	28,429
Other revenues		1,089		1,089
		<u>34,230</u>	<u>2,356</u>	<u>36,586</u>
Total operating revenues	\$ ...	\$ 34,230	\$ 2,356	\$ 36,586
Deductions:				
Public safety		\$ 37,455	\$ 2,112	\$ 39,567
		<u>37,455</u>	<u>2,112</u>	<u>39,567</u>
Total operating expenses	\$ ...	\$ 37,455	\$ 2,112	\$ 39,567
Change in net position		\$ (3,225)	\$ 244	\$ (2,981)
Total net position - beginning	\$ 1,200	8,656	9,088	18,944
Total net position - ending	<u>\$ 1,200</u>	<u>\$ 5,431</u>	<u>\$ 9,332</u>	<u>\$ 15,963</u>

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

**DAGGETT COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

Daggett County, Utah (the County) operates under a three-member County Commission form of government. The County provides the following services: Countywide services, such as those provided by elected officials (including assessing and collecting property taxes for all taxing districts in the County), health and human services to the unincorporated areas, such as fire and police protection, developmental services, streets, highways, planning and zoning, animal services and justice courts.

For financial reporting purposes, Daggett County has included all funds, organizations, account groups, agencies, boards and commissions. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such 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 burdens on the County, or the County has fiscal responsibility.

As required by generally accepted accounting principles, these financial statements present the County (Primary Government) and its component unit. Flaming Gorge Roads & Transportation Special Service District, a blending component unit, is included in the County's reporting entity because of the significance of its operational or financial relationships with the County. Complete financial statements as noted below, can be obtained from their respective administrative offices in Manila, Utah. The Daggett County Redevelopment Agency is also a blended component unit of Daggett County.

**Blended Component Units**

This component unit is an entity, which is legally separate from the County, but is so intertwined with the County that it is, in substance, the same as the County and is reported as part of the County and blended into the appropriate funds.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

A. **Reporting Entity (Continued)**

Flaming Gorge Road and Transportation Special Service District – The District was created by the adoption of a resolution establishing a service district. The District has been established as a separate body politic and corporate. The County appointed the board governing the District. The District was created for the purpose of building, maintaining or improving roads within the District’s boundaries. The District was audited and their report was issued under separate cover. An audit report can be obtained from their administrative office in Manila, Utah.

Daggett County Redevelopment Agency – The Daggett County Redevelopment Agency is included in this report as the Redevelopment Agency (RDA), a special revenue fund, which is a component unit, blended in the County’s financial statements. Although the RDA is clearly established as a separate entity under state law, it is included due to financial accountability and the extensive oversight provided by the County. Members of the County Commission serve as the Board of Directors of the RDA.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. 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 charged to external parties for goods and services and sales of land.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Direct expenses can include certain indirect costs (administrative overhead charges) that are automatically allocated to the various functions.

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; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. 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 and major individual enterprise funds are reported as separate columns in the fund financial statements. The remaining governmental and enterprise funds are combined into a single column and reported as other (non-major) funds.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental-Wide and Proprietary Financial Statements -The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The use of financial resources to acquire capital assets are capitalized as assets in the government-wide and proprietary financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide and proprietary financial statements, rather than as another financing source. Amounts paid to reduce long-term debt of the County are reported as a reduction of the related liability, rather than an expenditure in the government-wide and proprietary financial statements.

Governmental Fund Financial Statements - 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. "Measurable" means that amounts can be reasonably determined within the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. Exceptions to this general rule include accumulated unpaid compensated absences and principal and interest on general long-term debt which are recognized when due.

The County reports the following major governmental funds:

- General Fund – The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is taxes.
- Flaming Gorge Road and Transportation Special Service District, a special revenue fund of the County – The District was created for the purpose of receiving mineral lease money and using these funds to construct, improve and repair County roads for the benefit for the citizens of the County.
- Rural Hospital Tax Fund – The Rural Hospital Tax Fund is used to report and record revenues of a specialized tax and expenditures that are to be used for rural hospital purposes.
- Daggett County Redevelopment Agency Fund - The Redevelopment Agency Fund, is a special revenue fund that is used to account for revenues and expenses used to promote tourism and improvement of related facilities.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

- Class “B” Road Fund – The Class “B” Road Fund is used to receive funding from the state of Utah and other sources to be used for the repair, maintenance and improvement of Class “B” roads in the County.

The County’s non-major governmental funds include other special revenue funds and capital project funds. The non-major special revenue funds account for specific revenue sources that are legally restricted to expenditures, for specified purposes. The capital project funds account for resources obtained and used for the acquisition, construction or improvement of certain capital facilities. Such resources are derived principally from proceeds of debt instruments, grants and operating transfers from the County’s General Fund.

Proprietary Fund Financial Statements – Proprietary fund types include an enterprise fund used to account for the goods and services provided by the Dutch John Fund to citizens who live in the Dutch John area and an enterprise fund for low income housing projects. The financial statements of the proprietary funds are reported similar to the government-wide financial statements in that they both use the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses result from providing goods and services relating to the primary operations of the proprietary fund. Other revenues and expenses are reported as nonoperating.

The County reports the following major proprietary funds:

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

The County’s non-major proprietary funds include the Low-Income Housing Fund. This fund accounts for the resources collected and expenditures incurred during the construction and subsequent sale of housing to qualified low income individuals.

Fiduciary Fund Financial Statements – Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other organizations or individuals. These statements are reported using the economic resources measurement focus and the accrual basis of accounting. The county has several types of fiduciary funds.

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

Interfund Transactions – Interfund transactions represent transactions between different funds within the County. In general, interfund activity, including internal service fund transactions have been eliminated from the government-wide financial statements in an effort to minimize the doubling-up of revenues and expenditures resulting from such transactions. Interfund services provided and used between different functional categories, however, have not been eliminated from the government-wide financial statements so as not to distort the direct costs and program revenues reported in the various functions concerned.

Transfers between governmental and business-type activities are reported at the net amount in the government-wide Statement of Activities. Interfund receivables and payables have been eliminated from the government-wide Statement of Net Position except for those amounts due between governmental and business-type activities. Such amounts are reported at the net amount as "internal balances" and offset each other to result in a zero balance in the total column.

Program Revenues/Operating Revenues and Expenses From Non-Operating Items – Amounts reported as program revenues include 1) charges for fees, rental, material, supplies, or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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

D. **Budgetary Data**

Budgets are presented on the modified accrual basis of accounting for all governmental funds and on the accrual basis for proprietary funds. Budgets are not adopted for the trust and agency funds. All annual appropriations lapse at fiscal year-end. The following procedures are used in establishing the budgetary data reflected in the financial statements:

1. A formal budget is adopted for all funds, which require a budget: all general, special revenue, debt service, capital projects, and enterprise funds. The budget is a complete financial plan, which identifies all estimated revenues and all appropriations for expenditure for the year. The budget must balance, that is estimated revenues and other financing sources must equal appropriated expenditures.
2. By November 1, the County Auditor submits to the County Commission a proposed operating budget for the fiscal year for all funds beginning January 1.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgetary Data (Continued)**

3. The County Commission discusses and approves the budget and sets a date for a public hearing on the proposed budget.
4. A public hearing is held to obtain taxpayer comments and the budget is adopted.
5. The County Commission can transfer budgeted amounts between line items or departments by resolution, but any action that increases the total general fund budget must be approved by resolution only after a public hearing. (The budgets of other funds may be increased after giving public notice.)

**E. Cash and Cash Equivalents and Investments**

Cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

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

Statement of cash flows are presented for proprietary funds under the direct method.

**F. Compensated Absences**

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

Accrued unpaid vacation pay and other employee benefit amounts, which vest to the employee in the government-wide financial statements for governmental activities total \$52,493 and for proprietary funds total \$2,490.

**G. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Capital Assets**

Capital assets include land, water rights, right of ways, buildings, improvements other than buildings, machinery and equipment, infrastructure (roads and bridges) and works-in-progress. These assets are reported in the government-wide financial statements in the relevant column on the Statement of Net Position under governmental or business-type activities. Proprietary fund capital assets are also reported in the appropriate fund statements. Capital assets acquired by governmental funds are recorded as expenditures in the governmental fund financial statements. The capitalization threshold for personal property is defined to be assets with a useful life greater than one year and costing at least \$5,000. Assets purchased or constructed are generally recorded at cost. If precise cost is not available (as was the case with certain infrastructure), the asset is recorded at estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

When constructing capital assets, interest expense incurred relating to governmental or proprietary activities is not capitalized.

Depreciation of all exhaustible capital assets is charged as an expense against operations for proprietary funds and is charged to the various functional expenses for governmental activities and business-type activities in the government-wide Statement of Activities. Accumulated depreciation is reported on proprietary fund and government-wide Statement of Net Position. Depreciation is provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings	20-40 years
Improvements	15-20 years
Equipment	5-10 years
Infrastructure	40-50 years

**I. Net Position/Fund Balances**

The difference between assets and deferred outflows and liabilities and deferred inflows is “Net Position” on the government-wide and proprietary fund financial statements and “Fund Balance” on the governmental fund financial statements. Net position is divided into these categories, net investment in capital assets (net of related debt), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned and unassigned.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) including additions to and deductions from URS's fiduciary net position, have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**K. Deferred outflows/inflows of resources**

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

## 2. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
<b>Primary Government</b>				
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 8,723,541			\$ 8,723,541
Rights of Way	886,462			886,462
Work in Progress	2,267,516	\$ 529,479	\$ 2,428,868	368,127
Total capital assets not being depreciated	<u>\$ 11,877,519</u>	<u>\$ 529,479</u>	<u>\$ 2,428,868</u>	<u>\$ 9,978,130</u>
Capital assets being depreciated:				
Buildings	\$ 5,019,663			\$ 5,019,663
Improvements other than buildings	2,745,939	\$ 200,351		2,946,290
Machinery and equipment	3,598,523	23,934	\$ 334,422	3,288,035
Infrastructure	6,618,776	2,228,517		8,847,293
Total capital assets being depreciated	<u>\$ 17,982,901</u>	<u>\$ 2,452,802</u>	<u>\$ 334,422</u>	<u>\$ 20,101,281</u>
Less accumulated depreciation for:				
Buildings	\$ 2,711,633	\$ 123,583		\$ 2,835,216
Improvements other than buildings	770,732	93,886		864,618
Machinery and equipment	2,673,286	212,840	\$ 298,110	2,588,016
Infrastructure	4,713,035	188,959		4,901,994
Total accumulated depreciation	<u>\$ 10,868,686</u>	<u>\$ 619,268</u>	<u>\$ 298,110</u>	<u>\$ 11,189,844</u>
Total capital assets, being depreciated, net	<u>\$ 7,114,215</u>	<u>\$ 1,833,534</u>	<u>\$ 36,312</u>	<u>\$ 8,911,437</u>
Governmental activities capital assets, net	<u>\$ 18,991,734</u>	<u>\$ 2,363,013</u>	<u>\$ 2,465,180</u>	<u>\$ 18,889,567</u>

