

DAGGETT COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

**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, 2020, 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 did not audit the financial statements of Flaming Gorge Roads & Transportation Special Service District, which represent 9.36 percent, 10.03 percent and 4.63 percent, respectfully, of assets, net position and revenues of governmental activities. Those statements were not audited and were furnished to us, and our opinion insofar as it relates to the amounts included for Flaming Gorge Roads & Transportation Special Service District, is based solely on compiled financial statements. 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.

Summary of Opinions

<u>Opinion Units</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Unmodified
General Fund	Unmodified
Flaming Gorge Roads & Transportation Special Service District	Qualified
Rural Hospital Tax	Unmodified
Daggett County Redevelopment District	Unmodified
Class “B” Road	Unmodified
Aggregate Remaining Governmental Funds	Unmodified
Dutch John Enterprise	Unmodified
Aggregate Remaining Business-Type Funds	Unmodified

Basis for Qualified Opinion on the Blended Component Unit

The financial statements of the Flaming Gorge Roads & Transportation Special Service District (the District) has not been audited, and we were not engaged to audit the District’s financial statements as part of our audit of the Daggett County’s basic financial statements. The District’s financial activities are included in the County’s basic financial statements as a blended component unit, of the governmental activities, and represent 9.36 percent, 10.03 percent and 4.63 percent of the assets, net position, and revenues, respectively, of the County’s governmental activities.

Qualified Opinion

In our opinion, based on our audit and financial statement provided from Flaming Gorge Roads & Transportation Special Service District , except for the possible effects of the matter discussed in the “Basis for Qualified Opinion on the Blended Component Unit” paragraph, the financial statements referred to above present fairly in all material respects, the financial position of the governmental activities and the major fund “Flaming Gorge Roads & Transportation Special Service District, of the County as of December 31, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the aggregate remaining fund information of the County, as of December 31, 2020, 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 America 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 6, 2021, 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

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

Price, Utah

August 6, 2021

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 FY2020

- During the year, Daggett County and its component units, paid off \$48,000 of Mineral Lease Revenue Bonds, Series 2008A & 2008B, \$122,000 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 \$29,685,718 reflecting a change in net position from operations from the prior period increasing the total by \$537,525.
- The County's governmental funds reported combined ending fund balances of \$7,111,052, an increase of \$331,529 from operations over the prior year.
- Daggett County had total overall governmental fund revenues and other financing sources of \$4,399,757 which were more than total expenditures and transfers of \$4,068,228 by \$331,529.
- The County's government-wide long-term bond and capital lease debt decreased \$91,992 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 two new capital lease agreements and no other long-term debt during the year ended December 31, 2020.

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 and deferred outflows exceeded its liabilities and deferred inflows at the close of FY2020 by \$29,685,718. 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 \$3,408,466 and represents resources that are subject to restrictions on how they may be used.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 7,417,557	\$ 7,000,743	\$ 492,278	\$ 322,832	\$ 7,909,835	\$ 7,323,575
Capital assets	18,731,347	18,889,567	5,514,093	5,524,642	24,245,440	24,414,209
Deferred outflows of resources	212,142	341,215	10,159	18,857	222,301	360,072
Total assets & deferred outflows of resources	\$ 26,361,046	\$ 26,231,525	\$ 6,016,530	\$ 5,866,331	\$ 32,377,576	\$ 32,097,856
Current and other liabilities	\$ 307,535	\$ 222,853	\$ 54,687	\$ 37,223	\$ 362,222	\$ 260,076
Long-term liabilities	1,456,939	1,850,566	627,412	588,728	2,084,351	2,439,294
Deferred inflows of resources	234,076	237,185	11,209	13,108	245,285	250,293
Total liabilities & deferred inflows of resources	\$ 1,998,550	\$ 2,310,604	\$ 693,308	\$ 639,059	\$ 2,691,858	\$ 2,949,663
Net position:						
Net investment in capital assets	\$ 17,629,029	\$ 17,638,315	\$ 4,901,151	\$ 4,968,642	\$ 22,530,180	\$ 22,606,957
Restricted	3,333,936	3,202,678	74,530	57,089	3,408,466	3,259,767
Unrestricted	3,399,531	3,079,928	347,541	201,541	3,747,072	3,281,469
Total net position	\$ 24,362,496	\$ 23,920,921	\$ 5,323,222	\$ 5,227,272	\$ 29,685,718	\$ 29,148,193

Changes in Net Position

Daggett County's combined ending net position total is \$29,685,718, an overall increase from operations of \$537,525 as compared with last year's ending net position balances.

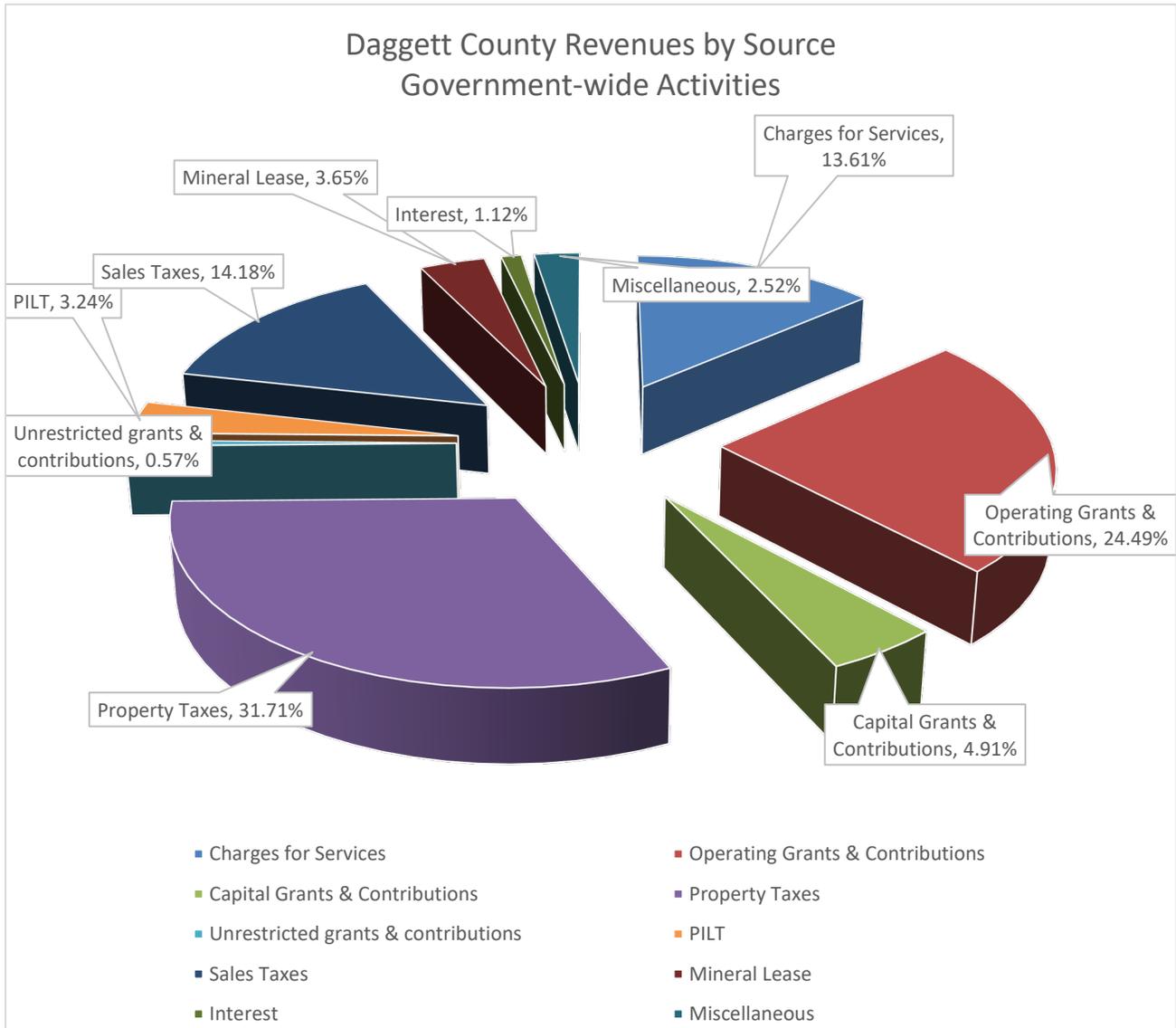
The cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense. The County reported depreciation expense over the past year of \$596,846 in governmental activities. The following table summarizes the changes in Daggett County's net position:

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues:						
Charges for services	\$ 278,157	\$ 278,800	\$ 350,156	\$ 282,718	\$ 628,313	\$ 561,518
Operating grants and contrib.	1,130,714	803,261		45,000	1,130,714	848,261
Capital grants and contrib.	171,643	404,288	55,000	20,000	226,643	424,288
General Revenues:						
Property taxes	1,211,102	1,215,586			1,211,102	1,215,586
Sales taxes	654,508	585,929			654,508	585,929
Assessing & collecting	252,952	225,173			252,952	225,173
PILT	149,345	144,559			149,345	144,559
Grants & contributions not restricted	26,299	10,891			26,299	10,891
Mineral lease revenue	168,468	213,947			168,468	213,947
Gains/(loss) on sale of assets	(14,820)	16,687			(14,820)	16,687
Interest	50,982	106,261	739	1,409	51,721	107,670
Miscellaneous	116,298	170,293			116,298	170,293
Total revenues	\$ 4,195,648	\$ 4,175,675	\$ 405,895	\$ 349,127	\$ 4,601,543	\$ 4,524,802
Program expenses						
General government	\$ 1,269,437	\$ 1,179,579			\$ 1,269,437	\$ 1,179,579
Public safety	838,823	953,996			838,823	953,996
Public health	299,326	213,333			299,326	213,333
Highways and public improv.	1,056,063	803,444			1,056,063	803,444
Parks and recreation	12,254	95,780			12,254	95,780
Economic development	255,031	164,189			255,031	164,189
Capital outlay		512,192			-	512,192
Interest on long-term debt	23,139	27,866			23,139	27,866
Dutch John			\$ 304,246	\$ 316,363	304,246	316,363
Low income housing			5,699	8,549	5,699	8,549
Total expenses	\$ 3,754,073	\$ 3,950,379	\$ 309,945	\$ 324,912	\$ 4,064,018	\$ 4,275,291
Excess (deficiency) before transfers	\$ 441,575	\$ 225,296	\$ 95,950	\$ 24,215	\$ 537,525	\$ 249,511
Transfers						
Change in net position	\$ 441,575	\$ 225,296	\$ 95,950	\$ 24,215	\$ 537,525	\$ 249,511
Net position - beginning	\$ 23,920,921	\$ 23,695,625	\$ 5,227,272	\$ 5,203,057	\$ 29,148,193	\$ 28,898,682
Net position - ending	24,362,496	23,920,921	5,323,222	5,227,272	29,685,718	29,148,193
Change in net position	\$ 441,575	\$ 225,296	\$ 95,950	\$ 24,215	\$ 537,525	\$ 249,511