2. **CAPITAL ASSETS (Continued)**

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$1,753,928			\$ 1,753,928
Construction in progress	1,234,539	\$ 64,116		1,298,655
Total capital assets not being depreciated	<u>\$2,988,467</u>	<u>\$ 64,116</u>	<u>\$ ...</u>	<u>\$ 3,052,583</u>
Capital assets being depreciated:				
Buildings	\$ 13,978			\$ 13,978
Improvements other than buildings	2,975,332			2,975,332
Machinery and equipment	65,971	\$ 17,000		82,971
Infrastructure	372,927			372,927
Total capital assets being depreciated	<u>\$3,428,208</u>	<u>\$ 17,000</u>	<u>\$ ...</u>	<u>\$ 3,445,208</u>
Less accumulated depreciation for:				
Buildings	\$ 6,640	\$ 932		\$ 7,572
Improvements other than buildings	726,573	91,025		817,598
Machinery and equipment	42,031	4,926		46,957
Infrastructure	88,592	12,430		101,022
Total accumulated depreciation	<u>\$ 863,836</u>	<u>\$ 109,313</u>	<u>\$ ...</u>	<u>\$ 973,149</u>
Total capital assets, being depreciated, net	<u>\$2,564,372</u>	<u>\$ (92,313)</u>	<u>\$ ...</u>	<u>\$ 2,472,059</u>
Business-type activities capital assets, net	<u>\$5,552,839</u>	<u>\$ (28,197)</u>	<u>\$ ...</u>	<u>\$ 5,524,642</u>
Depreciation expense was charged to functions/programs of the primary government as follows:				
Governmental activities:				
General government			\$ 50,114	
Public safety			212,411	
Highways and public improvements			346,976	
Parks and recreation			9,767	
Total depreciation expense - governmental activities			<u>\$ 619,268</u>	
Business-type activities:				
Enterprise - Dutch John			\$ 109,313	
Total depreciation expense - Business-Type Activities			<u>\$ 109,313</u>	
Total depreciation expense			<u>\$ 728,581</u>	

**3. LONG-TERM DEBT**

Annual debt service requirements to maturity for all bonds and capital leases are as follows:

Year Ending December 31,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 170,000	\$ 24,222	\$ 194,222	\$ 21,000		\$ 21,000
2021	162,000	21,372	183,372	21,000		21,000
2022	165,000	18,461	183,461	21,000		21,000
2023	168,000	15,224	183,224	21,000		21,000
2024	172,000	11,764	183,764	21,000		21,000
2025-2029	392,000	16,254	408,254	107,000		107,000
2030-2034				107,000		107,000
2035-2039				108,000		108,000
2040-2044				107,000		107,000
2045				22,000		22,000
	<u>\$ 1,229,000</u>	<u>\$ 107,297</u>	<u>\$ 1,336,297</u>	<u>\$ 556,000</u>	<u>\$ ...</u>	<u>\$ 556,000</u>

**General Obligation Bonds** – General Obligation Bonds payable at December 31, 2019, with their outstanding balances, are comprised of the following individual issues:

Governmental Activities:

General Obligation Bonds, Series 2015 in the amount of \$1,516,000, issued on January 15, 2015. Annual principal payments are due each December 15, and range from \$108,000 to \$133,000. Interest payments are due each June 15 and December 15 and range from \$1,370 to \$15,670. The purpose for issuing the bonds was to refinance the General Obligation Refunding Bonds, Series 2008, which was originally issued to refund the General Obligation Bonds, Series 1998 which were used to acquire, construct, improve or renovate one or more public buildings and other public facilities for public safety, including jail facilities along with equipment and furnishings. The loan bears a variable interest rate ranging from 0.66% to 2.883%.

\$979,000

General Obligation Bonds, Series 1998B in the amount of \$150,000, issued on November 4, 1998. Annual principal and interest payments are due each July 1, and range from \$9,870 to \$10,600. The County entered into this agreement for the purpose of financing the cost of constructing, improving, or renovating public facilities and jail complex. The loan bears interest in the amount of 3%.

\$ 10,000

3. **LONG TERM DEBT (Continued)**

**Mineral Lease and Water Revenue Bonds** – Mineral Lease and Water Revenue Bonds payable at December 31, 2019, with their outstanding balances, are comprised of the following individual issues:

Governmental Activities:

Parity Mineral Lease Revenue Bonds, Series 2008A in the amount of \$500,000 were issued on April 1, 2008. Annual principal payments are due each April 1 beginning in 2010, and range from \$33,000 to \$34,000. The County entered into this agreement through its component unit Flaming Gorge Roads & Transportation Special Service District for the purpose of financing the cost of constructing improvements to certain roads within the boundaries of the District. The loan bears no interest. \$ 170,000

Parity Mineral Lease Revenue Bonds, Series 2008B in the amount of \$200,000 were issued on April 1, 2008. Annual principal payments are due each April 1 beginning in 2010, and range from \$13,000 to \$14,000. The County entered into this agreement through its component unit Flaming Gorge Road & Transportation Special Service District for the purpose of financing the cost of constructing improvements to certain roads within the boundaries of the District. The loan bears no interest. \$ 70,000

Business-Type Activities:

**Water Revenue Bonds** – Water Revenue Bonds payable at December 31, 2019, with their outstanding balances, are comprised of the following individual issues:

Taxable Water Revenue Bonds, Series 2016 in the amount of \$640,000 were issued in February 2016. Annual principal payments are due each November 1 beginning in 2016, and range from \$21,000 to \$22,000. The County entered into this agreement for the purpose of financing the cost of constructing improvements to the Dutch John’s drinking water system. The loan bears no interest. \$ 556,000

**3. LONG-TERM DEBT (Continued)**

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 1,109,000		\$ (120,000)	\$ 989,000	\$ 122,000
Revenue bonds	286,000		(46,000)	240,000	48,000
Capital leases	79,113		(56,861)	22,252	14,088
Compensated absences	41,337	\$ 11,156		52,493	
Net pension liability	462,029	84,792		546,821	
	<u>462,029</u>	<u>84,792</u>		<u>546,821</u>	
Governmental activities long-term liabilities	<u>\$ 1,977,479</u>	<u>\$ 95,948</u>	<u>\$ (222,861)</u>	<u>\$ 1,850,566</u>	<u>\$ 184,088</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 577,000		\$ (21,000)	\$ 556,000	\$ 21,000
Compensated absences	748	\$ 1,742		2,490	
Net pension liability	5,495	24,743		30,238	
	<u>5,495</u>	<u>24,743</u>		<u>30,238</u>	
Business-type activities long-term liabilities	<u>\$ 583,243</u>	<u>\$ 26,485</u>	<u>\$ (21,000)</u>	<u>\$ 588,728</u>	<u>\$ 21,000</u>

**Governmental Activity Debt**

On November 4, 1998, the County issued General Obligation Bonds Series 1998B in the principal amount of \$150,000 together with interest at 3% per annum. Annual principal and interest payments are due each July 1 and range from \$9,870 to \$10,600. The County entered into this agreement for the purpose of financing the cost of constructing, improving, or renovating public facilities and the jail complex. The first payment was due July 1, 2001 and the final payment becomes due July 1, 2020. The repayment schedule is as follow:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
July 1, 2020	\$ 10,000	\$ 300	\$ 10,300
Total	<u>\$ 10,000</u>	<u>\$ 300</u>	<u>\$ 10,300</u>

3. **LONG-TERM DEBT (Continued)**

**Governmental Activity Debt (Continued)**

On January 15, 2015, the County issued General Obligation Refunding Bonds Series 2015 in the principal amount of \$1,516,000 together with a variable interest rate per annum. The bonds begin accruing interest on the unpaid balance of the principal on January 15, 2015 with interest payments due on June 15 and December 15, beginning 2015. The interest and principal become payable beginning on December 15, 2015 and mature on December 15, 2027. The purpose for issuing the bonds was to refinance the General Obligation Refunding Bonds, Series 2008, which was originally issued to refund the General Obligation Bonds, Series 1998 which were used to acquire, construct, improve or renovate one or more public buildings and other public facilities for public safety including jail facilities along with equipment and furnishings. The repayment schedule is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 15, 2020		\$ 11,961	\$ 11,961
December 15, 2020	\$ 112,000	11,961	123,961
June 15, 2021		10,686	10,686
December 15, 2021	114,000	10,686	124,686
June 15, 2022		9,231	9,231
December 15, 2022	117,000	9,231	126,231
June 15, 2023		7,612	7,612
December 15, 2023	120,000	7,612	127,612
June 15, 2024		5,882	5,882
December 15, 2024	124,000	5,882	129,882
June 15, 2025		4,038	4,038
December 15, 2025	128,000	4,038	132,038
June 15, 2026		2,719	2,719
December 15, 2026	131,000	2,719	133,719
June 15, 2027		1,370	1,370
December 15, 2027	133,000	1,369	134,369
	<u>\$ 979,000</u>	<u>\$ 106,997</u>	<u>\$ 1,085,997</u>

3. **LONG-TERM DEBT (Continued)**

**Governmental Activity Debt (Continued)**

On April 1, 2008, the component unit Flaming Gorge Road & Transportation Special Service District issued Parity Mineral Lease Revenue Bonds, Series 2008A in the principal amount of \$500,000. The bonds do not bear interest. Annual principal payments are due each April 1 and range in amount from \$33,000 to \$34,000. The District entered into this agreement for the purpose of financing the cost of constructing improvements to certain roads within the boundaries of the District. The repayment schedule is as follows:

Principal Payment Date	Principal	Interest	Total
April 1, 2020	\$ 34,000		\$ 34,000
April 1, 2021	34,000		34,000
April 1, 2022	34,000		34,000
April 1, 2023	34,000		34,000
April 1, 2024	34,000		34,000
	<hr/>	<hr/>	<hr/>
Total	\$ 170,000	\$ ...	\$ 170,000

On April 1, 2008, the component unit Flaming Gorge Road & Transportation Special Service District issued Parity Mineral Lease Revenue Bonds, Series 2008B in the principal amount of \$200,000. The bonds do not bear interest. Annual principal payments are due each April 1 and range in amount from \$13,000 to \$14,000. The District entered into this agreement for the purpose of financing the cost of constructing improvements to certain roads within the boundaries of the District. The repayment schedule is as follows:

Principal Payment Date	Principal	Interest	Total
April 1, 2020	\$ 14,000		\$ 14,000
April 1, 2021	14,000		14,000
April 1, 2022	14,000		14,000
April 1, 2023	14,000		14,000
April 1, 2024	14,000		14,000
	<hr/>	<hr/>	<hr/>
Total	\$ 70,000	\$ ...	\$ 70,000

3. **LONG-TERM DEBT (Continued)**

**Business-Type Activity Debt**

Taxable Water Revenue Bonds, Series 2016 in the amount of \$640,000 were issued in February 2016. Annual principal payments are due each November 1 beginning in 2016, and range from \$21,000 to \$22,000. The County entered into this agreement for the purpose of financing the cost of constructing improvements to the Dutch John’s drinking water system. The loan bears no interest. The repayment schedule is as follows:

<u>Principal Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
November 1, 2020	\$ 21,000		\$ 21,000
November 1, 2021	21,000		21,000
November 1, 2022	21,000		21,000
November 1, 2023	21,000		21,000
November 1, 2024	21,000		21,000
November 1, 2025	21,000		21,000
November 1, 2026	21,000		21,000
November 1, 2027	22,000		22,000
November 1, 2028	21,000		21,000
November 1, 2029	22,000		22,000
November 1, 2030	21,000		21,000
November 1, 2031	22,000		22,000
November 1, 2032	21,000		21,000
November 1, 2033	22,000		22,000
November 1, 2034	21,000		21,000
November 1, 2035	22,000		22,000
November 1, 2036	21,000		21,000
November 1, 2037	22,000		22,000
November 1, 2038	21,000		21,000
November 1, 2039	22,000		22,000
November 1, 2040	21,000		21,000
November 1, 2041	22,000		22,000
November 1, 2042	21,000		21,000
November 1, 2043	22,000		22,000
November 1, 2044	21,000		21,000
November 1, 2045	22,000		22,000
	<u>22,000</u>		<u>22,000</u>
Total	<u>\$ 556,000</u>	<u>\$ ...</u>	<u>\$ 556,000</u>

4. **CAPITAL LEASES**

Primary Government

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

	<u>Governmental Activities</u>
Equipment	\$ 116,733
Less: Accumulated Depreciation	<u>(87,749)</u>
Net assets	<u>\$ 28,984</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019 were as follows:

<u>Years Ending December 31,</u>	<u>Governmental Activities</u>
2020	\$ 14,715
2021	8,413
	<hr/>
Total minimum lease payments	\$ 23,128
Less: amount representing interest	<u>(876)</u>
Present value of minimum lease payments	<u><u>\$ 22,252</u></u>

## 5. DEPOSITS AND INVESTMENTS

### Deposits

#### *Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. At December 31, 2019, the County's bank balance of cash on deposit was \$9,916 of this amount all was insured but uncollateralized.

### Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The County follows the requirements of the Utah Money Management Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of County funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the County and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the County to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by the U.S. Government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurer's Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (Utah Code, Title 51, Chapter 7). The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. There are no limitations or restrictions on withdrawals.

**5. DEPOSITS AND INVESTMENTS**

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based on the participants' average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

*Fair Value of Investments*

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2019, the County had the following recurring fair value measurements:

Investment by Fair Value Level	Fair Value Measurements Using			
	12/31/19	Level 1	Level 2	Level 3
<b>Debt/Equity Securities</b>				
Money Market Mutual Funds	\$ 2,683,679		\$ 2,683,679	
Water Stock	505		505	
<b>State of Utah Public</b>				
Treasurer's Investment Fund	1,451,432		1,451,432	
	<u>\$ 4,135,616</u>	<u>\$ ...</u>	<u>\$ 4,135,616</u>	<u>\$ ...</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- Utah Public Treasurers' Investment Fund: application of the December 31, 2019 fair value factor, as calculated by the Utah State Treasurer, to the County's average daily balance in the Fund; and
- Money Market, Bond and Equity Mutual Funds: published fair value per share (unit) for each fund.

Debt securities classified in Level 3 are valued using consensus pricing.

At December 31, 2019, the County had no investments valued that used the net asset valuation method.

2. **DEPOSITS AND INVESTMENTS (Continued)**

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptance, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of December 31, 2019, the County's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities ( in Years)			
		Less Than 1	1-5	6-10	More Than 10
Money Market Mutual Funds	\$ 2,683,679	\$ 2,683,679			
Water Stock	505	505			
State of Utah Public Treasurer's Investment Fund	1,451,432	1,451,432			
<b>Total Investments</b>	<b>\$ 4,135,616</b>	<b>\$ 4,135,616</b>	<b>\$ ...</b>	<b>\$ ...</b>	<b>\$ ...</b>

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's policy for reducing its exposure to credit risk to comply with the State's Money Management Act, as previously discussed.

At December 31, 2019, the County had the following investments and quality ratings:

Investment Type	Fair Value	AAA	AA	A	Unrated
Money Market Mutual Funds	\$ 2,683,679				\$ 2,683,679
Water Stock	505				505
State of Utah Public Treasurer's Investment Fund	1,451,432				1,451,432
<b>Total Investments</b>	<b>\$ 4,135,616</b>	<b>\$ ...</b>	<b>\$ ...</b>	<b>\$ ...</b>	<b>\$ 4,135,616</b>

5. **DEPOSITS AND INVESTMENTS (Continued)**

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's informal policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. As of December 31, 2019, the County had \$1,451,432 invested in the Public Treasurer's Investment Fund and was held by them. The County also had \$2,683,679 invested in Money Market Mutual Funds.

6. **PENSION PLANS**

*General Information about the Pension Plan*

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

**Defined Benefit Plans**

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.
- Public Safety Retirement System (Public Safety System) is a cost-sharing, multiple-employer public employee retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer cost sharing public employee retirement system;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

**6. PENSION PLANS (Continued)**

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: [www.urs.org](http://www.urs.org).

**Summary of Benefits by System**

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefits	Benefit Percentage per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years, any age	2.0% per year all years	Up to 4%
		25 years, any age*		
		20 years, age 60*		
		10 years, age 62*		
Public Safety System	Highest 3 Years	4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
		20 years, any age		
		10 years, age 60		
		4 years, age 65		
Tier 2 Public Employees System	Highest 5 Years	35 years, any age	1.50% per year all years	Up to 2.5%
		20 years, age 60*		
		10 years, age 62*		
		4 years, age 65		
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years, any age	1.50% per year all years	Up to 2.5%
		20 years, age 60*		
		10 years, age 62*		
		4 years, age 65		

\*Actuarial reductions are applied

\*\*All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

6. **PENSION PLANS (Continued)**

**Contribution Rate Summary**

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2019 are as follows:

	Employee	Employer	Employer 401(k)
<b>Contributory System</b>			
111 Local Government Div - Tier 2	N/A	15.66	1.03
<b>Noncontributory System</b>			
15 Local Governmental Div - Tier 1	N/A	18.47	N/A
<b>Public Safety System</b>			
<b>Contributory</b>			
122 Tier 2 DB Hybrid Public Safety	N/A	23.13	0.70
<b>Noncontributory</b>			
43 Other Div A with 2.5% COLA	N/A	34.04	N/A
<b>Tier 2 DC Only</b>			
211 Local Government	N/A	6.69	10.00
222 Public Safety	N/A	11.83	12.00

\*\*\*Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

6. **PENSION PLANS (Continued)**

For fiscal year ended December 31, 2019, the employer and employee contributions to the Systems were as follows:

<b>System</b>	Employer Contributions	Employee Contributions
Noncontributory System	\$ 77,042	N/A
Public Safety System	33,089	-
Tier 2 Public Employees System	33,780	-
Tier 2 Public Safety and Firefighter	6,834	-
Tier 2 DC Only System	5,494	N/A
Tier 2 DC Public Safety and Firefighter System	638	N/A
Total Contributions	\$ 156,876	\$ -

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

**Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions**

At December 31, 2019, we reported a net pension asset of \$0 and a net pension liability of \$577,059.

	(Measurement Date): December 31, 2018				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2017	Change (Decrease)
	Noncontributory System	\$ -	\$ 388,116	0.0527063%	0.0582903%
Public Safety System	-	181,715	0.0706350%	0.1346416%	(0.0640066)%
Tier 2 Public Employees System	-	7,131	0.0166498%	0.0105481%	0.0061017 %
Tier 2 Public Safety and Firefighter	-	97	0.0038795%	0.0453132%	(0.0414337)%
	\$ -	\$ 577,059			

The net pension asset and liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2019, we recognized pension expense of \$14,122.

6. **PENSION PLANS (Continued)**

At December 31, 2019 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,088	\$ 17,361
Changes in assumptions	74,758	132
Net difference between projected and actual earnings on pension plan investments	114,511	
Changes in proportion and differences between contributions and proportionate share of contributions	8,839	232,800
Contributions subsequent to the measurement date	<u>156,876</u>	
Total	<u>\$ 360,072</u>	<u>\$ 250,293</u>

\$156,876 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2019	\$ (56,459)
2020	(54,786)
2021	7,219
2022	54,605
2023	505
Thereafter	4,819

6. **PENSION PLANS (Continued)**

**Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources**

For the year ended December 31, 2019, we recognized pension expense of \$66,875.

At December 31, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,992	\$ 7,239
Changes in assumptions	51,992	
Net difference between projected and actual earnings on pension plan investments	80,762	
Changes in proportion and differences between contributions and proportionate share of contributions		69,865
Contributions subsequent to the measurement date	77,042	
	<hr/>	
Total	\$ 214,788	\$ 77,104

\$77,042 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2019	\$ 20,792
2020	(3,745)
2021	5,331
2022	38,265
2023	
Thereafter	

6. **PENSION PLANS (Continued)**

**Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources**

For the year ended December 31, 2019, we recognized pension expense of (\$72,031).

At December 31, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		\$ 8,648
Changes in assumptions	\$ 20,887	
Net difference between projected and actual earnings on pension plan investments	31,358	
Changes in proportion and differences between contributions and proportionate share of contributions		161,072
Contributions subsequent to the measurement date	<u>33,089</u>	
Total	<u>\$ 85,334</u>	<u>\$ 169,720</u>

\$33,089 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2019	\$ (78,367)
2020	(51,932)
2021	940
2022	14,885
2023	
Thereafter	

6. **PENSION PLANS (Continued)**

**Tier 2 Public Employees System Expense, and Deferred Outflows and Inflows of Resources**

For the year ended December 31, 2019, we recognized pension expense of \$18,444.

At December 31, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 50	\$ 1,474
Changes in assumptions	1,787	128
Net difference between projected and actual earnings on pension plan investments	2,323	
Changes in proportion and differences between contributions and proportionate share of contributions	2,414	
Contributions subsequent to the measurement date	<u>39,274</u>	
 Total	 <u>\$ 45,848</u>	 <u>\$ 1,602</u>

\$39,274 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2019	\$ 821
2020	602
2021	658
2022	1,150
2023	227
Thereafter	1,512

6. **PENSION PLANS (Continued)**

**Tier 2 Public Safety and Firefighter Pension Expense, Deferred Outflows and Inflows of Resources**

For the year ended December 31, 2019, we recognized pension expense of 834.

At December 31, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 46	
Changes in assumptions	92	\$ 4
Net difference between projected and actual earnings on pension plan investments	68	
Changes in proportion and differences between contributions and proportionate share of contributions	6,425	1,863
Contributions subsequent to the measurement date	<u>7,471</u>	
Total	<u>\$ 14,102</u>	<u>\$ 1,867</u>

\$7,471 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2019	\$ 295
2020	289
2021	290
2022	305
2023	278
Thereafter	3,307

6. **PENSION PLANS (Continued)**

**Actuarial Assumptions**

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables based on gender, occupation and age as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40.00%	6.15%	2.46%
Debt securities	20.00%	0.40%	0.08%
Real assets	15.00%	5.75%	0.86%
Private equity	9.00%	9.95%	0.89%
Absolute return	16.00%	2.85%	0.46%
Cash and cash equivalents	0.00%	0.00%	0.00%
Totals	100%		4.75%
		Inflation	2.50%
		Expected arithmetic nominal return	7.25%

**6. PENSION PLANS (Continued)**

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate:

<b>System</b>	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 795,425	\$ 388,116	\$ 48,932
Public Safety System	356,193	181,715	40,077
Tier 2 Public Employees System	28,567	7,131	(9,413)
Tier 2 Public Safety and Firefighter	733	97	(389)
Total	\$ 1,180,918	\$ 577,059	\$ 79,207

\*\*\*Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans is available in the separately issued URS financial report.

6. **PENSION PLANS (Continued)**

**Defined Contribution Savings Plans**

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Daggett County participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- \*401(k) Plan
- \*457 (b) Plan
- \*Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended December 31, were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>401(k) Plan</b>			
Employer Contributions	\$ 15,810	\$ 9,612	\$ 19,172
Employee Contributions	12,809	12,202	16,805
<b>457 Plan</b>			
Employer Contributions			
Employee Contributions	\$ 842	\$ 28	
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 3,120	\$ 3,700	\$ 4,160

7. **CONTINGENT LIABILITIES**

Litigation

Currently, there are two legal actions brought against Daggett County and certain officials of Daggett County. Daggett County has denied all claims and is vigorously defending the case. The defense of the claim has been referred to the Utah Counties Indemnity Pool to defend the claim on behalf of Daggett County. Currently, it is impossible to determine the potential outcome of the case or range of any potential loss.

Closure and Post-Closure Cost Landfills

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

8. **PROPERTY TAX CALENDAR**

The County adopts, by June 22, the proposed tax rates as part of its budget for the current year, which began January 1. If the proposed rates exceed a certified tax rate, a special public hearing must be held before the final rate is adopted. The County Assessor assesses the final tax on property in the County on the prior January 1. The taxes are payable to the county treasurer by the end of November and are remitted to the County by the county treasurer as collected.

9. **RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1992, the County joined together with other counties in the State to form the Utah Association of Counties (UAC), a public entity risk pool currently operating as a common risk management and insurance program for member counties. The County pays an annual premium to UAC for its general insurance coverage. The Agreement for Formation of the UAC provides that UAC will be self-sustaining through member premiums and will reinsure through commercial companies.

**10. RECEIVABLES**

Receivables as of December 31, 2019, for Daggett County's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Classs "B" Road	Flaming Gorge Roads and Transportation SS District	Dutch John Proprietary Fund	Rural Hospital Tax	Nonmajor Govt Funds	Total
Receivables:							
Taxes	\$ 389,452					\$ 143,783	\$ 533,235
Accounts	4,211		\$ 8,000	\$ 36,274			48,485
Due from other governments	85,462	\$ 76,547	44,682		\$ 20,391	63,640	290,722
Gross receivables	\$ 479,125	\$ 76,547	\$ 52,682	\$ 36,274	\$ 20,391	\$ 207,423	\$ 872,442
Less: Allowance for uncollectible accounts				(14,504)			(14,504)
Net receivables	<u>\$ 479,125</u>	<u>\$ 76,547</u>	<u>\$ 52,682</u>	<u>\$ 21,770</u>	<u>\$ 20,391</u>	<u>\$ 207,423</u>	<u>\$ 857,938</u>

**11. FUND BALANCE RESTRICTIONS/NET POSITION RESTRICTIONS**

The County has restricted the following fund balances and net position of the governmental and enterprise funds:

\$14,541 has been restricted in the Noxious Weed Fund for the purpose of covering the costs of spraying and controlling noxious weeds in the Daggett County.

\$296,188 has been restricted in the SRS Fund for the purpose of maintaining, improving, repairing or replacing roads in Daggett County.

\$437,382 has been reserved in the "B" Road Fund for the purpose of maintaining, improving, repairing or replacement of "B" roads in Daggett County.

\$787,834 has been reserved in the Redevelopment Agency for the purpose of offering financial incentives to encourage the construction of owner-occupied housing in Dutch John.

\$48,000 has been restricted in Daggett County's component unit – Flaming Gorge Roads and Transportation for the purpose of maintaining, improving repairing and/or replacing roads in Daggett County.

\$1,028 has been restricted for victims advocate (VAWA). These funds have been received through a grant to provide advocate for victims.

**11. FUND BALANCE RESTRICTIONS/NET POSITION RESTRICTIONS (CONTINUED)**

\$3,032 has been restricted through a grant for Victims of Crimes (VOCA) and to be used for support for staff to help with victims of crimes.

\$24,700 this is fund received through the State of Utah Liquor Fund Allotment to be used by law enforcement departments in policing alcohol related offences.

\$453,893 has been restricted in the Forest Reserve Fund to be used for the maintenance and improvement of roads within the national forest located in Daggett County.

\$195,160 has been restricted in the Transient Room Tax Fund to be used for the purpose of promoting tourism and improvement of related facilities.

\$519,632 Rural Hospital Tax has been restricted to provide medical assistance in many different areas of the State of Utah for rural communities.

\$5,699 has been restricted in the Homeland Security fund, which is money received on a grant to be used on equipment and operating expense for security.

\$213,147 has been restricted in the Assessing and Collecting Fund, because of funds that have been received through the imposing a certified tax rate to cover the cost of assessing and collecting tax revenues.

\$64 has been restricted in the Trails Fund, which was received from a grant to be used for improvement of trails.

\$29,871 has been restricted in the Restaurant Tax Fund. These funds are restricted to special uses as outlined by the type of tax imposed.

\$172,507 has been restricted in the Jail fund to provide funding to maintain the Jail complex and provide funds for the retirement of debt associated with the construction of the Jail.

\$57,089 of net position has been restricted in the Dutch John operating fund as a debt reserve account to be accumulated and used for the retirement of debt.

The County has also restricted net position in the Government-wide financial statements. The net position restrictions are the same amounts that have been restricted as fund balances and net position in the governmental and enterprise fund financial statements.

**12. USE OF ESTIMATES**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America 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 basic financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**13. BUDGET VARIANCE**

During the year ended December 31, 2019, the County had no unfavorable variance when comparing their budget to actual. See Schedules 1 through 5 for more information.

**14. OFF BALANCE SHEET RISK**

Daggett County has bank accounts with balances that are nightly invested in Money Market Mutual Funds. These money market funds are not insured nor are they collateralized. By maintaining accounts with banks where funds are not insured or collateralized there is a potential for the County to lose these monies.

**15. RECONCILIATION OF INTERFUND TRANSFERS**

The following provides a reconciliation of all interfund transfers for the County:

	<u>Transfers In:</u>		
	<u>Nonmajor Governmental Funds</u>	<u>General Fund</u>	<u>Total Out</u>
Transfer Out:			
General Fund	\$ 143,209		\$ 143,209
Class "B" road		\$ 16,000	16,000
	<u>\$ 143,209</u>	<u>\$ 16,000</u>	<u>\$ 159,209</u>
Total in	<u>\$ 143,209</u>	<u>\$ 16,000</u>	<u>\$ 159,209</u>

There were several transfers of funds during the year. The Capital Projects Fund transferred \$16,000 to the PRCA Rodeo Fund. The General Fund transferred \$143,209 to several funds to help cover expense in those funds. The General Fund transferred \$5,000 to the Corner Monument fund, \$22,209 to the Capital Lease fund, \$15,000 to the Economic Development fund, \$2,000 to the Geo Information Systems fund, \$2,000 to the Noxious Weed fund, and \$97,000 to the Capital Projects Fund.

16. **RESTRICTED CASH AND CASH EQUIVALENTS**

The County has restricted certain cash and cash equivalents in the government-wide and fund financial statements in the following amounts:

Cash and cash equivalents – restricted                      \$3,052,658

The restricted cash and cash equivalents represent \$488 of sheriff funds held in the general fund, \$48,000 of money restricted held in the Flaming Gorge Fund restricted for a debt reserve. The County has also restricted \$363,163 in “B” Road Fund to be used for the maintenance and improvement of qualified “B” roads. They have restricted \$794,910 in the Dutch John Redevelopment Agency to be used for allowable expenditures within the Agency’s boundaries. There has been \$57,089 restricted in the Dutch John Enterprise fund as a debt service reserve. The County has restricted cash in the Rural Hospital fund in the amount of \$557,457. The County has also restricted funds in the nonmajor funds associated with different grant requirements, special assessed taxes, specific certified rates and restricted road allotments. The total of these restricted cash and cash equivalents is \$1,236,551 as reflected in the nonmajor funds.

17. **FUND EQUITY**

In February 2009, GASB issued Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal years beginning after June 15, 2010. Fund balance classification changes apply only to governmental fund types; thus, only fund financial statements are affected.

**Nonspendable Fund Balance** – Fund balances are reported as nonspendable when they cannot be spent because they are not spendable in form or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** - Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, or by law through constitutional provisions or enabling legislation.

**Committed Fund Balance**-Fund balances are reported as committed when the County Commission, the County’s highest level of decision-making authority, formally designates the use of resources, by resolution or ordinance, for a specific purpose. The same formal action must be taken to remove or change the constraints placed on the resources.