Government Wide Activities

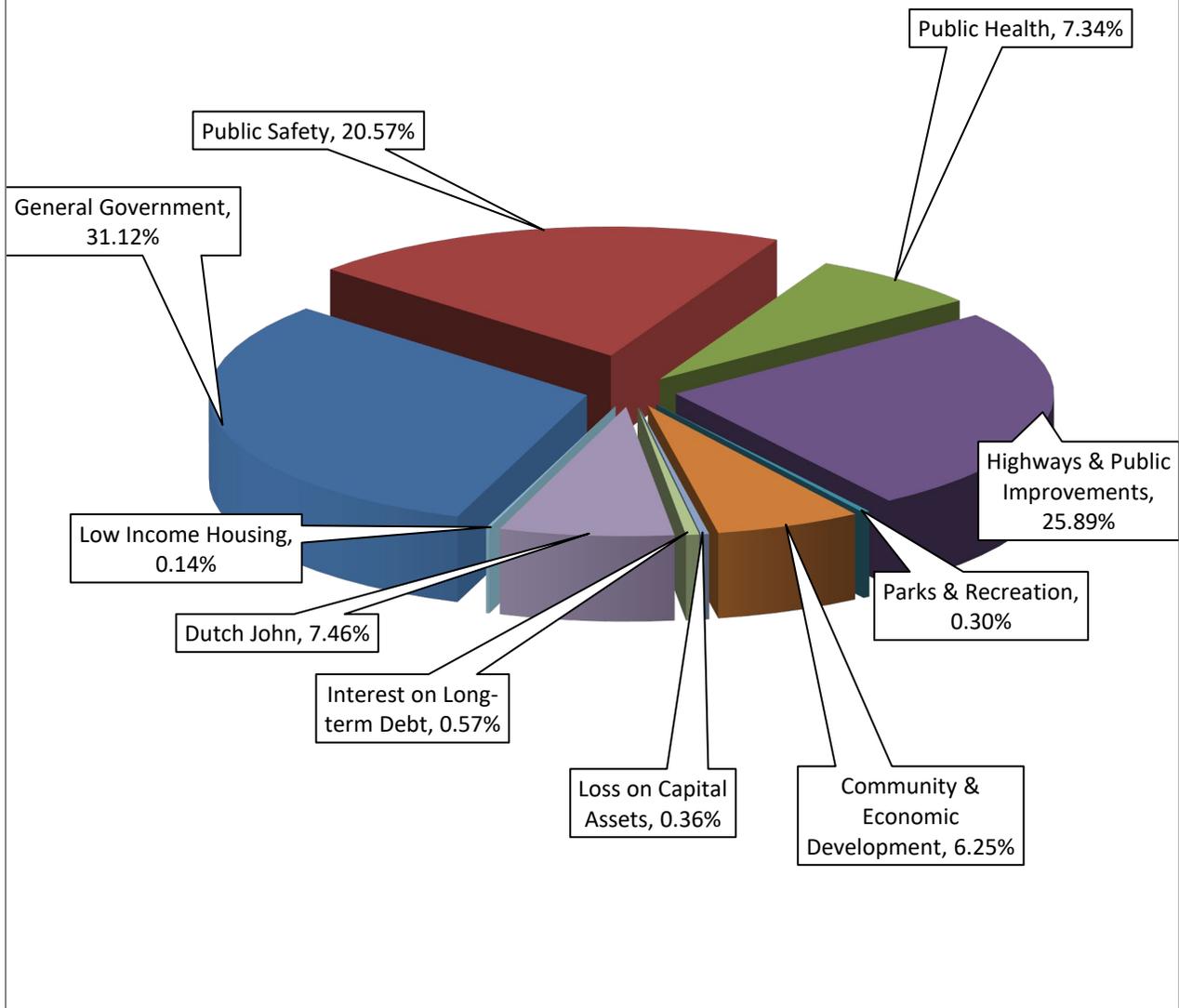
Sources of revenues for the County’s government-wide activities are comprised of the items listed below and total \$4,616,363.



Property taxes constitute the largest source of Daggett County revenues at 31.71%. Operating grants and contributions are the second largest source of revenues at 24.49%. Charges for services represent 13.61%, Sales tax represent 14.18%, Unrestricted grants and contributions represent .57%, mineral lease revenue represents 3.65%, Miscellaneous represent 2.52%, and PILT, Interest and capital grants represent 3.24%, 1.12%, and 4.91% respectfully of the total revenue for the year.

The cost of all activities for FY2020 was \$4,078,838. The following chart represents expenses by the County’s largest functions.

Daggett County Expense by Function



General Fund Budgetary Highlights

Differences between the original budgeted expenditures and the final amended budget of \$183,107 can be briefly summarized as follows:

- \$ 615 decrease in general government
- \$ 16,254 increase in public safety
- \$ 157,461 increase in highways and public improvements
- \$ 900 increase in community
- \$ 3,615 increase in debt service
- \$ 5,492 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, 2020 amounted to \$24,245,440. Capital asset investments include land, right of ways, water rights, buildings, improvements other than buildings, equipment and work in process. 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	
	2020	2019	2020	2019	2020	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	2,060,962	2,184,447	5,474	6,406	2,066,436	2,190,853
Improvements other than buildings	2,354,787	2,081,672	2,066,709	2,157,734	4,421,496	4,239,406
Equipment	900,029	700,019	108,302	36,014	1,008,331	736,033
Infrastructure	3,756,339	3,945,299	259,474	271,905	4,015,813	4,217,204
Work in process	49,227	368,127	1,320,206	1,298,655	1,369,433	1,666,782
Total	\$ 18,731,347	\$ 18,889,567	\$ 5,514,093	\$ 5,524,642	\$ 24,245,440	\$ 24,414,209

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 general obligation 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 \$867,000.

During the 2020 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 \$136,000 and \$56,000 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, 2020, their outstanding balance was \$535,000. The County also has several capital leases outstanding at December 31, 2020.

Long-Term Debt (Continued)

The following table is a summary of Daggett County's gross outstanding long-term debt as of December 31, 2020.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Compensated absences	\$ 52,448	\$ 52,493		\$ 2,490
Net pension liability	302,173	546,821	\$ 14,470	30,238
Capital lease payable	43,318	22,252	77,942	
GO Bond, Series 1998B		10,000		
GO Bond, Series 2015	867,000	979,000		
Revenue Bond, Series 2008A	136,000	170,000		
Revenue Bond, Series 2008B	56,000	70,000		
Revenue Bond, Series 2016			535,000	556,000
Total outstanding debt	<u>\$ 1,456,939</u>	<u>\$ 1,850,566</u>	<u>\$ 627,412</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 increased and expense decreased 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 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.

DAGGETT COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	PRIMARY GOVERNMENT		
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Cash and cash equivalents	\$ 3,634,049	\$ 371,968	\$ 4,006,017
Accounts receivable - net	10,350	21,466	31,816
Property taxes receivable	101,027		101,027
Due from other governmental units	276,022		276,022
Prepaid expenses	81,844		81,844
Inventory	11,950		11,950
Loan receivable - current		3,813	3,813
Loan subsidy receivable - current		2,850	2,850
Cash and cash equivalents - restricted	3,302,315	74,530	3,376,845
Loan receivable		17,651	17,651
Capital assets (net of accumulated depreciation):			
Land	8,723,541	1,753,928	10,477,469
Water rights	886,462		886,462
Infrastructure	3,756,339	259,474	4,015,813
Buildings	2,060,962	5,474	2,066,436
Improvements other than buildings	2,354,787	2,066,709	4,421,496
Machinery and Equipment	900,029	108,302	1,008,331
Work in progress	49,227	1,320,206	1,369,433
Total assets	<u>\$ 26,148,904</u>	<u>\$ 6,006,371</u>	<u>\$ 32,155,275</u>
Deferred outflows of resources related to pensions	<u>\$ 212,142</u>	<u>\$ 10,159</u>	<u>\$ 222,301</u>
Total assets and deferred outflows of resources	<u>\$ 26,361,046</u>	<u>\$ 6,016,530</u>	<u>\$ 32,377,576</u>

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

DAGGETT COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	PRIMARY GOVERNMENT		
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
Accounts payable	\$ 280,059	\$ 54,237	\$ 334,296
Accrued liabilities	17,771		17,771
Bond interest payable	1,030	450	1,480
Unearned revenue	8,675		8,675
Capital lease payable - current	39,703	14,825	54,528
G.O. Bonds payable - current	114,000		114,000
Revenue Bonds payable - current	48,000	21,000	69,000
Capital lease payable - noncurrent	3,615	63,117	66,732
Revenue Bonds payable - noncurrent	144,000	514,000	658,000
G.O. Bonds payable - noncurrent	753,000		753,000
Compensated absences	52,448		52,448
Net pension liability	302,173	14,470	316,643
Total liabilities	\$ 1,764,474	\$ 682,099	\$ 2,446,573
Deferred inflows of resources related to pensions	\$ 234,076	\$ 11,209	\$ 245,285
Total liabilities and deferred inflows of resources	\$ 1,998,550	\$ 693,308	\$ 2,691,858
<u>NET POSITION</u>			
Net Investment in capital assets	\$ 17,629,029	\$ 4,901,151	\$ 22,530,180
Restricted for:			
Class "B" roads	554,791		554,791
Flaming Gorge Roads & Transportation S.S.D.	48,000		48,000
RDA	819,208		819,208
Forest Reserve	481,093		481,093
Noxious weed	35,276		35,276
SRS roads	143,847		143,847
VAWA	431		431
VOCA	6,086		6,086
State Beer Tax	25,592		25,592
Transient Room Tax	250,315		250,315
Rural Hospital Tax	550,913		550,913
Transportation Tax	20,775		20,775
Homeland Security	5,699		5,699
Assessing and Collecting	183,849		183,849
Trails Fund	64		64
Restaurant Tax	27,406		27,406
Jail Tax	180,591		180,591
Debt Reserve		74,530	74,530
Unrestricted	3,399,531	347,541	3,747,072
Total net position	\$ 24,362,496	\$ 5,323,222	\$ 29,685,718

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

DAGGETT COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		TOTAL
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Function/Programs							
Primary government:							
Governmental activities:							
General government	\$ 1,269,437	\$ 154,447	\$ 18,876		\$ (1,096,114)		\$ (1,096,114)
Public safety	838,823	88,110	85,670	\$ 29,127	(635,916)		(635,916)
Public health	299,326	1,993	157,985		(139,348)		(139,348)
Public works	1,056,063	25,240	731,329	142,516	(156,978)		(156,978)
Parks, recreation and public property	12,254	8,367			(3,887)		(3,887)
Community	255,031		136,854		(118,177)		(118,177)
Interest on long-term debt	23,139				(23,139)		(23,139)
Total governmental activities	\$ 3,754,073	\$ 278,157	\$ 1,130,714	\$ 171,643	\$ (2,173,559)		\$ (2,173,559)
Business-type activities:							
Enterprise - Dutch John	\$ 304,246	\$ 348,984		\$ 55,000		\$ 99,738	\$ 99,738
Enterprise - Low income housing	5,699	1,172				(4,527)	(4,527)
Total business-type activities	\$ 309,945	\$ 350,156	\$...	\$ 55,000	\$...	\$ 95,211	\$ 95,211
Total primary government	\$ 4,064,018	\$ 628,313	\$ 1,130,714	\$ 226,643	\$ (2,173,559)	\$ 95,211	\$ (2,078,348)
General revenues:							
Property taxes					\$ 1,211,102		\$ 1,211,102
Sales and use taxes					120,332		120,332
County option and Medical Service sales taxes					74,460		74,460
Restaurant tax revenue					22,652		22,652
Transient room taxes					190,386		190,386
Rural hospital taxes					246,678		246,678
Payment in lieu of taxes					149,345		149,345
Motor fuel tax					26,299		26,299
Assessing and collecting					252,952		252,952
Mineral lease revenue					168,468		168,468
Unrestricted investment earnings					50,982	\$ 739	51,721
Miscellaneous					116,298		116,298
Gain/(loss) on sale of capital assets					(14,820)		(14,820)
Total general revenues					\$ 2,615,134	\$ 739	\$ 2,615,873
Change in net position					\$ 441,575	\$ 95,950	\$ 537,525
Net position - beginning					23,920,921	5,227,272	29,148,193
Net position - ending					\$ 24,362,496	\$ 5,323,222	\$ 29,685,718

"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, 2020**

	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
ASSETS							
Cash and cash equivalents	\$ 914,724	\$ 2,343,923				\$ 375,402	\$ 3,634,049
Restricted cash and cash equivalents	342	48,000	\$ 596,314	\$ 828,371	\$ 481,955	1,347,333	3,302,315
Account receivable (net)	2,350	8,000					10,350
Property taxes receivable	74,385					26,642	101,027
Sales tax receivable	39,934						39,934
Due from other governments	55,988	34,692	21,844		94,823	28,741	236,088
Inventory		11,950					11,950
Prepaid expenses	80,123			1,721			81,844
Total assets	<u>\$ 1,167,846</u>	<u>\$ 2,446,565</u>	<u>\$ 618,158</u>	<u>\$ 830,092</u>	<u>\$ 576,778</u>	<u>\$ 1,778,118</u>	<u>\$ 7,417,557</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 129,433	\$ 1,970	\$ 67,245	\$ 2,209	\$ 21,987	\$ 57,215	\$ 280,059
Accrued liabilities	17,771						17,771
Unearned revenue				8,675			8,675
Total liabilities	<u>\$ 147,204</u>	<u>\$ 1,970</u>	<u>\$ 67,245</u>	<u>\$ 10,884</u>	<u>\$ 21,987</u>	<u>\$ 57,215</u>	<u>\$ 306,505</u>
Fund balances:							
Nonspendable:							
Inventory		\$ 11,950					\$ 11,950
Prepays	\$ 80,123						80,123
Restricted for:							
Class "B" Road					\$ 554,791		554,791
Flaming Gorge Roads & Transportation S.S.D.		48,000					48,000
Redevelopment Agency				\$ 819,208			819,208
Forest Reserve						\$ 481,093	481,093
Noxious weed						35,276	35,276
SRS roads						143,847	143,847
VAWA						431	431
VOCA						6,086	6,086
Beer Tax						25,592	25,592
Transient Room Tax						250,315	250,315
Rural Hospital Tax			\$ 550,913				550,913
Homeland Security						5,699	5,699
Assessing and Collecting						183,849	183,849
Trails fund						64	64
Transportation Tax						20,775	20,775
Restaurant Tax						27,406	27,406
Jail Fund						180,591	180,591
Assigned for:							
Special Revenue		49,386				202,383	251,769
Debt Service		208,604					208,604
Capital Projects		2,126,655				157,496	2,284,151
Unassigned	940,519						940,519
Total fund balances	<u>\$ 1,020,642</u>	<u>\$ 2,444,595</u>	<u>\$ 550,913</u>	<u>\$ 819,208</u>	<u>\$ 554,791</u>	<u>\$ 1,720,903</u>	<u>\$ 7,111,052</u>
Total liabilities and fund balances	<u>\$ 1,167,846</u>	<u>\$ 2,446,565</u>	<u>\$ 618,158</u>	<u>\$ 830,092</u>	<u>\$ 576,778</u>	<u>\$ 1,778,118</u>	<u>\$ 7,417,557</u>

"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, 2020

Total fund balances - governmental fund types: \$ 7,111,052

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		3,756,339	
Buildings		2,060,962	
Improvements other than buildings		2,354,787	
Machinery and equipment		900,029	
Work in progress		<u>49,227</u>	
Total			18,731,347

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	\$	(1,030)	
Capital lease - current portion		(39,703)	
Capital lease - due in more than one year		(3,615)	
G.O. bonds payable - current portion		(114,000)	
G.O. bonds payable - due in more than one year		(753,000)	
Revenue bonds payable - current portion		(48,000)	
Revenue bonds payable - due in more than one year		(144,000)	
Net pension liability		(302,173)	
Deferred inflows of resources related to pensions		(234,076)	
Deferred outflows of resources related to pensions		212,142	
Compensated absences		<u>(52,448)</u>	
Total			<u>(1,479,903)</u>

Net position of government activities \$ 24,362,496

"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, 2020

	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
REVENUES:							
Taxes	\$ 1,258,601		\$ 246,678			\$ 639,582	\$ 2,144,861
Licenses and permits	48,417						48,417
Intergovernmental revenues	521,276	\$ 166,789		\$ 30,316	\$ 432,100	500,005	1,620,170
Charges for services	162,217					23,300	215,833
Fines and forfeitures	31,791						31,791
Interest income	26,408	20,233		3,959		382	50,982
Miscellaneous revenues	56,338			10,000	38,086	990	105,414
Total revenues	\$ 2,105,048	\$ 187,022	\$ 246,678	\$ 44,275	\$ 470,186	\$ 1,164,259	\$ 4,217,468
EXPENDITURES:							
Current:							
General government	\$ 1,007,645					\$ 307,013	\$ 1,314,658
Public safety	669,513					78,993	748,506
Public health	217,040		\$ 215,397				432,437
Public works	158,074	\$ 32,891			\$ 352,777	408,044	951,786
Community	6,544			\$ 12,901		235,586	255,031
Debt service:							
Principal retirement	157,980	48,000				136,088	342,068
Interest and fiscal charges						23,742	23,742
Total expenditures	\$ 2,216,796	\$ 80,891	\$ 215,397	\$ 12,901	\$ 352,777	\$ 1,189,466	\$ 4,068,228
Excess revenues over (under) expenditures	\$ (111,748)	\$ 106,131	\$ 31,281	\$ 31,374	\$ 117,409	\$ (25,207)	\$ 149,240
OTHER FINANCING SOURCES (USES):							
Capital lease financing	\$ 182,289						\$ 182,289
Transfers in						\$ 132,404	132,404
Transfers out	(123,394)					(9,010)	(132,404)
Total other financing sources (uses)	\$ 58,895	\$...	\$...	\$...	\$...	\$ 123,394	\$ 182,289
Excess of revenues and other sources over (under) expenditures and other uses	\$ (52,853)	\$ 106,131	\$ 31,281	\$ 31,374	\$ 117,409	\$ 98,187	\$ 331,529
FUND BALANCES - beginning of year	1,073,495	2,338,464	519,632	787,834	437,382	1,622,716	6,779,523
FUND BALANCES - end of year	\$ 1,020,642	\$ 2,444,595	\$ 550,913	\$ 819,208	\$ 554,791	\$ 1,720,903	\$ 7,111,052

"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, 2020**

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

Net changes in fund balances - total governmental funds \$ 331,529

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 (\$596,846) exceeds capital outlay (\$460,446) in the period. (136,400)

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. (32,665)

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	\$	603	
Retirement of long-term debt		342,068	
Capital lease financing		<u>(182,289)</u>	
Total			160,382

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 and pension expense. 118,684

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) 45

Change in net position of governmental activities \$ 441,575

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

DAGGETT COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

	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	\$ 337,052	\$ 34,916	\$ 371,968
Accounts receivable (net of allowance \$11,947)	21,466		21,466
Loan receivable - current		3,813	3,813
Loan subsidy receivable - current		2,850	2,850
	\$ 358,518	\$ 41,579	\$ 400,097
Total current assets			
Noncurrent assets:			
Loan receivable		\$ 17,651	\$ 17,651
Restricted cash and cash equivalents	\$ 74,530		74,530
Capital Assets:			
Land	1,753,928		1,753,928
Infrastructure	372,927		372,927
Buildings	13,978		13,978
Improvements	3,026,716		3,026,716
Machinery and equipment	115,355		115,355
Work in progress	1,320,206		1,320,206
Less accumulated depreciation	(1,089,017)		(1,089,017)
	\$ 5,588,623	\$ 17,651	\$ 5,606,274
Total noncurrent assets			
Total assets	\$ 5,947,141	\$ 59,230	\$ 6,006,371
Deferred outflows of resources:			
Deferred outflows - related to pensions	\$ 10,159		\$ 10,159
	\$ 10,159	\$...	\$ 10,159
Total deferred outflows of resources			
Total assets and deferred outflows of resources	\$ 5,957,300	\$ 59,230	\$ 6,016,530

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

**DAGGETT COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020**

	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	\$ 54,237		\$ 54,237
Accrued interest payable	450		450
Current portion - capital lease	14,825		14,825
Current portion - long-term debt	21,000		21,000
Total current liabilities	\$ 90,512	\$...	\$ 90,512
Noncurrent Liabilities:			
Capital lease payable	\$ 63,117		\$ 63,117
Net pension liability	14,470		14,470
Revenue bonds payable	514,000		514,000
Total noncurrent liabilities	\$ 591,587	\$...	\$ 591,587
Total liabilities	\$ 682,099	\$...	\$ 682,099
Deferred inflows of resources:			
Deferred inflows- related to pensions	\$ 11,209		\$ 11,209
Total deferred inflows of resources	\$ 11,209	\$...	\$ 11,209
Total liabilities and deferred inflows of resources	\$ 693,308	\$...	\$ 693,308
<u>NET POSITION</u>			
Net Position			
Net Investment in capital assets	\$ 4,901,151		\$ 4,901,151
Restricted	74,530		74,530
Unrestricted	288,311	\$ 59,230	347,541
Total net position	\$ 5,263,992	\$ 59,230	\$ 5,323,222