**Assigned Fund Balance**-Fund balances are reported as assigned when the County intends to use funds, which are neither restricted nor committed, for a specific purpose. Additionally, funds in special revenue and capital project funds are by their nature assigned to the purpose of those respective funds. The County Commission is the body which assigns funds for specific uses.

**Unassigned Fund Balance**-Fund balances in the general fund are reported as unassigned when they are neither restricted, committed nor assigned. They may be used for any governmental purpose. In other governmental funds, the unassigned classification is only used to report a negative fund balance.

**17. FUND EQUITY (Continued)**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the unwritten policy and practice of the County to consider restricted amounts to have been spent first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the unwritten policy and practice of the County that committed amounts will be spent first, followed by assigned amounts, and then unassigned amounts.

The County has not adopted a formal policy regarding a minimum fund balance, but follows Utah State law which requires all County's to maintain a minimum general fund balance equal to 5% of total general fund revenues to be maintained and not budgeted.

**18. INVENTORY**

Flaming Gorge Roads and Transportation Special Service District, a special revenue fund and component unit of Daggett County, has inventory which consists of gravel and road base which is valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**19. CURRENT REFUNDING**

On January 15, 2015 Daggett County issued \$1,516,000 of General Obligation Refunding Bonds, Series 2015 for the purpose of refunding \$1,483,000 of the then outstanding General Obligation Refunding Bonds Series 2008. The 2015 bonds carry an interest rate ranging between 0.660% and 2.975% and will be paid in annual debt service payments over the next 13 years with the final payment being made on December 15, 2027. The refunded 2008 bonds also required annual principal payment, with the final payment due December 15, 2027. As a result of the refunding, the County reduced its cash flow requirements on debt service by \$222,549 over the next 13 years. The County also realized an economic gain (the difference between the present value of debt service payments on the old and new debt) from the refunding of \$186,783. The balance outstanding on the defeased G.O Refunding Bonds, Series 2008 was \$1,007,000 at December 31, 2019.

**20. RESTRICTED NET POSITION (ENTERPRISE FUND)**

Daggett County has restricted \$57,089 of resources in the Dutch John Fund. During the year 2016, the Dutch John Fund received a loan and grant to make improvements to the culinary water system. At the end of 2019, there was \$57,089 of money deposited into the public treasurer's investment fund as a debt reserve fund for the Water Revenue Bond, Series 2016. Each year additional funds will be deposited into the PTIF fund to accumulate a debt reserve fund as required by bond documents.

# **DAGGETT COUNTY**

## **Required Supplementary Information**

SCHEDULE 1 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual – General Fund

SCHEDULE 2 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual – Flaming Gorge Roads & Transportation Special  
Service District

SCHEDULE 3 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual – Rural Hospital Tax

SCHEDULE 4 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual – (RDA) Daggett County Redevelopment Agency  
Fund

SCHEDULE 5 Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Class “B” Road Fund

SCHEDULE 6 Schedule of Proportionate Share of the Net Pension Liability

SCHEDULE 7 Schedule of Contributions

Notes to Required Supplementary Information

**DAGGETT COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Taxes:				
Property taxes - current	\$ 960,000	\$ 960,000	\$ 938,658	\$ (21,342)
Property taxes - delinquent	30,000	30,000	47,703	17,703
Fees-in-lieu of personal property tax	58,000	58,000	63,849	5,849
Sales and use taxes	120,000	120,000	111,343	(8,657)
County option sales tax	76,000	76,000	74,512	(1,488)
Motor fuel tax reimbursement		4,000	10,891	6,891
General Obligation debt tax	4,000			
<b>Total taxes</b>	<b>\$ 1,248,000</b>	<b>\$ 1,248,000</b>	<b>\$ 1,246,956</b>	<b>\$ (1,044)</b>
Licenses and permits:				
Business licenses and permits	\$ 9,000	\$ 9,000	\$ 8,549	\$ (451)
OHV out of state permit fees	1,000	1,000	270	(730)
Building, structures, and equipment licenses	20,000	20,000	16,371	(3,629)
Marriage licenses	150	150	317	167
Conditional Use Permit			1,004	1,004
<b>Total licenses and permits</b>	<b>\$ 30,150</b>	<b>\$ 30,150</b>	<b>\$ 26,511</b>	<b>\$ (3,639)</b>
Intergovernmental:				
Federal PILT	\$ 130,000	\$ 130,000	\$ 144,559	\$ 14,559
Mineral Lease SITLA land exchange	4,600	4,600	38,943	34,343
Secure Rural Schools - Title III			15,855	15,855
Wild life Reserve PILT	2,000	2,000	4,683	2,683
EMS grant	2,400	2,400	3,554	1,154
CEM/FEMA	33,000	33,000	13,481	(19,519)
Court security/Sheriff's grants			630	630
Airport & airport preservation grant	500,000	631,450	400,639	(230,811)
DUI fees on fines			349	349
<b>Total intergovernmental revenue</b>	<b>\$ 672,000</b>	<b>\$ 803,450</b>	<b>\$ 622,693</b>	<b>\$ (180,757)</b>
Charges for services:				
Administration costs	\$ 34,400	\$ 34,400	\$ 31,348	\$ (3,052)
District court contract	36,000	36,000	36,628	628
Recording legal documents	6,000	6,000	12,678	6,678
Motor vehicle contract	5,000	5,000	4,982	(18)
SISK	43,000	43,000	14,965	(28,035)
Sheriff's Office service charges	400	400	1,322	922
Sheriff's Office - report request			325	325
Sheriff's Office donations			120	120
Bailiff contract	200	200	249	49
Ambulance	35,000	35,000	25,893	(9,107)
Cemetery charges	5,200	5,200	6,860	1,660
<b>Total charges for services</b>	<b>\$ 165,200</b>	<b>\$ 165,200</b>	<b>\$ 135,370</b>	<b>\$ (29,830)</b>

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

**DAGGETT COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Fines and forfeitures:				
Court fines	\$ 15,200	\$ 15,200	\$ 31,992	\$ 16,792
Security surcharge	800	800	3,901	3,101
Total fines and forfeitures	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ 35,893</u>	<u>\$ 19,893</u>
Miscellaneous:				
Interest income	\$ 13,600	\$ 13,600	\$ 44,460	\$ 30,860
Office/Home rental	7,000	7,000	23,344	16,344
Admin costs - tax sale	1,000	1,000	800	(200)
Sundry revenue	4,000	4,000	3,911	(89)
Postage and travel reimbursement	200	200	258	58
Capital asset sales		17,000	74,308	57,308
Miscellaneous charges	14,700	35,200	129	(35,071)
GIS subscription/tax roll	600	600	660	60
Scale charges	400	400	545	145
Food Pantry reimbursement	1,000	1,000	1,993	993
Insurance reimbursement	3,000	3,000	4,882	1,882
Passport fees			560	560
Rodeo arena/lights			11	11
Weed & mosquito spraying			119	119
Zions credit card rebate	3,000	3,000	479	(2,521)
Newsletter advertisements	500	500	10	(490)
Total miscellaneous	<u>\$ 49,000</u>	<u>\$ 86,500</u>	<u>\$ 156,469</u>	<u>\$ 69,969</u>
Total revenues	<u>\$ 2,180,350</u>	<u>\$ 2,349,300</u>	<u>\$ 2,223,892</u>	<u>\$ (125,408)</u>

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

**DAGGETT COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>EXPENDITURES</b>				
General government:				
Commission	\$ 120,400	\$ 137,400	\$ 131,128	\$ 6,272
Justice court - Manila	48,951	50,851	50,643	208
Auditor/recorder	124,780	124,780	123,970	810
Clerk/treasurer	109,350	118,350	111,521	6,829
Attorney	209,360	209,360	99,781	109,579
Assessor	23,700	23,700	19,181	4,519
Indigent attorney/capital defendant	8,000	11,500	9,011	2,489
IT/GIS	99,930	99,930	99,217	713
Non-departmental	164,200	164,200	137,873	26,327
Building and grounds	161,055	208,089	179,167	28,922
Litigation				-
Elections	5,800	6,800	5,892	908
Planning commission	37,500	37,500	31,621	5,879
<b>Total general government</b>	<b>\$ 1,113,026</b>	<b>\$ 1,192,460</b>	<b>\$ 999,005</b>	<b>\$ 193,455</b>
Public safety:				
Sheriff	\$ 574,385	\$ 568,280	\$ 601,573	\$ (33,293)
Fire control	40,050	40,050	25,941	14,109
Ambulance	72,450	72,450	56,725	15,725
Emergency management	66,000	66,000	59,753	6,247
Local Emergency Planning Committee	4,000	4,000	601	3,399
<b>Total public safety</b>	<b>\$ 756,885</b>	<b>\$ 750,780</b>	<b>\$ 744,593</b>	<b>\$ 6,187</b>
Public health:				
Health Department	\$ 11,300	\$ 11,300	\$ 9,877	\$ 1,423
<b>Total public health</b>	<b>\$ 11,300</b>	<b>\$ 11,300</b>	<b>\$ 9,877</b>	<b>\$ 1,423</b>
Highways and public improvements:				
Airport	\$ 560,806	\$ 706,862	\$ 469,112	\$ 237,750
Mosquito	129,960	14,000	12,186	1,814
<b>Total highways and public improvements</b>	<b>\$ 690,766</b>	<b>\$ 720,862</b>	<b>\$ 481,298</b>	<b>\$ 239,564</b>
Parks, recreation and public property				
Television	\$ 5,500	\$ 6,500	\$ 6,132	\$ 368
<b>Total parks, recreation and public property</b>	<b>\$ 5,500</b>	<b>\$ 6,500</b>	<b>\$ 6,132</b>	<b>\$ 368</b>
<b>Total expenditures</b>	<b>\$ 2,577,477</b>	<b>\$ 2,681,902</b>	<b>\$ 2,240,905</b>	<b>\$ 440,997</b>
<b>Excess of revenue over (under) expenditures</b>	<b>\$ (397,127)</b>	<b>\$ (332,602)</b>	<b>\$ (17,013)</b>	<b>\$ 315,589</b>

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

**DAGGETT COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 382,667	\$ 475,811		\$ (475,811)
Transfers (out)	(101,500)	(143,209)	\$ (143,209)	
Total other financing sources (uses)	<u>\$ 281,167</u>	<u>\$ 332,602</u>	<u>\$ (143,209)</u>	<u>\$ (475,811)</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$ (115,960)		\$ (160,222)	\$ (160,222)
Fund balances - beginning of year	<u>1,233,717</u>	<u>\$ 1,233,717</u>	<u>1,233,717</u>	
Fund balances - end of year	<u>\$ 1,117,757</u>	<u>\$ 1,233,717</u>	<u>\$ 1,073,495</u>	<u>\$ (160,222)</u>

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

**DAGGETT COUNTY  
 FLAMING GORGE ROADS & TRANSPORTATION  
 SPECIAL SERVICE DISTRICT  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 225,000	\$ 225,000	\$ 175,004	\$ (49,996)
Interest income	45,500	42,500	51,432	8,932
Total revenues	<u>\$ 270,500</u>	<u>\$ 267,500</u>	<u>\$ 226,436</u>	<u>\$ (41,064)</u>
<b>EXPENDITURES</b>				
Highways and public improvements	\$ 21,000	\$ 21,000	\$ 19,138	\$ 1,862
Capital outlay	532,000	532,200	512,192	20,008
Debt Service:				
Principal retirement	46,000	46,000	46,000	
Total expenditures	<u>\$ 599,000</u>	<u>\$ 599,200</u>	<u>\$ 577,330</u>	<u>\$ 21,870</u>
Excess of revenue over (under) expenditures	<u>\$ (328,500)</u>	<u>\$ (331,700)</u>	<u>\$ (350,894)</u>	<u>\$ (19,194)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds				
Total other financing sources (uses)	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$ (328,500)	\$ (331,700)	\$ (350,894)	\$ (19,194)
Fund balances - beginning of year	<u>2,689,358</u>	<u>2,689,358</u>	<u>2,689,358</u>	
Fund balances - end of year	<u><u>\$ 2,360,858</u></u>	<u><u>\$ 2,357,658</u></u>	<u><u>\$ 2,338,464</u></u>	<u><u>\$ (19,194)</u></u>

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

**DAGGETT COUNTY  
RURAL HOSPITAL TAX  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Taxes	\$ 205,000	\$ 205,000	\$ 215,311	\$ 10,311
Total revenues	<u>\$ 205,000</u>	<u>\$ 205,000</u>	<u>\$ 215,311</u>	<u>\$ 10,311</u>
<b>EXPENDITURES</b>				
Public Safety	\$ 20,000	\$ 20,000	\$ 1,180	\$ 18,820
Public Health	185,000	185,000	203,456	(18,456)
Total expenditures	<u>\$ 205,000</u>	<u>\$ 205,000</u>	<u>\$ 204,636</u>	<u>\$ 364</u>
Excess of revenue over (under) expenditures	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 10,675</u>	<u>\$ 10,675</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources				
Total other financing sources (uses)	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>
Excess of revenues and other sources over (under) expenditures and other uses			\$ 10,675	\$ 10,675
Fund balances - beginning of year	<u>\$ 508,957</u>	<u>\$ 508,957</u>	<u>508,957</u>	
Fund balances - end of year	<u>\$ 508,957</u>	<u>\$ 508,957</u>	<u>\$ 519,632</u>	<u>\$ 10,675</u>

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

**DAGGETT COUNTY**  
**(RDA) DAGGETT COUNTY REDEVELOPMENT AGENCY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Charges for services	\$ 20,000	\$ 20,000	\$ 67,220	\$ 47,220
Interest income	3,000	3,000	9,949	6,949
Miscellaneous			3,000	3,000
Total revenues	<u>\$ 23,000</u>	<u>\$ 23,000</u>	<u>\$ 80,169</u>	<u>\$ 57,169</u>
<b>EXPENDITURES</b>				
Community and economic development	\$ 118,405	\$ 118,405	\$ 7,832	\$ 110,573
Total expenditures	<u>\$ 118,405</u>	<u>\$ 118,405</u>	<u>\$ 7,832</u>	<u>\$ 110,573</u>
Excess of revenue over (under) expenditures	<u>\$ (95,405)</u>	<u>\$ (95,405)</u>	<u>\$ 72,337</u>	<u>\$ 167,742</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	\$ (332,106)	\$ (332,106)		\$ 332,106
Total other financing sources (uses)	<u>\$ (332,106)</u>	<u>\$ (332,106)</u>	<u>\$ ...</u>	<u>\$ 332,106</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$ (427,511)	\$ (427,511)	\$ 72,337	\$ 499,848
Fund balances - beginning of year	715,497	715,497	715,497	
Fund balances - end of year	<u><u>\$ 287,986</u></u>	<u><u>\$ 287,986</u></u>	<u><u>\$ 787,834</u></u>	<u><u>\$ 499,848</u></u>

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

**DAGGETT COUNTY**  
**CLASS "B" ROAD FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Intergovernmental	\$ 448,000	\$ 448,000	\$ 433,850	\$ (14,150)
Miscellaneous		23,934	31,774	7,840
Total revenues	<u>\$ 448,000</u>	<u>\$ 471,934</u>	<u>\$ 465,624</u>	<u>\$ (6,310)</u>
<b>EXPENDITURES</b>				
Highways and public improvements	<u>\$ 338,200</u>	<u>\$ 338,200</u>	<u>\$ 335,704</u>	<u>\$ 2,496</u>
Total expenditures	<u>\$ 338,200</u>	<u>\$ 338,200</u>	<u>\$ 335,704</u>	<u>\$ 2,496</u>
Excess of revenue over (under) expenditures	<u>\$ 109,800</u>	<u>\$ 133,734</u>	<u>\$ 129,920</u>	<u>\$ (3,814)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (out)				
Total other financing sources (uses)	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ 109,800</u>	<u>\$ 133,734</u>	<u>\$ 129,920</u>	<u>\$ (3,814)</u>
Fund balances - beginning of year	<u>307,462</u>	<u>307,462</u>	<u>307,462</u>	<u></u>
Fund balances - end of year	<u><u>\$ 417,262</u></u>	<u><u>\$ 441,196</u></u>	<u><u>\$ 437,382</u></u>	<u><u>\$ (3,814)</u></u>

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

**DAGGETT COUNTY**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**MEASUREMENT DATE OF DECEMBER 31, 2018**  
**DECEMBER 31, 2019**

	Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
Noncontributory Retirement System	2014	0.0869202%	\$ 377,428	\$ 754,527	50.00%	90.2%
	2015	0.0789024%	446,468	697,498	64.01%	87.8%
	2016	0.0743880%	477,662	693,254	68.90%	87.3%
	2017	0.0582903%	255,387	527,322	48.43%	91.9%
	2018	0.0527063%	388,115	478,900	81.04%	87.0%
Public Safety System	2014	0.3470621%	\$ 436,459	\$ 672,303	64.90%	90.5%
	2015	0.2936244%	525,955	536,347	98.06%	87.1%
	2016	0.2496528%	506,614	445,420	113.74%	86.5%
	2017	0.1346416%	211,207	254,264	83.07%	90.2%
	2018	0.0706350%	181,715	157,522	115.36%	84.7%
Tier 2 Public Employees Retirement System	2014	0.0256455%	\$ (777)	\$ 125,936	-0.60%	103.5%
	2015	0.0232503%	(51)	150,181	-0.03%	100.2%
	2016	0.0117530%	1,311	96,383	1.36%	95.1%
	2017	0.0105481%	930	103,099	0.90%	97.4%
	2018	0.0166498%	7,131	193,588	3.68%	90.8%
Tier 2 Public Safety and Firefighters Retirement System	2014	0.0555378%	\$ (822)	\$ 23,008	-3.60%	120.5%
	2015	0.2524283%	(3,688)	150,300	2.45%	110.7%
	2016	0.2269697%	(1,970)	187,526	-1.05%	103.6%
	2017	0.0453132%	(524)	47,997	-1.09%	103.0%
	2018	0.0038795%	97	5,078	1.91%	95.6%

\* In accordance with paragraph 81.a GASB 68, employers will need to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI.

"The accompanying notes are an integral part of these financial statements."

**DAGGETT COUNTY**  
**SCHEDULE OF CONTRIBUTIONS**  
**AS OF DECEMBER 31, 2019**

	As of fiscal year ended December 31,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 126,476	\$ 126,476	\$ -	\$ 755,017	16.75%
	2015	114,401	114,401	-	694,007	16.48%
	2016	113,185	113,185	-	692,649	16.34%
	2017	87,459	87,459	-	527,322	16.59%
	2018	77,822	77,822	-	478,900	16.25%
	2019	77,042	77,042	-	459,133	16.78%
Public Safety System	2014	\$ 168,416	\$ 168,416	\$ -	\$ 671,183	25.09%
	2015	135,283	135,283	-	528,791	25.58%
	2016	108,341	108,341	-	422,402	25.65%
	2017	65,941	65,941	-	237,733	27.74%
	2018	37,091	37,091	-	157,195	23.60%
	2019	33,089	33,089	-	133,444	24.80%
Tier 2 Public Employees System*	2014	\$ 18,441	\$ 18,441	\$ -	\$ 125,853	14.65%
	2015	22,351	22,351	-	149,751	14.93%
	2016	14,407	14,407	-	96,626	14.91%
	2017	15,727	15,727	-	104,704	15.02%
	2018	29,733	29,733	-	193,588	15.36%
	2019	33,780	33,780	-	216,489	15.60%
Tier 2 Public Safety and Firefighter System*	2014	\$ 5,052	\$ 5,052	\$ -	\$ 23,008	21.96%
	2015	32,727	32,727	-	145,354	22.52%
	2016	42,236	42,236	-	187,526	22.52%
	2017	10,799	10,799	-	47,997	22.50%
	2018	1,173	1,173	-	5,078	23.09%
	2019	6,834	6,834	-	29,576	23.11%
Tier 2 Public Employees DC Only System*	2014	\$ 2,513	\$ 2,513	\$ -	\$ 40,259	6.24%
	2015	5,072	5,072	-	74,630	6.80%
	2016	7,518	7,518	-	112,375	6.69%
	2017	5,615	5,615	-	83,926	6.69%
	2018	1,655	1,655	-	24,733	6.69%
	2019	5,494	5,494	-	82,123	6.69%
Tier 2 Public Safety and Firefighter DC Only System*	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	108	108	-	914	11.83%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	638	638	-	5,392	11.83%

\* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.  
Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

"The accompanying notes are an integral part of these financial statements."