"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, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS		
	DUTCH JOHN ENTERPRISE	NON-MAJOR LOW INCOME HOUSING	TOTAL BTAs
Operating Revenues:			
Charges for services	\$ 343,615	\$ 1,172	\$ 344,787
Fines and penalties	2,811		2,811
Miscellaneous	2,558		2,558
Total operating revenues	\$ 348,984	\$ 1,172	\$ 350,156
Operating Expenses:			
Salaries, wages and benefits	\$ 79,464		\$ 79,464
Administration costs	8,943		8,943
Insurance	3,452		3,452
Repairs & Maintenance	20,028		20,028
Supplies	14,295		14,295
Contractual services	415		415
Utilities	31,368		31,368
Travel	765		765
Fuel	2,939		2,939
Water Treatment & Distribution	18,125		18,125
Sewer Treatment & Collection	7,084		7,084
Amortization		\$ 5,699	5,699
Miscellaneous	1,050		1,050
Depreciation	115,868		115,868
Total operating expenses	\$ 303,796	\$ 5,699	\$ 309,495
Operating income (loss)	\$ 45,188	\$ (4,527)	\$ 40,661
Nonoperating Revenues (Expenses):			
Water grant	\$ 55,000		\$ 55,000
Interest expense	(450)		(450)
Interest income	739		739
Total nonoperating revenues (expenses)	\$ 55,289	\$...	\$ 55,289
Change in net position	\$ 100,477	\$ (4,527)	\$ 95,950
Total net position - beginning	5,163,515	63,757	5,227,272
Total net position - ending	\$ 5,263,992	\$ 59,230	\$ 5,323,222

"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, 2020**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	NON-MAJOR		TOTAL BTA's
	DUTCH JOHN ENTERPRISE	LOW INCOME HOUSING	
Cash Flows From Operating Activities:			
Cash receipts from customers	\$ 349,288	\$ 4,800	\$ 354,088
Cash payments to suppliers	(91,450)		(91,450)
Cash payments to employees	(90,923)		(90,923)
Net cash provided (used) by operating activities	<u>\$ 166,915</u>	<u>\$ 4,800</u>	<u>\$ 171,715</u>
Cash Flows From Noncapital Financing Activities:			
Transfers out			
Net cash provided (used) by noncapital financing activities	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>
Cash Flows From Capital and Related Financing Activities:			
Capital grant	\$ 55,000		\$ 55,000
Acquisition of capital assets	(27,377)		(27,377)
Principal paid on revenue bonds	(21,000)		(21,000)
Net cash provided (used) by capital and related financing activities	<u>\$ 6,623</u>	<u>\$...</u>	<u>\$ 6,623</u>
Cash Flows From Investing Activities:			
Interest and dividends received	\$ 739		\$ 739
Net cash provided (used) by investing activities	<u>\$ 739</u>	<u>\$...</u>	<u>\$ 739</u>
Net increase (decrease) in cash and cash equivalents	\$ 174,277	\$ 4,800	\$ 179,077
Cash and cash equivalents, January 1	237,305	30,116	267,421
Cash and cash equivalents, December 31	<u>\$ 411,582</u>	<u>\$ 34,916</u>	<u>\$ 446,498</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ 45,188</u>	<u>\$ (4,527)</u>	<u>\$ 40,661</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 115,868		\$ 115,868
Amortization		\$ 5,699	5,699
(Increase) Decrease in accounts receivable	304		304
(Increase) Decrease in notes receivable		3,628	3,628
(Increase) Decrease in deferred outflows of resources	8,698		8,698
Increase (Decrease) in accounts payable	17,014		17,014
Increase (Decrease) in compensated absences	(2,490)		(2,490)
Increase (Decrease) in net pension liabilities	(15,768)		(15,768)
Increase (Decrease) in deferred inflows of resources	(1,899)		(1,899)
Total adjustments	<u>\$ 121,727</u>	<u>\$ 9,327</u>	<u>\$ 131,054</u>
Net cash provided (used) by operating activities	<u>\$ 166,915</u>	<u>\$ 4,800</u>	<u>\$ 171,715</u>
Noncash Investing, Capital and Financing Activities:			
The purchase of equipment through a capital lease	\$77,942.		
The Low Income Housing Fund reduced the payment subsidy receivable by	\$5,699.		

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

DAGGETT COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2020

	<u>EMT FUNDRAISING</u>	<u>COURT FINES</u>	<u>BAIL</u>	<u>COUNTY TREASURER</u>	<u>TOTAL AGENCY FUND</u>
<u>ASSETS</u>					
Cash & cash equivalents	\$ 1,200	\$ 8,485	\$ 9,335	\$ 344,285	\$ 363,305
Total assets	<u>\$ 1,200</u>	<u>\$ 8,485</u>	<u>\$ 9,335</u>	<u>\$ 344,285</u>	<u>\$ 363,305</u>
<u>LIABILITIES</u>					
Accounts payable		\$ 2,689			\$ 2,689
Due to other individuals or agencies	\$ 1,200	5,796	\$ 9,335		16,331
Due taxing units				<u>\$ 344,285</u>	<u>344,285</u>
Total liabilities	<u>\$ 1,200</u>	<u>\$ 8,485</u>	<u>\$ 9,335</u>	<u>\$ 344,285</u>	<u>\$ 363,305</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, 2020

	Balance at December 31, 2,019	ADDITIONS	DEDUCTIONS	Balance at December 31, 2020
EMT FUNDRAISING				
Assets - Cash & cash equivalents	\$ 1,200	\$...	\$...	\$ 1,200
Liabilities - Due other agencies	\$ 1,200	\$...	\$...	\$ 1,200
COURT FINES				
Assets - Cash & cash equivalents	\$ 11,181	\$ 42,768	\$ 45,464	\$ 8,485
Liabilities - Due other agencies and others	\$ 11,181	\$ 42,768	\$ 45,464	\$ 8,485
BAIL				
Assets - Cash & cash equivalents	\$ 9,335	\$ 1,684	\$ 1,684	\$ 9,335
Liabilities - Due other agencies and others	\$ 9,335	\$ 1,684	\$ 1,684	\$ 9,335
TREASURER - COUNTY				
Assets - Cash & cash equivalents	\$ 1,391,013	\$ 3,354,397	\$ 4,401,125	\$ 344,285
Liabilities - Due other agencies and others	\$ 1,391,013	\$ 3,354,397	\$ 4,401,125	\$ 344,285
TOTAL - ALL AGENCY FUNDS				
Assets - Cash & cash equivalents	\$ 1,412,729	\$ 3,398,849	\$ 4,448,273	\$ 363,305
Liabilities - Due other agencies and others	\$ 1,412,729	\$ 3,398,849	\$ 4,448,273	\$ 363,305

"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, 2020

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 not audited but a financial report was issued under separate cover. A financial 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.

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

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

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.
- 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.

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

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

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.
- Agency Funds – The County has the following agency 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.

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

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.
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 \$52,448 and for proprietary funds total zero.

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

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.

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 netted against capital assets on the 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, 2020 was as follows:

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Primary Government				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,723,541			\$ 8,723,541
Rights of Way	886,462			886,462
Work in Progress	368,127	\$ 57,563	\$ 376,463	49,227
Total capital assets not being depreciated	\$ 9,978,130	\$ 57,563	\$ 376,463	\$ 9,659,230
Capital assets being depreciated:				
Buildings	\$ 5,019,663			\$ 5,019,663
Improvements other than buildings	2,946,290	\$ 376,463		3,322,753
Machinery and equipment	3,288,035	402,883	\$ 111,185	3,579,733
Infrastructure	8,847,293			8,847,293
Total capital assets being depreciated	\$ 20,101,281	\$ 779,346	\$ 111,185	\$ 20,769,442
Less accumulated depreciation for:				
Buildings	\$ 2,835,216	\$ 123,485		\$ 2,958,701
Improvements other than buildings	864,618	103,348		967,966
Machinery and equipment	2,588,016	181,053	\$ 89,365	2,679,704
Infrastructure	4,901,994	188,960		5,090,954
Total accumulated depreciation	\$ 11,189,844	\$ 596,846	\$ 89,365	\$ 11,697,325
Total capital assets, being depreciated, net	\$ 8,911,437	\$ 182,500	\$ 21,820	\$ 9,072,117
Governmental activities capital assets, net	\$ 18,889,567	\$ 240,063	\$ 398,283	\$ 18,731,347

2. **CAPITAL ASSETS (Continued)**

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,753,928			\$ 1,753,928
Construction in progress	1,298,656	\$ 21,550		1,320,206
Total capital assets not being depreciated	<u>\$ 3,052,584</u>	<u>\$ 21,550</u>	<u>\$...</u>	<u>\$ 3,074,134</u>
Capital assets being depreciated:				
Buildings	\$ 13,978			\$ 13,978
Improvements other than buildings	2,975,332			2,975,332
Machinery and equipment	82,971	\$ 83,768		166,739
Infrastructure	372,927			372,927
Total capital assets being depreciated	<u>\$ 3,445,208</u>	<u>\$ 83,768</u>	<u>\$...</u>	<u>\$ 3,528,976</u>
Less accumulated depreciation for:				
Buildings	\$ 7,572	\$ 932		\$ 8,504
Improvements other than buildings	817,598	91,025		908,623
Machinery and equipment	46,957	11,480		58,437
Infrastructure	101,022	12,431		113,453
Total accumulated depreciation	<u>\$ 973,149</u>	<u>\$ 115,868</u>	<u>\$...</u>	<u>\$ 1,089,017</u>
Total capital assets, being depreciated, net	<u>\$ 2,472,059</u>	<u>\$ (32,100)</u>	<u>\$...</u>	<u>\$ 2,439,959</u>
Business-type activities capital assets, net	<u>\$ 5,524,643</u>	<u>\$ (10,550)</u>	<u>\$...</u>	<u>\$ 5,514,093</u>
Depreciation expense was charged to functions/programs of the primary government as follows:				
Governmental activities:				
General government			\$ 68,234	
Public safety			167,481	
Highways and public improvements			348,877	
Parks and recreation			12,254	
Total depreciation expense - governmental activities			<u>\$ 596,846</u>	
Business-type activities:				
Enterprise - Dutch John			<u>\$ 115,868</u>	
Total depreciation expense - Business-Type Activities			<u>\$ 115,868</u>	
Total depreciation expense			<u><u>\$ 712,714</u></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
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	128,000	8,076	136,076	21,000		21,000
2026-2030	264,000	8,177	272,177	107,000		107,000
2031-2035				108,000		108,000
2036-2040				107,000		107,000
2041-2045				108,000		108,000
	<u>\$ 1,059,000</u>	<u>\$ 83,074</u>	<u>\$ 1,142,074</u>	<u>\$ 535,000</u>	<u>\$...</u>	<u>\$ 535,000</u>

General Obligation Bonds – General Obligation Bonds payable at December 31, 2020, 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%.