**DAGGETT COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**CHANGES IN ASSUMPTIONS:**

The assumptions and methods used to calculate the total pension liability remain unchanged from prior year. Below are the assumptions and changes that were listed in the prior year:

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

**DAGGETT COUNTY**  
**Supplementary Information**

DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	SPECIAL REVENUE FUNDS									
	FOREST SERVICE ROADS	DAM SECURITY	VAWA	VOCA	STATE BEER TAX	DUTCH JOHN FIRE DEPT.	ECONOMIC DEVELOPMT.	TRANSIENT ROOM TAX	MUSEUM	
<b>ASSETS</b>										
Cash and cash equivalents	\$ 436,657	\$ 4,617		\$ 2,078	\$ 24,700	\$ 3,667	\$ 18,788	\$ 204,811	\$ 8,533	
Restricted cash and cash equivalents										
Property taxes receivable	17,236		\$ 1,304	972				6,716		
Due from other governmental units										
Total assets	\$ 453,893	\$ 4,617	\$ 1,304	\$ 3,050	\$ 24,700	\$ 3,667	\$ 18,788	\$ 211,527	\$ 8,533	
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Cash deficit		\$ 258						\$ 16,367		
Accounts payable		18		18						
Total liabilities	\$ ...	\$ ...	\$ 276	\$ 18	\$ ...	\$ ...	\$ ...	\$ 16,367	\$ ...	
Fund Balances:										
Restricted for:										
Special revenue fund	\$ 453,893	\$ 4,617	\$ 1,028	\$ 3,032	\$ 24,700	\$ 3,667	\$ 18,788	\$ 195,160	\$ 8,533	
Assigned for:										
Special revenue										
Capital projects										
Total fund balances	\$ 453,893	\$ 4,617	\$ 1,028	\$ 3,032	\$ 24,700	\$ 3,667	\$ 18,788	\$ 195,160	\$ 8,533	
Total liabilities and fund balances	\$ 453,893	\$ 4,617	\$ 1,304	\$ 3,050	\$ 24,700	\$ 3,667	\$ 18,788	\$ 211,527	\$ 8,533	

DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

SPECIAL REVENUE FUNDS

	CORNER MOUNUMENT	HOMELAND SECURITY	COMMISSARY	RODEO	ASSESSING AND COLLECTING	SHOOTING RANGE	TRAILS	C.E.R.T.	PRCA RODEO
<u>ASSETS</u>									
Cash and cash equivalents	\$ 5,000	\$ 1,028	\$ 626	\$ 8,483	\$ 130,375	\$ 389	\$ 64	\$ 400	\$ 12,846
Restricted cash and cash equivalents					82,846				
Property taxes receivable		4,671							
Due from other governmental units									
Total assets	\$ 5,000	\$ 5,699	\$ 626	\$ 8,483	\$ 213,221	\$ 389	\$ 64	\$ 400	\$ 12,846
<u>LIABILITIES AND FUND BALANCES</u>									
Liabilities:									
Accounts payable					74				\$ 107
Total liabilities	\$ ...	\$ ...	\$ ...	\$ ...	\$ 74	\$ ...	\$ ...	\$ ...	\$ 107
Fund Balances:									
Restricted for:									
Special revenue fund	\$ 5,000	\$ 5,699			\$ 213,147		\$ 64		\$ 12,739
Assigned for:									
Special revenue			\$ 626	\$ 8,483		\$ 389		\$ 400	\$ 12,739
Capital projects									
Total fund balances	\$ 5,000	\$ 5,699	\$ 626	\$ 8,483	\$ 213,147	\$ 389	\$ 64	\$ 400	\$ 12,739
Total liabilities and fund balances	\$ 5,000	\$ 5,699	\$ 626	\$ 8,483	\$ 213,221	\$ 389	\$ 64	\$ 400	\$ 12,846

**SCHEDULE 8  
(Continued)**

**DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	SPECIAL REVENUE FUNDS						CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	RESTAURANT TAX PARK	SEARCH AND RESCUE	GEO INFO SYSTEM	NOXIOUS WEED PROGRAM	SRS FUND	JAIL		
Cash and cash equivalents	\$ 29,080	\$ 25,402	\$ 2,643		\$ 296,188	\$ 111,570	\$ 123,699	\$ 215,093
Restricted cash and cash equivalents						60,937		1,236,551
Property taxes receivable	1,006			\$ 31,735				143,783
Due from other governmental units								63,640
Total assets	\$ 30,086	\$ 25,402	\$ 2,643	\$ 31,735	\$ 296,188	\$ 172,507	\$ 123,699	\$ 1,659,067
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Cash deficit	\$ 215			\$ 9,532			\$ 2,100	\$ 9,790
Accounts payable				7,662				26,561
Total liabilities	\$ 215	\$ ...	\$ ...	\$ 17,194	\$ ...	\$ ...	\$ 2,100	\$ 36,351
Fund Balances:								
Restricted for:	\$ 29,871			\$ 14,541	\$ 296,188	\$ 172,507		\$ 1,409,830
Special revenue fund		\$ 25,402	\$ 2,643				\$ 121,599	91,287
Assigned for:								121,599
Special revenue	\$ 29,871	\$ 25,402	\$ 2,643	\$ 14,541	\$ 296,188	\$ 172,507	\$ 121,599	\$ 1,622,716
Capital projects								
Total fund balances	\$ 30,086	\$ 25,402	\$ 2,643	\$ 31,735	\$ 296,188	\$ 172,507	\$ 123,699	\$ 1,659,067
Total liabilities and fund balances								

**DAGGETT COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	SPECIAL REVENUE FUNDS									
	FOREST SERVICE ROADS	DAM SECURITY	CAPITAL LEASES	VAWA	VOCA	STATE BEER TAX	DUTCH JOHN FIRE DEPT.	ECONOMIC DEVELOPMT.	TRANSIENT ROOM TAX	MUSEUM
<b>REVENUES:</b>										
Taxes									\$ 163,755	
Intergovernmental	\$ 103,096			\$ 12,847	\$ 17,863	\$ 5,073		\$ 9,254		\$ 1,360
Charges for services										
Interest Income			\$ 35,808							
Miscellaneous										
Total revenues	\$ 103,096	\$ ...	\$ 35,808	\$ 12,847	\$ 17,863	\$ 5,073	\$ ...	\$ 9,254	\$ 163,755	\$ 1,360
<b>EXPENDITURES:</b>										
General government										
Public safety				\$ 14,182	\$ 17,701	\$ 1,546				
Public health										
Highways and public improvements	\$ 28,979									\$ 4,639
Parks, recreation and public property										
Community and economic development								\$ 12,832	\$ 143,525	
Debt service:										
Principal retirement			\$ 56,861							
Interest expense			1,156							
Total expenditures	\$ 28,979	\$ ...	\$ 58,017	\$ 14,182	\$ 17,701	\$ 1,546	\$ ...	\$ 12,832	\$ 143,525	\$ 4,639
Excess of revenues over (under) expenditures	\$ 74,117	\$ ...	\$ (22,209)	\$ (1,335)	\$ 162	\$ 3,527	\$ ...	\$ (3,578)	\$ 20,230	\$ (3,279)
Other financing sources (uses):										
Transfers in (out)			\$ 22,209					\$ 15,000		
Total other financing sources (uses)	\$ ...	\$ ...	\$ 22,209	\$ ...	\$ ...	\$ ...	\$ ...	\$ 15,000	\$ ...	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses	\$ 74,117			\$ (1,335)	\$ 162	\$ 3,527		\$ 11,422	\$ 20,230	\$ (3,279)
Fund Balances - Beginning of year	379,776	\$ 4,617		2,363	2,870	21,173	\$ 3,667	7,366	174,930	11,812
Fund Balances - End of year	\$ 453,893	\$ 4,617	\$ ...	\$ 1,028	\$ 3,032	\$ 24,700	\$ 3,667	\$ 18,788	\$ 195,160	\$ 8,533

SCHEDULE 9  
(Continued)

DAGGETT COUNTY  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	SPECIAL REVENUE FUNDS								
	CORNER MONUMENT	HOMELAND SECURITY	COMMISSARY	RODEO	ASSESSING AND COLLECTING	SHOOTING RANGE	TRAILS	C.E.R.T.	PRCA RODEO
REVENUES:									
Taxes					\$ 225,173				
Intergovernmental		\$ 3,649							
Charges for services				\$ 6,850	85				\$ 23,577
Interest Income									
Miscellaneous									
Total revenues	\$ ...	\$ 3,649	\$ ...	\$ 6,850	\$ 225,258	\$ ...	\$ ...	\$ ...	\$ 23,577
EXPENDITURES:									
General government					\$ 249,291				
Public safety		\$ 310							
Public health									
Highways and public improvements									
Parks, recreation and public property				\$ 28		\$ 12			\$ 47,177
Community and economic development									
Debt service:									
Principal retirement									
Interest expense									
Total expenditures	\$ ...	\$ 310	\$ ...	\$ 28	\$ 249,291	\$ 12	\$ ...	\$ ...	\$ 47,177
Excess of revenues over (under) expenditures	\$ ...	\$ 3,339	\$ ...	\$ 6,822	\$ (24,033)	\$ (12)	\$ ...	\$ ...	\$ (23,600)
Other financing sources (uses):									
Transfers in (out)	\$ 5,000								\$ 16,000
Total other financing sources (uses)	\$ 5,000	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ 16,000
Excess of revenues and other sources over (under) expenditures and other uses	\$ 5,000	\$ 3,339		\$ 6,822	\$ (24,033)	\$ (12)			\$ (7,600)
Fund Balances - Beginning of year		2,360	\$ 626	1,661	237,180	401	\$ 64	\$ 400	20,339
Fund Balances - End of year	\$ 5,000	\$ 5,699	\$ 626	\$ 8,483	\$ 213,147	\$ 389	\$ 64	\$ 400	\$ 12,739

SCHEDULE 9  
(Continued)

DAGGETT COUNTY  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	SPECIAL REVENUE FUNDS						CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	RESTAURANT TAX PARK	SEARCH AND RESCUE	GEO INFO SYSTEM	NOXIOUS WEED PROG	SRS FUNDS	JAIL		
REVENUES:								
Taxes	\$ 21,008	\$ 4,052	\$	\$ 87,093	\$ 96,264	\$ 165,376	\$	\$ 575,312
Intergovernmental				16,451		912	\$ 204	339,191
Charges for services						420		49,439
Interest Income		385						420
Miscellaneous								36,193
Total revenues	\$ 21,008	\$ 4,437	\$ ...	\$ 103,544	\$ 96,264	\$ 166,708	\$ 204	\$ 1,000,555
EXPENDITURES:								
General government			\$ 5					\$ 249,296
Public safety		\$ 6,132					\$ 12,721	52,592
Public health								147,084
Highways and public improvements				\$ 104,119	\$ 13,986			79,881
Parks, recreation and public property	\$ 26,003						2,022	156,357
Community and economic development								176,861
Debt service:						\$ 120,000		28,835
Principal retirement						27,679		
Interest expense								
Total expenditures	\$ 26,003	\$ 6,132	\$ 5	\$ 104,119	\$ 13,986	\$ 147,679	\$ 14,743	\$ 890,906
Excess of revenues over	\$ (4,995)	\$ (1,695)	\$ (5)	\$ (575)	\$ 82,278	\$ 19,029	\$ (14,539)	\$ 109,649
(under) expenditures								
Other financing sources (uses):								
Transfers in			\$ 2,000	\$ 2,000			\$ 97,000	\$ 159,209
Transfers (out)							(16,000)	(16,000)
Total other financing sources (uses)	\$ ...	\$ ...	\$ 2,000	\$ 2,000	\$ ...	\$ ...	\$ 81,000	\$ 143,209
Excess of revenues and other sources	\$ (4,995)	\$ (1,695)	\$ 1,995	\$ 1,425	\$ 82,278	\$ 19,029	\$ 66,461	\$ 252,858
over (under) expenditures and								
other uses								
Fund Balances - Beginning of year	34,866	27,097	648	13,116	213,910	153,478	55,138	1,369,858
Fund Balances - End of year	\$ 29,871	\$ 25,402	\$ 2,643	\$ 14,541	\$ 296,188	\$ 172,507	\$ 121,599	\$ 1,622,716

**DAGGETT COUNTY**  
**SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF**  
**FOR THE 2019 PROPERTY TAX YEAR**

TAX UNITS	TOTAL REAL AND CENTRAL ASSESSED VALUE		CURRENT YEAR REAL/CENTRAL PROPERTY TAX RATE		TOTAL PERSONAL PROPERTY VALUE		PRIOR YEAR PERSONAL PROPERTY TAX RATE		TOTAL REAL AND CENTRAL ASSESSED TAXES CHARGED		PERSONAL PROPERTY TAXES CHARGED		TOTAL TAXES LEVIED		UNPAID TAXES		TREASURER'S RELIEF		TOTAL RELIEF		NET TAXES COLLECTED		OTHER COLLECTIONS		DELINQUENT INTEREST AND PENALTY			
	VALUE		TAX RATE	PROPERTY VALUE	TAX RATE	PROPERTY VALUE	TAX RATE	TAXES CHARGED	TAXES CHARGED	TAXES CHARGED	TAXES CHARGED	PERSONAL PROPERTY TAXES CHARGED	TOTAL TAXES LEVIED	UNPAID TAXES	ABATEMENTS	OTHER	TOTAL RELIEF	COLLECTED	PERCENT	FEE IN LIEU	MISC. COLLECTION	TAXES	INTEREST AND PENALTY					
<b>COUNTY FUNDS:</b>																												
Daggett County - General	\$ 308,558,518		0.003174	\$ 2,809,627	0.003213	\$ 979,265	\$ 988,392	\$ 30,543	\$ 2,689	9,027	1,424	155,087	4,792	422		33,232	\$ 955,160	96.61%	\$ 55,318	\$ 101	\$ 38,796	\$ 7,861						
Daggett County - Bond	308,558,518		0.000498	2,809,627	0.000507	153,662	155,087	4,792	422	1,424	1,424	155,087	4,792	422		5,214	149,873	96.61%	8,729	16	6,174	225						
Daggett County State Assessing & Collector	308,558,518		0.000009	2,809,627	0.000009	2,777	2,802	87	8	25	25	2,802	87	8		95	2,707	96.61%	155		112	4						
Daggett County Co. Assessing & Collection	308,558,518		0.000678	2,809,627	0.000686	209,203	211,130	6,524	574	1,927	1,927	211,130	6,524	574		7,098	204,032	96.61%	11,811	22	8,284	296						
<b>SCHOOL DISTRICTS:</b>																												
Basic School Levy	308,558,518		0.001661	2,809,627	0.001666	512,516	517,197	15,983	1,407	4,681	4,681	517,197	15,983	1,407		17,390	499,807	69.61%	28,683	54	20,008	711						
GO Bond Payments	308,558,518		0.000530	2,809,627	0.000800	163,536	165,784	5,099	449	2,248	2,248	165,784	5,099	449		5,548	160,236	96.62%	8,081	21	5,645	205						
Capital Local Levy	308,558,518		0.000900	2,809,627	0.000780	277,703	279,894	8,659	763	2,192	2,192	279,894	8,659	763		9,422	270,472	96.60%	13,722	36	9,586	348						
Board Local Levy	308,558,518		0.002109	2,809,627	0.001554	650,750	655,116	20,291	1,787	4,366	4,366	655,116	20,291	1,787		22,078	633,038	96.60%	32,155	85	22,463	814						
<b>CITIES AND TOWNS:</b>																												
Manila Town	60,904,014		0.001540	485,810	0.001579	93,792	94,559	7,392	782	767	767	94,559	7,392	782		8,174	86,385	91.29%	7,497	229	6,299	181						
<b>OTHER DISTRICTS:</b>																												
Daggett Water & Sewer District	46,812,605		0.000454	185,164	0.000455	21,253	21,337	1,271	125	84	84	21,337	1,271	125		1,396	19,941	93.43%	2,559	41	1,049	49						
Daggett County Mosquito District	111,819,320		0.000389	678,834	0.000395	43,498	43,766	3,058	304	268	268	43,766	3,058	304		3,362	40,404	92.27%	4,266	53	2,511	85						
Daggett County Service Area	6,484,153		0.000732	7,270	0.000774	4,746	4,752	115		6	6	4,752	115			115	4,637	97.58%	589	9	222	10						
<b>Total</b>							<b>\$ 3,139,816</b>	<b>\$ 103,814</b>	<b>\$ 9,310</b>	<b>\$ ...</b>	<b>\$ 113,124</b>	<b>\$ 3,026,692</b>	<b>\$ 173,565</b>	<b>\$ 667</b>	<b>\$ 121,149</b>	<b>\$ 10,789</b>												

# SMUIN, RICH & MARSING

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TRACY LUDINGTON, C.P.A.

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners  
Daggett County  
Manila, Utah 84046

RE: Independent Auditor's Report on Compliance and  
Report on Internal Control over Compliance as  
Required by the State Compliance Audit Guide

## Report on Compliance

We have audited Daggett County's compliance with the following applicable state requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended December 31, 2019.

Restricted Taxes and Related Revenues  
Cash Management  
Treasurer's Bond  
Budgetary Compliance  
Fund Balance

Statement of Taxes Charged,  
Collected and Disbursed  
Justice Courts  
Open and Public Meetings Act  
Utah Retirement Systems

## Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

## Auditor's Responsibility

Our responsibility is to express an opinion on the County's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each state compliance requirements reported above. However, our audit does not provide a legal determination of Daggett County's compliance with those requirements.

## **Opinion on Compliance**

In our opinion, Daggett County complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2019.

## **Other matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the State Compliance Audit Guide and which is described in the accompanying schedule of findings and response as item 2019-1. Our opinion on compliance is not modified with respect to this matter.

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

## **Report On Internal Control Over Compliance.**

Management of Daggett County is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SMUIN, RICH & MARSING

A handwritten signature in black ink that reads "Smuin, Rich & Marsing". The signature is written in a cursive style with a colon between "Rich" and "Marsing".

Price, Utah

August 10, 2020

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Board of County Commissioners  
Daggett County  
Manila, Utah 84046

RE: Independent Auditor's 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*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Daggett County as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Daggett County's basic financial statements and have issued our report thereon dated August 10, 2020.

## **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 one instance of non-compliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and response as item 2019-1.

### **County's Response to Findings**

The County's responses to the findings identified in our audit is described in the accompanying schedule of findings and response. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

SMUIN, RICH & MARSING

A handwritten signature in cursive script that reads "Smuin, Rich & Marsing".

Price, Utah

August 10, 2020

**DAGGETT COUNTY  
SCHEDULE OF FINDINGS AND RESPONSE  
AUDIT DECEMBER 31, 2019**

**FINDING 2019-1 EXPENDITURES IN EXCESS OF BUDGET**

**Criteria:**

Each governmental entity is required to adopt and implement internal controls necessary to adopt an annual budget and monitor the actual expenditures during the year as compared to the adopted budget. State of Utah Code Section 17-36-21, states no officer or employee of a county shall make any expenditures in excess of the total appropriation for any department. Any obligation that is contracted by any such officer or employee in excess of the total departmental appropriation is the personal obligation of the officer or employee and is unenforceable against the county.

**Statement of Condition:**

During the year ended December 31, 2019, there were expenditures in excess of the total appropriations for the sheriff's department in the General Fund of \$33,293.

**Cause of Condition:**

It appears that expenditures at the end of the fiscal year came in higher than county personnel had projected which caused the sheriff's department to have expenditures in excess of approved budgets.

**Effect or Possible Effect of Condition:**

The budgets are the authorization for the County to spend money. Officers and employees of the County do not have the authority to spend funds in excess of the County's adopted budget, which as stated above, any obligation contracted by any officer or employee of the County may become personally obligated for the excess and expenditures in excess of appropriations is unenforceable against the County.

**Recommendation:**

We recommend the County monitor the expenditures as compared to the approved budgets to make sure they are in compliance with budgetary requirements. Internal controls need to be followed or additional internal controls may need to be adopted to make sure the county is in compliance with the State of Utah budgeting laws.

**County's Response:**

*This expenditure in excess of the budgeted amount is a result of closing a lease on vehicles for the Sheriff's Office in the amount of \$35,807.92 that was overlooked and therefore required an adjusting journal entry at the close of the year. The county auditor will put internal controls in place to monitor more closely those types of transactions and compare expenditures to approved budgets to make sure they are in compliance with budgetary requirements.*

**DAGGETT COUNTY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**Finding 2017-1 RESERVE AND REPLACEMENT FUNDS**

**Finding** – When the County issued Taxable Water Revenue Bonds, Series 2016, as part of the bond documents the County was required to setup a Reserve Fund and a Capital Facilities Replacement Reserve Fund. The reserve fund required a 120 monthly installments of \$178, so the Reserve fund could grow to \$21,333. The Capital Facilities Replacement Reserve required an amount equal to 1/12 of 5% of the County’s annual operating budget for the water system including debt service and depreciation for the County’s then current fiscal year. The County shall continue to fund the 2015 Replacement Account until the Bonds have been paid in full. As of December 31, 2018, the Reserve Fund and the Capital Facilities Replacement Reserve Fund had not been setup or funded.

**Follow-up** – The County has made adjustments and started making the necessary payments into the reserve funds and the capital facilities replacement reserve.