\$867,000

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

Mineral Lease and Water Revenue Bonds – Mineral Lease and Water Revenue Bonds payable at December 31, 2020, 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. \$ 136,000

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. \$ 56,000

Business-Type Activities:

Water Revenue Bonds – Water Revenue Bonds payable at December 31, 2020, 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. \$ 535,000

3. LONG-TERM DEBT (Continued)

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 989,000		\$ (122,000)	\$ 867,000	\$ 114,000
Revenue bonds	240,000		(48,000)	192,000	48,000
Capital leases	22,252	\$ 200,365	(179,299)	43,318	39,703
Compensated absences	52,493		(45)	52,448	
Net pension liability	546,821		(244,648)	302,173	
	<u>\$ 1,850,566</u>	<u>\$ 200,365</u>	<u>\$ (593,992)</u>	<u>\$ 1,456,939</u>	<u>\$ 201,703</u>
Governmental activities long-term liabilities					
	<u>\$ 1,850,566</u>	<u>\$ 200,365</u>	<u>\$ (593,992)</u>	<u>\$ 1,456,939</u>	<u>\$ 201,703</u>
Business-type activities:					
Revenue bonds	\$ 556,000		\$ (21,000)	\$ 535,000	\$ 21,000
Capital leases		\$ 77,942		77,942	14,825
Compensated absences	2,490		(2,490)		
Net pension liability	30,238		(15,768)	14,470	
	<u>\$ 588,728</u>	<u>\$ 77,942</u>	<u>\$ (39,258)</u>	<u>\$ 627,412</u>	<u>\$ 35,825</u>
Business-type activities long-term liabilities					
	<u>\$ 588,728</u>	<u>\$ 77,942</u>	<u>\$ (39,258)</u>	<u>\$ 627,412</u>	<u>\$ 35,825</u>

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

Governmental Activity Debt

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, 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>\$ 867,000</u>	<u>\$ 83,075</u>	<u>\$ 950,075</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, 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
Total	<u>\$ 136,000</u>	<u>\$...</u>	<u>\$ 136,000</u>

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, 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
Total	<u>\$ 56,000</u>	<u>\$...</u>	<u>\$ 56,000</u>

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, 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
Total	<u>\$ 535,000</u>	<u>\$...</u>	<u>\$ 535,000</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. The County also entered into a lease through the Dutch John enterprise fund to purchase a backhoe. 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>	<u>Enterprise Activities</u>
Equipment	\$ 268,008	\$ 77,942
Less: Accumulated Depreciation	<u>(121,200)</u>	<u>(3,248)</u>
Net assets	<u>\$ 146,808</u>	<u>\$ 74,694</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020 were as follows:

<u>Years Ending December 31,</u>	<u>Governmental Activities</u>	<u>Enterprise Activities</u>
2021	\$ 39,952	\$ 16,782
2022	3,615	16,782
2023		16,782
2024		16,781
2025		<u>16,781</u>
Total minimum lease payments	\$ 43,567	\$ 83,908
Less: amount representing interest	<u>(249)</u>	<u>(5,966)</u>
Present value of minimum lease payments	<u>\$ 43,318</u>	<u>\$ 77,942</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, 2020, the County's bank balance of cash on deposit was \$482,297 of this amount \$250,000 was insured but uncollateralized. There was \$232,297 that was uninsured.

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, 2020, the County had the following recurring fair value measurements:

Investment by Fair Value Level	Fair Value Measurements Using			
	12/31/20	Level 1	Level 2	Level 3
Debt/Equity Securities				
Money Market Mutual Funds	\$ 3,563,695		\$ 3,563,695	
State of Utah Public				
Treasurer's Investment Fund	3,352,784		3,352,784	
	<u>\$ 6,916,479</u>	<u>\$...</u>	<u>\$ 6,916,479</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, 2020 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, 2020, 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, 2020, 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 State of Utah Public Treasurer's Investment Fund	\$ 3,563,695	\$ 3,563,695			
	3,352,784	3,352,784			
Total Investments	<u>\$ 6,916,479</u>	<u>\$ 6,916,479</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>

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, 2020, the County had the following investments and quality ratings:

Investment Type	Fair Value	AAA	AA	A	Unrated
Money Market Mutual Funds State of Utah Public Treasurer's Investment Fund	\$ 3,563,695				\$ 3,563,695
	3,352,784				3,352,784
Total Investments	<u>\$ 6,916,479</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>	<u>\$ 6,916,479</u>

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, 2020, the County had \$3,352,784 invested in the Public Treasurer's Investment Fund and was held by them. The County also had \$3,563,695 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/general/publications.

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 up on 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 to June 2020 2.00% per year July 2020 to present	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, 2020 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System			
111 Local Government Div - Tier 2	N/A	15.8	0.89
Noncontributory System			
15 Local Governmental Div - Tier 1	N/A	18.47	N/A
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid Public Safety	2.27	25.83	N/A
Noncontributory			
43 Other Div A with 2.5% COLA	N/A	34.04	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69	10.00
222 Public Safety	N/A	11.83	14.00

***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, 2020, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 89,717	N/A
Public Safety System	27,411	
Tier 2 Public Employees System	34,179	
Tier 2 DC Only System	6,753	N/A
Tier 2 DC Public Safety and Firefighter System	3,434	N/A
Total Contributions	\$ 161,494	\$...

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, 2020, we reported a net pension asset of \$0 and a net pension liability of \$316,643.

	(Measurement Date): December 31, 2019			Proportionate Share December 31, 2018	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
	Noncontributory System	\$ 202,480	0.0537240%		
Public Safety System	108,972	0.0678693%	0.0706350%	(0.0027657)%	
Tier 2 Public Employees System	3,504	0.0155785%	0.0166498%	(0.0010713)%	
Tier 2 Public Safety and Firefighter	1,687	0.0179364%	0.0038795%	0.0140569 %	
	\$...	\$ 316,643			

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019, 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, 2020, we recognized pension expense of \$33,788.

6. **PENSION PLANS (Continued)**

At December 31, 2020 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	\$ 21,797	\$ 6,438
Changes in assumptions	27,060	116
Net difference between projected and actual earnings on pension plan investments		142,713
Changes in proportion and differences between contributions and proportionate share of contributions	11,950	96,018
Contributions subsequent to the measurement date	<u>161,494</u>	
Total	<u>\$ 222,301</u>	<u>\$ 245,285</u>

\$161,494 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, 2019.

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>
2020	\$ (101,533)
2021	(39,588)
2022	4,223
2023	(53,642)
2024	665
Thereafter	5,397

6. **PENSION PLANS (Continued)**

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

For the year ended December 31, 2020, we recognized pension expense of \$66,635.

At December 31, 2020, 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	\$ 18,418	\$ 2,908
Changes in assumptions	21,445	
Net difference between projected and actual earnings on pension plan investments		102,395
Changes in proportion and differences between contributions and proportionate share of contributions	3,287	32,679
Contributions subsequent to the measurement date	89,718	
	<hr/>	<hr/>
Total	\$ 132,868	\$ 137,982

\$89,718 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, 2019.

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>
2020	\$ (34,183)
2021	(25,370)
2022	3,648
2023	(38,928)
2024	
Thereafter	

6. **PENSION PLANS (Continued)**

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

For the year ended December 31, 2020, we recognized pension expense of (\$57,760).

At December 31, 2020, 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	\$ 1,895	\$ 2,327
Changes in assumptions	3,718	
Net difference between projected and actual earnings on pension plan investments		37,210
Changes in proportion and differences between contributions and proportionate share of contributions		61,336
Contributions subsequent to the measurement date	<u>27,411</u>	
Total	<u>\$ 33,024</u>	<u>\$ 100,873</u>

\$27,411 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, 2019.

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>
2020	\$ (67,177)
2021	(14,106)
2022	163
2023	(14,139)
2024	
Thereafter	

6. **PENSION PLANS (Continued)**

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

For the year ended December 31, 2020, we recognized pension expense of \$19,699.

At December 31, 2020, 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	\$ 980	\$ 1,202
Changes in assumptions	1,496	101
Net difference between projected and actual earnings on pension plan investments		2,693
Changes in proportion and differences between contributions and proportionate share of contributions	2,636	
Contributions subsequent to the measurement date	<u>40,931</u>	
Total	<u>\$ 46,043</u>	<u>\$ 3,996</u>

\$40,931 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, 2019.

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>
2020	\$ (373)
2021	(320)
2022	140
2023	(723)
2024	354
Thereafter	2,037

6. **PENSION PLANS (Continued)**

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

For the year ended December 31, 2020, we recognized pension expense of 5,214.

At December 31, 2020, 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	\$ 504	\$ 1
Changes in assumptions	401	15
Net difference between projected and actual earnings on pension plan investments		415
Changes in proportion and differences between contributions and proportionate share of contributions	6,027	2,003
Contributions subsequent to the measurement date	<u>3,434</u>	
Total	<u>\$ 10,366</u>	<u>\$ 2,434</u>

\$3,434 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, 2019.

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>
2020	\$ 201
2021	208
2022	272
2023	148
2024	311
Thereafter	3,360

6. **PENSION PLANS (Continued)**

Actuarial Assumptions

The total pension liability in the December 31, 2019, 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, 2019, 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:

<u>Asset Class</u>	<u>Expected Return Arithmetic Basis</u>		
	<u>Target Asset Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term expected portfolio real rate of return</u>
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:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 632,412	\$ 202,479	\$ (156,081)
Public Safety System	282,280	108,972	(31,874)
Tier 2 Public Employees System	30,214	3,504	(17,139)
Tier 2 Public Safety and Firefighter	5,960	1,687	(1,485)
Total	\$ 950,866	\$ 316,642	\$ (206,579)

***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:

	2020	2019	2018
401(k) Plan			
Employer Contributions	\$ 20,674	\$ 15,810	\$ 9,612
Employee Contributions	8,536	12,809	12,202
457 Plan			
Employer Contributions			
Employee Contributions	\$ 1,147	\$ 842	\$ 28
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 3,120	\$ 3,120	\$ 3,700

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, 2020, 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	Class "B" Road	Flaming Gorge Roads and Transportation SS District	Dutch John Proprietary Fund	Rural Hospital Tax	Nonmajor Govt Funds	Total
Receivables:							
Taxes	\$ 74,385					\$ 26,642	\$ 101,027
Accounts	2,350		\$ 8,000	\$ 33,413			43,763
Sales tax	39,934						39,934
Due from other governments	55,988	\$ 94,823	34,692		\$ 21,844	28,741	236,088
Gross receivables	\$ 172,657	\$ 94,823	\$ 42,692	\$ 33,413	\$ 21,844	\$ 55,383	\$ 420,812
Less: Allowance for uncollectible accounts				(11,947)			(11,947)
Net receivables	<u>\$ 172,657</u>	<u>\$ 94,823</u>	<u>\$ 42,692</u>	<u>\$ 21,466</u>	<u>\$ 21,844</u>	<u>\$ 55,383</u>	<u>\$ 408,865</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:

\$35,276 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.

\$143,847 has been restricted in the SRS Fund for the purpose of maintaining, improving, repairing or replacing roads in Daggett County.

\$554,791 has been reserved in the "B" Road Fund for the purpose of maintaining, improving, repairing or replacement of "B" roads in Daggett County.

\$819,208 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.

\$431 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)

\$20,775 has been restricted in the Transportation fund through a special tax to be used for the improvement and construction of transportation related assets.

\$6,086 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.

\$25,592 this is fund received through the State of Utah Liquor Fund Allotment to be used by law enforcement departments in policing alcohol related offences.

\$481,093 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.

\$250,315 has been restricted in the Transient Room Tax Fund to be used for the purpose of promoting tourism and improvement of related facilities.

\$550,913 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.

\$183,849 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.

\$27,406 has been restricted in the Restaurant Tax Fund. These funds are restricted to special uses as outlined by the type of tax imposed.

\$180,591 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.

\$74,530 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, 2020, the County had two unfavorable budget variance when comparing their budget to actual. This was in Other Financing Uses and COVID 19 department, which was created by the purchase of equipment through a capital lease and payment with COVID 19 fund on capital lease obligations. 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:

	Transfers In:		
	Nonmajor Governmental Funds	General Fund	Total Out
Transfer Out:			
General Fund	\$ 123,394		\$ 123,394
Nonmajor funds	9,010		9,010
	<u> </u>	<u> </u>	<u> </u>
Total in	<u>\$ 132,404</u>	<u>\$...</u>	<u>\$ 132,404</u>

There were several transfers of funds during the year. The General Fund transferred \$123,394 to several nonmajor governmental funds to help cover the expenses of these funds. Also the VAWA transferred \$597 and the Transient Room Tax Fund transferred \$8,413 to other nonmajor governmental funds to help cover the expenditures in those different Funds.

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 \$3,376,845

The restricted cash and cash equivalents represent \$342 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 \$481,955 in “B” Road Fund to be used for the maintenance and improvement of qualified “B” roads. They have restricted \$828,371 in the Dutch John Redevelopment Agency to be used for allowable expenditures within the Agency’s boundaries. There has been \$74,530 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 \$596,314. 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 \$1,347,333 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 \$899,000 at December 31, 2020.

20. RESTRICTED NET POSITION (ENTERPRISE FUND)

Daggett County has restricted \$74,530 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 2020, there was \$74,530 of money deposited into the public treasurer's investment fund as a debt reserve fund and capital improvement replacement fund for the Water Revenue Bond, Series 2016. Each year additional funds will be deposited into the PTIF fund to accumulate a debt reserve and replacement funds 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, 2020**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
Property taxes - current	\$ 953,000	\$ 953,000	\$ 967,952	\$ 14,952
Property taxes - delinquent	42,000	42,000	33,298	(8,702)
Fees-in-lieu of personal property tax	72,000	72,000	57,035	(14,965)
Sales and use taxes	112,000	112,000	120,332	8,332
County option sales tax	74,000	74,000	74,460	460
Motor fuel tax reimbursement	8,000	8,000	5,524	(2,476)
Total taxes	\$ 1,261,000	\$ 1,261,000	\$ 1,258,601	\$ (2,399)
Licenses and permits:				
Business licenses and permits	\$ 9,000	\$ 9,000	\$ 8,828	\$ (172)
Planning and zoning collections	600	600	600	0
Building, structures, and equipment licenses	20,000	20,000	38,589	18,589
Marriage licenses	200	200	300	100
Conditional Use Permit			100	100
Total licenses and permits	\$ 29,800	\$ 29,800	\$ 48,417	\$ 18,617
Intergovernmental:				
Federal PILT	\$ 139,000	\$ 139,000	\$ 144,662	\$ 5,662
Mineral Lease SITLA land exchange	4,600		1,679	1,679
Secure Rural Schools - Title III	12,000	12,000	14,811	2,811
Wild life Reserve PILT	4,683	4,683	4,683	0
EMS grant	3,500	21,754	21,754	0
CARES Act grant		157,461	157,985	524
CEM/FEMA	40,400	40,400	29,061	(11,339)
Western states presidential primary grant	5,700	5,700	3,876	(1,824)
Airport & airport preservation grant	720,000	720,000	142,516	(577,484)
DUI fees on fines			249	249
Total intergovernmental revenue	\$ 929,883	\$ 1,100,998	\$ 521,276	\$ (579,722)
Charges for services:				
Administration costs	\$ 31,300	\$ 31,300	\$ 24,878	\$ (6,422)
District court contract	40,000	40,000	43,227	3,227
Recording legal documents	15,000	15,000	24,435	9,435
Motor vehicle contract			733	733
SISK	17,500	17,500	43,000	25,500
Sheriff's Office service charges	1,100	1,100	713	(387)
Sheriff's Office - report request			469	469
Property records On-line fees			4,710	4,710
Right of way and easements			5,000	5,000
Bailiff contract	200	200	23	(177)
Ambulance	33,000	33,000	6,766	(26,234)
Miscellaneous fees			638	638
Cemetery charges	5,500	5,500	7,625	2,125
Total charges for services	\$ 143,600	\$ 143,600	\$ 162,217	\$ 18,617

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, 2020**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Fines and forfeitures:				
Court fines	\$ 29,400	\$ 29,400	\$ 27,199	\$ (2,201)
Security surcharge	2,000	2,000	4,592	2,592
Total fines and forfeitures	\$ 31,400	\$ 31,400	\$ 31,791	\$ 391
Miscellaneous:				
Interest income	\$ 37,000	\$ 37,000	\$ 26,408	\$ (10,592)
Office/Home rental	15,800	15,800	25,879	10,079
Admin costs - tax sale	1,000	1,000	3,000	2,000
Sundry revenue	3,000	3,000	8,456	5,456
Postage and travel reimbursement	200	200	138	(62)
Capital asset sales			950	950
Filing fees - elections	1,500	1,500	2,145	645
Miscellaneous charges			218	218
GIS subscription/tax roll	600	600	920	320
Scale charges	400	400	232	(168)
Food Pantry reimbursement	2,900	2,900	1,993	(907)
Insurance reimbursement	3,000	3,000	2,980	(20)
Passport fees			350	350
Rodeo arena/lights			17	17
Weed & mosquito spraying	14,700	14,700	7,920	(6,780)
Zions credit card rebate	4,000	4,000	900	(3,100)
Newsletter advertisements			240	240
Total miscellaneous	\$ 84,100	\$ 84,100	\$ 82,746	\$ (1,354)
Contributions and Transfers				
Transfer in from RDA	\$ 322,106	\$ 322,106		\$ (322,106)
Total revenues	\$ 2,479,783	\$ 2,973,004	\$ 2,105,048	\$ (867,956)

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, 2020**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
EXPENDITURES				
General government:				
Commission	\$ 198,350	\$ 198,350	\$ 164,336	\$ 34,014
Justice court - Manila	48,405	48,405	41,813	6,592
Auditor/recorder	133,550	133,550	113,726	19,824
Clerk/treasurer	129,600	129,600	118,054	11,546
Attorney	211,360	211,360	99,212	112,148
Indigent attorney/capital defendant	11,500	11,500	7,679	3,821
IT/GIS	106,650	106,650	93,502	13,148
Non-departmental	207,100	207,100	168,611	38,489
Building and grounds	158,400	154,785	143,265	11,520
Elections	21,350	24,350	23,958	392
Planning commission	41,450	41,450	33,489	7,961
Total general government	\$ 1,267,715	\$ 1,267,100	\$ 1,007,645	\$ 259,455
Public safety:				
Sheriff	\$ 652,380	\$ 652,380	\$ 540,568	\$ 111,812
Fire control	48,050	48,050	28,780	19,270
Ambulance	97,900	114,154	62,984	51,170
Emergency management	76,800	76,800	37,181	39,619
Local Emergency Planning Committee	4,000	4,000		4,000
Total public safety	\$ 879,130	\$ 895,384	\$ 669,513	\$ 225,871
Public health:				
COVID 19		\$ 157,461	\$ 207,163	\$ (49,702)
Health Department	\$ 11,300	11,300	9,877	1,423
Total public health	\$ 11,300	\$ 168,761	\$ 217,040	\$ (48,279)
Public works:				
Airport	\$ 805,250	\$ 805,250	\$ 150,455	\$ 654,795
Mosquito	14,000	14,000	7,619	6,381
Total public works	\$ 819,250	\$ 819,250	\$ 158,074	\$ 661,176
Community				
Television	\$ 6,100	\$ 7,000	\$ 6,544	\$ 456
Total community	\$ 6,100	\$ 7,000	\$ 6,544	\$ 456
Debt service:				
Principal payment		\$ 3,615	\$ 157,980	\$ (154,365)
Total debt service	\$...	\$ 3,615	\$ 157,980	\$ (154,365)
Total expenditures	\$ 2,983,495	\$ 3,161,110	\$ 2,216,796	\$ 944,314
Excess of revenue over (under) expenditures	\$ (503,712)	\$ (188,106)	\$ (111,748)	\$ 76,358

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, 2020**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
OTHER FINANCING SOURCES (USES)				
Capital lease financing			\$ 182,289	\$ 182,289
Transfers (out)	\$ (117,902)	\$ (123,394)	(123,394)	
Total other financing sources (uses)	<u>\$ (117,902)</u>	<u>\$ (123,394)</u>	<u>\$ 58,895</u>	<u>\$ 182,289</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$ (621,614)	\$ (311,500)	\$ (52,853)	\$ 258,647
Fund balances - beginning of year	<u>1,073,495</u>	<u>1,073,495</u>	<u>1,073,495</u>	
Fund balances - end of year	<u>\$ 451,881</u>	<u>\$ 761,995</u>	<u>\$ 1,020,642</u>	<u>\$ 258,647</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, 2020**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ 225,000	\$ 225,000	\$ 166,789	\$ (58,211)
Interest income	63,000	63,000	20,233	(42,767)
Total revenues	\$ 288,000	\$ 288,000	\$ 187,022	\$ (100,978)
EXPENDITURES				
Public works	\$ 21,000	\$ 21,000	\$ 32,891	\$ (11,891)
Capital outlay	200,000	200,000		200,000
Debt Service:				
Principal retirement	46,000	46,000	48,000	(2,000)
Total expenditures	\$ 267,000	\$ 267,000	\$ 80,891	\$ 186,109
Excess of revenue over (under) expenditures	\$ 21,000	\$ 21,000	\$ 106,131	\$ 85,131
OTHER FINANCING SOURCES (USES)				
Bond proceeds				
Total other financing sources (uses)	\$...	\$...	\$...	\$...
Excess of revenues and other sources over (under) expenditures and other uses	\$ 21,000	\$ 21,000	\$ 106,131	\$ 85,131
Fund balances - beginning of year	2,338,464	2,338,464	2,338,464	
Fund balances - end of year	\$ 2,359,464	\$ 2,359,464	\$ 2,444,595	\$ 85,131

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, 2020**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 205,000	\$ 205,000	\$ 246,678	\$ 41,678
Total revenues	\$ 205,000	\$ 205,000	\$ 246,678	\$ 41,678
EXPENDITURES				
Public Safety	\$ 20,000	\$ 48,500		\$ 48,500
Public Health	185,000	285,000	\$ 215,397	69,603
Total expenditures	\$ 205,000	\$ 333,500	\$ 215,397	\$ 118,103
Excess of revenue over (under) expenditures	\$...	\$ (128,500)	\$ 31,281	\$ 159,781
OTHER FINANCING SOURCES (USES)				
Other financing sources				
Total other financing sources (uses)	\$...	\$...	\$...	\$...
Excess of revenues and other sources over (under) expenditures and other uses		\$ (128,500)	\$ 31,281	\$ 159,781
Fund balances - beginning of year	\$ 519,632	519,632	519,632	
Fund balances - end of year	\$ 519,632	\$ 391,132	\$ 550,913	\$ 159,781

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, 2020

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(UNFAVORABLE)</u>
REVENUES				
Charges for services	\$ 20,000	\$ 20,000	\$ 30,316	\$ 10,316
Interest income	3,000	3,000	3,959	959
Miscellaneous			10,000	10,000
Total revenues	<u>\$ 23,000</u>	<u>\$ 23,000</u>	<u>\$ 44,275</u>	<u>\$ 21,275</u>
EXPENDITURES				
Community	<u>\$ 163,405</u>	<u>\$ 163,405</u>	<u>\$ 12,901</u>	<u>\$ 150,504</u>
Total expenditures	<u>\$ 163,405</u>	<u>\$ 163,405</u>	<u>\$ 12,901</u>	<u>\$ 150,504</u>
Excess of revenue over (under) expenditures	<u>\$ (140,405)</u>	<u>\$ (140,405)</u>	<u>\$ 31,374</u>	<u>\$ 171,779</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>\$ (469,714)</u>	<u>\$ (469,714)</u>		<u>\$ 469,714</u>
Total other financing sources (uses)	<u>\$ (469,714)</u>	<u>\$ (469,714)</u>	<u>\$...</u>	<u>\$ 469,714</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (610,119)</u>	<u>\$ (610,119)</u>	<u>\$ 31,374</u>	<u>\$ 641,493</u>
Fund balances - beginning of year	787,834	787,834	787,834	
Fund balances - end of year	<u><u>\$ 177,715</u></u>	<u><u>\$ 177,715</u></u>	<u><u>\$ 819,208</u></u>	<u><u>\$ 641,493</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, 2020

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental	\$ 400,000	\$ 400,000	\$ 432,100	\$ 32,100
Miscellaneous	10,000	10,000	38,086	28,086
Total revenues	<u>\$ 410,000</u>	<u>\$ 410,000</u>	<u>\$ 470,186</u>	<u>\$ 60,186</u>
EXPENDITURES				
Public works	\$ 337,400	\$ 357,400	\$ 352,777	\$ 4,623
Total expenditures	<u>\$ 337,400</u>	<u>\$ 357,400</u>	<u>\$ 352,777</u>	<u>\$ 4,623</u>
Excess of revenue over (under) expenditures	<u>\$ 72,600</u>	<u>\$ 52,600</u>	<u>\$ 117,409</u>	<u>\$ 64,809</u>
OTHER FINANCING SOURCES (USES)				
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	\$ 72,600	\$ 52,600	\$ 117,409	\$ 64,809
Fund balances - beginning of year	<u>437,382</u>	<u>437,382</u>	<u>437,382</u>	
Fund balances - end of year	<u><u>\$ 509,982</u></u>	<u><u>\$ 489,982</u></u>	<u><u>\$ 554,791</u></u>	<u><u>\$ 64,809</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, 2019
DECEMBER 31, 2020

	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%
	2019	0.0537240%	202,479	459,345	44.08%	93.7%
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%
	2019	0.0678693%	108,972	133,444	81.66%	90.9%
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%
	2019	0.0155785%	3,504	216,489	1.62%	96.5%
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%
	2019	0.0179364%	1,687	29,576	5.70%	89.6%

* 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, 2020

	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%
	2020	89,717	89,717	-	531,977	16.86%
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%
	2020	27,411	27,411	-	125,229	21.89%
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%
	2020	34,179	34,179	-	217,311	15.73%
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%
	2020	-	-	-	-	0.00%
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%
	2020	6,753	6,753	-	77,887	8.67%
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%
	2020	3,434	3,434	-	29,032	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 practices.

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

DAGGETT COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

CHANGES IN ASSUMPTIONS:

As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier 1 Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unreduced retirement prior to age 65.

DAGGETT COUNTY
Supplementary Information

DAGGETT COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

		SPECIAL REVENUE FUNDS							
	FOREST SERVICE ROADS	DAM SECURITY	VAWA	VOCA	STATE BEER TAX	DUTCH JOHN FIRE DEPT.	ECONOMIC DEVELOPMT.	TRANSIENT ROOM TAX	MUSEUM
Cash and cash equivalents	\$ 480,337	\$ 4,617	\$ 431	\$ 3,541	\$ 25,726	\$ 3,667	\$ 137,671	\$ 243,254	\$ 6,878
Restricted cash and cash equivalents									
Property taxes receivable	16,502			2,545				7,104	
Due from other governmental units									
Total assets	\$ 496,839	\$ 4,617	\$ 431	\$ 6,086	\$ 25,726	\$ 3,667	\$ 137,671	\$ 250,358	\$ 6,878
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 15,746				\$ 134		\$ 1,103	\$ 43	
Total liabilities	\$ 15,746	\$...	\$...	\$...	\$ 134	\$...	\$ 1,103	\$ 43	\$...
Fund Balances:									
Restricted for:									
Special revenue fund	\$ 481,093	\$ 4,617	\$ 431	\$ 6,086	\$ 25,592			\$ 250,315	
Assigned for:									
Special revenue		\$ 4,617				\$ 3,667	\$ 136,568		\$ 6,878
Capital projects									
Total fund balances	\$ 481,093	\$ 4,617	\$ 431	\$ 6,086	\$ 25,592	\$ 3,667	\$ 136,568	\$ 250,315	\$ 6,878
Total liabilities and fund balances	\$ 496,839	\$ 4,617	\$ 431	\$ 6,086	\$ 25,726	\$ 3,667	\$ 137,671	\$ 250,358	\$ 6,878

DAGGETT COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

SPECIAL REVENUE FUNDS

	CORNER MOUNDMENT	HOMELAND SECURITY	COMMISSARY	RODEO	ASSESSING AND COLLECTING	SHOOTING RANGE	TRAILS	C.E.R.T.	TRANSPOR- TATION TAX	PRCA RODEO
Cash and cash equivalents	\$ 6,400	\$ 15,028	\$ 626	\$ 9,108	\$ 170,709	\$ 989	\$ 5,000	\$ 400	\$ 18,185	\$ 12,839
Restricted cash and cash equivalents					15,367	64				
Property taxes receivable									2,590	
Due from other governmental units										
Total assets	\$ 6,400	\$ 15,028	\$ 626	\$ 9,108	\$ 186,076	\$ 989	\$ 5,064	\$ 400	\$ 20,775	\$ 12,839
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 6,962	\$ 9,329		\$ 7,438	\$ 2,227					
Total liabilities	\$ 6,962	\$ 9,329	\$...	\$ 7,438	\$ 2,227	\$...	\$...	\$...	\$...	\$...
Fund Balances:										
Restricted for:										
Special revenue fund	\$ (562)	\$ 5,699	\$ 626	\$ 1,670	\$ 183,849	\$ 989	\$ 5,000	\$ 400	\$ 20,775	\$ 12,839
Assigned for:										
Special revenue										
Capital projects										
Total fund balances	\$ (562)	\$ 5,699	\$ 626	\$ 1,670	\$ 183,849	\$ 989	\$ 5,064	\$ 400	\$ 20,775	\$ 12,839
Total liabilities and fund balances	\$ 6,400	\$ 15,028	\$ 626	\$ 9,108	\$ 186,076	\$ 989	\$ 5,064	\$ 400	\$ 20,775	\$ 12,839

**SCHEDULE 8
(Continued)**

**DAGGETT COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	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		
ASSETS								
Cash and cash equivalents	\$ 26,522	\$ 25,068	\$ 4,643	\$ 39,619	\$ 153,398	\$ 170,519	\$ 157,496	\$ 375,402
Restricted cash and cash equivalents	1,203					10,072		1,347,333
Property taxes receivable								26,642
Due from other governmental units								28,741
Total assets	\$ 27,725	\$ 25,068	\$ 4,643	\$ 39,619	\$ 153,398	\$ 180,591	\$ 157,496	\$ 1,778,118
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 319	\$ 20		\$ 4,343	\$ 9,551			\$ 57,215
Total liabilities	\$ 319	\$ 20	\$...	\$ 4,343	\$ 9,551	\$...	\$...	\$ 57,215
Fund Balances:								
Restricted for:								
Special revenue fund	\$ 27,406			\$ 35,276	\$ 143,847	\$ 180,591		\$ 1,361,024
Assigned for:								
Special revenue		\$ 25,048	\$ 4,643				\$ 157,496	202,383
Capital projects								157,496
Total fund balances	\$ 27,406	\$ 25,048	\$ 4,643	\$ 35,276	\$ 143,847	\$ 180,591	\$ 157,496	\$ 1,720,903
Total liabilities and fund balances	\$ 27,725	\$ 25,068	\$ 4,643	\$ 39,619	\$ 153,398	\$ 180,591	\$ 157,496	\$ 1,778,118

DAGGETT COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	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
REVENUES:										
Taxes	\$ 100,657				\$ 29,681	\$ 4,925		\$ 129,733	\$ 190,386	
Intergovernmental									7,121	
Charges for services										
Interest Income										\$ 68
Miscellaneous										
Total revenues	\$ 100,657	\$...	\$...	\$...	\$ 29,681	\$ 4,925	\$...	\$ 129,733	\$ 197,507	\$ 68
EXPENDITURES:										
General government										
Public safety										
Public works	\$ 73,457				\$ 32,716	\$ 4,033		\$ 12,763		
Parks, recreation and public property										\$ 1,723
Community								\$ 55,753	121,176	
Debt service:										
Principal retirement			\$ 14,088							
Interest expense			627							
Total expenditures	\$ 73,457	\$...	\$ 14,715	\$...	\$ 32,716	\$ 4,033	\$...	\$ 55,753	\$ 133,939	\$ 1,723
Excess of revenues over (under) expenditures	\$ 27,200	\$...	\$ (14,715)	\$...	\$ (3,035)	\$ 892	\$...	\$ 73,980	\$ 63,568	\$ (1,655)
Other financing sources (uses):										
Transfers in (out)			\$ 14,715	\$ (597)	\$ 6,089			\$ 43,800	\$ (8,413)	
Total other financing sources (uses)	\$...	\$...	\$ 14,715	\$ (597)	\$ 6,089	\$...	\$...	\$ 43,800	\$ (8,413)	\$...
Excess of revenues and other sources over (under) expenditures and other uses	\$ 27,200	\$...	\$...	\$ (597)	\$ 3,054	\$ 892	\$...	\$ 117,780	\$ 55,155	\$ (1,655)
Fund Balances - Beginning of year	453,893	\$ 4,617		1,028	3,032	24,700	\$ 3,667	18,788	195,160	8,533
Fund Balances - End of year	\$ 481,093	\$ 4,617	\$...	\$ 431	\$ 6,086	\$ 25,592	\$ 3,667	\$ 136,568	\$ 250,315	\$ 6,878

SCHEDULE 9
(Continued)

DAGGETT COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	SPECIAL REVENUE FUNDS									
	CORNER MONUMENT	HOMELAND SECURITY	COMMISSARY	RODEO	ASSESSING AND COLLECTING	SHOOTING RANGE	TRAILS	C.E.R.T.	TRANSPOR- TATION TAX	PRCA RODEO
REVENUES:										
Taxes					\$ 252,952				\$ 20,775	
Intergovernmental	\$ 15,000	\$ 29,127								
Charges for services			\$ 625		5,455					
Interest Income										
Miscellaneous										\$ 100
Total revenues	\$ 15,000	\$ 29,127	\$...	\$ 625	\$ 258,407	\$...	\$...	\$...	\$ 20,775	\$ 100
EXPENDITURES:										
General government					\$ 287,705					
Public safety		\$ 29,127								
Public works										
Parks, recreation and public property	\$ 22,562			\$ 7,438						
Community										
Debt service:										
Principal retirement										
Interest expense										
Total expenditures	\$ 22,562	\$ 29,127	\$...	\$ 7,438	\$ 287,705	\$...	\$...	\$...	\$...	\$...
Excess of revenues over (under) expenditures	\$ (7,562)	\$...	\$...	\$ (6,813)	\$ (29,298)	\$...	\$...	\$...	\$...	\$...
Other financing sources (uses):										
Transfers in (out)	\$ 2,000					\$ 600	\$ 5,000			
Total other financing sources (uses)	\$ 2,000	\$...	\$...	\$...	\$...	\$ 600	\$ 5,000	\$...	\$...	\$...
Excess of revenues and other sources over (under) expenditures and other uses	\$ (5,562)			\$ (6,813)	\$ (29,298)	\$ 600	\$ 5,000	\$...	\$ 20,775	\$ 100
Fund Balances - Beginning of year	5,000	\$ 5,699	\$ 626	8,483	213,147	389	64	400		12,739
Fund Balances - End of year	\$ (562)	\$ 5,699	\$ 626	\$ 1,670	\$ 183,849	\$ 989	\$ 5,064	\$ 400	\$ 20,775	\$ 12,839

SCHEDULE 9
(Continued)

DAGGETT COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	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	\$ 22,652			\$ 93,835	\$ 89,926	\$ 152,817	\$ 639,582	
Intergovernmental				17,220		382	500,005	
Charges for services							23,300	
Interest Income							382	
Miscellaneous						\$ 822	990	
Total revenues	\$ 22,652	\$...	\$...	\$ 111,055	\$ 89,926	\$ 153,199	\$ 1,164,259	
EXPENDITURES:								
General government		\$ 354		\$ 92,320	\$ 242,267	\$ 19,308	\$ 307,013	
Public safety							78,993	
Public works						1,817	408,044	
Parks, recreation and public property	\$ 11,617						45,157	
Community	13,500						190,429	
Debt service:								
Principal retirement					\$ 122,000		136,088	
Interest expense					23,115		23,742	
Total expenditures	\$ 25,117	\$ 354	\$...	\$ 92,320	\$ 242,267	\$ 21,125	\$ 1,189,466	
Excess of revenues over (under) expenditures	\$ (2,465)	\$ (354)	\$...	\$ 18,735	\$ (152,341)	\$ 8,084	\$ (25,207)	
Other financing sources (uses):								
Transfers in			\$ 2,000	\$ 2,000		\$ 56,200	\$ 132,404	
Transfers (out)							(9,010)	
Total other financing sources (uses)	\$...	\$...	\$ 2,000	\$ 2,000	\$...	\$ 56,200	\$ 123,394	
Excess of revenues and other sources over (under) expenditures and other uses	\$ (2,465)	\$ (354)	\$ 2,000	\$ 20,735	\$ (152,341)	\$ 8,084	\$ 98,187	
Fund Balances - Beginning of year	29,871	25,402	2,643	14,541	296,188	172,507	1,622,716	
Fund Balances - End of year	\$ 27,406	\$ 25,048	\$ 4,643	\$ 35,276	\$ 143,847	\$ 180,591	\$ 1,720,903	

**DAGGETT COUNTY
SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF
FOR THE 2020 PROPERTY TAX YEAR**

TAX UNITS	TOTAL REAL AND CENTRALLY ASSESSED VALUE		CURRENT YEAR REAL/CENTRAL PROPERTY TAX RATE		TOTAL REAL AND CENTRALLY ASSESSED TAXES CHARGED		PERSONAL PROPERTY TAXES CHARGED		TOTAL TAXES LEVIED		TREASURER'S RELIEF		TOTAL RELIEF		NET TAXES COLLECTED		OTHER COLLECTIONS		DELINQUENT INTEREST AND PENALTY	
	VALUE	PROPERTY VALUE	TAX RATE	PROPERTY VALUE	TAXES CHARGED	PROPERTY TAXES CHARGED	PERSONAL PROPERTY TAXES CHARGED	TOTAL TAXES LEVIED	UNPAID TAXES	ABATEMENTS	OTHER	TOTAL RELIEF	PERCENT COLLECTED	PERCENT	FEES IN LIEU OF COLLECTION	MISC. COLLECTION	TAXES	INTEREST AND PENALTY		
COUNTY FUNDS:																				
Daggett County - General	\$ 304,214,218	\$ 3,236,282	0.003210	\$ 3,236,282	\$ 976,528	\$ 10,272	\$ 986,800	\$ 10,340	\$ 3,436		\$ 13,776	98.60%	98.60%	\$ 48,759	\$ 5,503	\$ 35,143	\$ 1,786			
Daggett County - Bond	304,214,218	3,236,282	0.000460	3,236,282	139,939	1,612	141,550	1,482	492		1,974	98.61%	98.61%	7,650	863	5,583	9,138			
Daggett County - Discharge of Judgement	304,214,218	3,236,282		3,236,282				32	(32)		32	0.00%	0.00%				2			
Daggett County State Assessing & Collection	304,214,218	3,236,282	0.000012	3,236,282	3,651	29	3,680	39	13		52	98.60%	98.60%	138	16	105	6			
Daggett County Co. Assessing & Collection	304,214,218	3,236,282	0.000686	3,236,282	208,691	2,194	210,885	2,210	734		2,944	98.60%	98.60%	10,415	1,175	7,507	382			
SCHOOL DISTRICTS:																				
Basic School Levy	304,214,218	3,236,282	0.001628	3,236,282	495,261	5,375	500,636	5,244	1,742		6,986	98.60%	98.60%	25,516	2,880	18,309	925			
GO Bond Payments	304,214,218	3,236,282	0.000530	3,236,282	248,543	1,715	250,258		0		0	100.00%	100.00%							
Capital Local Levy	304,214,218	3,236,282	0.000900	3,236,282	2,129,950	2,913	215,863		0		0	100.00%	100.00%							
Board Local Levy	304,214,218	3,236,282	0.002045	3,236,282	622,118	6,825	628,943	11,474	3,812		15,286	97.57%	97.57%	54,366	6,135	37,276	1,777			
Charter School Levy	304,214,218	3,236,282	0.000010	3,236,282	3,042		3,042		11		11	99.65%	99.65%							
CITIES AND TOWNS:																				
Manila Town	61,377,935	622,462	0.001522	622,462	93,417	959	94,376	3,259	774		4,033	95.73%	95.73%	6,723	526	9,660	523			
OTHER DISTRICTS:																				
Daggett Water & Sewer District	47,137,711	124,740	0.000454	124,740	21,401	57	21,457	203	213		416	98.06%	98.06%	2,313	121	1,224	45			
Daggett County Mosquito District	112,626,420	752,172	0.000387	752,172	43,586	293	43,879	1,002	378		1,380	96.86%	96.86%	3,814	245	3,502	167			
Daggett County Service Area	6,573,019	7,095	0.000741	7,095	4,871	5	4,876				0	100.00%	100.00%	539	27	114				
Total							\$ 3,106,245	\$ 35,285	\$ 11,605	\$	\$ 46,890			\$ 160,233	\$ 17,491	\$ 118,425	\$ 14,749			

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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 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, 2020, 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 6, 2021.

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) as a basis for designing 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 have not been 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 financial statement. 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 instances of non-compliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and response as item 2020-1 and 2020-2.

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". The signature is written in black ink and is positioned below the firm's name.

Price, Utah

August 6, 2021

**DAGGETT COUNTY
SCHEDULE OF FINDINGS AND RESPONSE
AUDIT DECEMBER 31, 2020**

FINDING 2020-1 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, 2020, there were expenditures in excess of the total appropriations for the COVID 19 and debt service departments in the General Fund of \$49,702 and \$154,365 respectfully.

Cause of Condition:

Because of Covid-19 the County received additional revenue to combat the effect of the Covid-19 virus. These funds were used to pay for capital asset for medical purposes. The County entered into capital leases for equipment which has had the effect of requiring the County to report as expenditures the gross amount of capital assets leased in the current year. This appear to be the main cause or condition of the County being over budget.

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. Employees need to recognize the requirement of recording as expenditures the gross amount of capital assets under lease agreement in the first year of the lease.

County's Response:

The County will implement internal controls to monitor expenditures as compared to the approved budget. Employees will also be more aware and recognize the recording requirement for capital assets.

FINDING 2020-2 OPEN AND PUBLIC MEETING ACT

Criteria:

According to Utah State Code section 54-4-104, presiding officers of the governing body of the County are required to have annual training on the requirements of open and public meetings.

Statement of Condition:

From inquiry with officials of the County and observation of meeting agendas, certificates and other relevant evidence, it was found that members of the County's governing body did not receive the necessary annual training on the open and public meeting act.

Cause of Condition:

During the calendar year 2020, the County had to make substantial adjustments to how the County conducted their meetings because of Covid-19. Many of the necessary, in person, meeting had to be cancelled. With respect to the training meeting for the "open and public meeting" training, it was agreed that this was to be completed by each individual commissioner. It appear that this did not happen.

Effect or Possible Effect of Condition:

Failure to take the necessary training makes the County officials in noncompliance with the open and public meeting act. Also new requirements may have been added to how public meeting are to be conducted and reported, which could cause additional noncompliance to State law.

Recommendation:

We recommend that County Commissioner appoint a member of their governing counsel to be responsible to calendar the required training for the open and public meeting act. This meeting and training should be recorded and adequate documentation should be maintained to provide proof of this annual training.

County's Response:

The Commission Chair will appoint a member of the Commission to be responsible to schedule, record, and document the required training.

DAGGETT COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

Finding 2019-1 EXPENDITURES IN EXCESS OF BUDGET

Finding – The County was not in compliance with State of Utah Code Section 17-36-21, which states “no officer or employee of a county shall make any expenditures in excess of the total appropriation for any department.

Follow-up – The County has had expenditures in excess of budget during the current year. Additional follow-up will be required.

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2020.

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

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, 2020.

Other matters

The results of our auditing procedures disclosed two instances of noncompliance, which are required to be reported in accordance with the State Compliance Audit Guide and which are described in the accompanying schedule of findings and response as item 2020-1 and 2020-2. 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 to 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 small ampersand between "Rich" and "Marsing".

Price, Utah

August 6, 2021