

**DAGGETT COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**DAGGETT COUNTY  
 BASIC FINANCIAL STATEMENTS  
 TABLE OF CONTENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

		<u>PAGE</u>
<u>OPINION</u>	Independent Auditors' Report	1-4
<u>MD&amp;A</u>	Management's Discussion and Analysis	5-12
 <u><b>BASIC FINANCIAL STATEMENTS</b></u>		
<b>Government-wide Financial Statements:</b>		
EXHIBIT 1	Statement of Net Position	13-14
EXHIBIT 2	Statement of Activities	15
<b>Governmental Fund Financial Statements:</b>		
EXHIBIT 3	Balance Sheet - Governmental Funds	16
EXHIBIT 4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	17
EXHIBIT 5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	18
EXHIBIT 6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
<b>Proprietary Fund Financial Statements:</b>		
EXHIBIT 7	Statement of Net Position - Proprietary Funds	20-21
EXHIBIT 8	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	22
EXHIBIT 9	Statement of Cash Flows - Proprietary Funds	23
<b>Fiduciary Fund Financial Statements:</b>		
EXHIBIT 10	Statement of Fiduciary Net Position - Fiduciary Funds	24
EXHIBIT 11	Statement of Revenues, Expenses, and Changes in Fund Net Position - Fiduciary Funds	25
	Notes to Financial Statements	26-63

**DAGGETT COUNTY  
 BASIC FINANCIAL STATEMENTS  
 TABLE OF CONTENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

		<u>PAGE</u>
 <b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>		
SCHEDULE 1	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	64-67
SCHEDULE 2	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Flaming Gorge Roads & Transportation Special Service District	68
SCHEDULE 3	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Rural Hospital Tax	69
SCHEDULE 4	Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Daggett County Redevelopment Agency	70
SCHEDULE 5	Schedule of Proportionate Share of the Net Pension Liability	71
SCHEDULE 6	Schedule of Contributions	72
	Notes to Required Supplementary Information	73
 <b><u>SUPPLEMENTARY INFORMATION</u></b>		
	<b>Combining Fund Statements and Schedules:</b>	
SCHEDULE 7	Combining Balance Sheet - Nonmajor Governmental Funds	74-76
SCHEDULE 8	Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	77-79
SCHEDULE 9	Schedule of Current Taxes Levied, Collected and Treasurer's Relief	80
 <b><u>AUDITORS' REPORTS ACCORDING TO GOVERNMENTAL AUDITING STANDARDS</u></b>		
	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	81
 <b><u>SUPPLEMENTAL STATE COMPLIANCE</u></b>		
	Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the State Compliance Audit Guide	82-83

# Aycock, Miles & Associates, CPAs, P.C.

Certified Public Accountants

58 East 100 North (83-13) • Roosevelt, Utah 84066 • Phone (435) 722-5153 • Fax (435) 722-5095

## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Daggett County  
Manila, Utah 84046

### Qualified and Unmodified Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-type Activities	Unmodified
Governmental General Fund	Unmodified
Governmental Road Fund	Unmodified
Governmental Redevelopment District Fund	Unmodified
Governmental Rural Hospital Tax Fund	Unmodified
Governmental Flaming Gorge Roads & Transportation Special Service District	Qualified
Enterprise Dutch John Fund	Unmodified
Aggregate Remaining Governmental Fund Information	Unmodified
Aggregate Remaining Enterprise Fund Information	Unmodified

#### Qualified Opinion on the Blended Component Unit

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the blended major fund *Flaming Gorge Roads & Transportation Special Service District* of the County, as of December 31, 2021, 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 on Business-type Activities, Each Major Fund, and Aggregate Remaining Fund Information

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, 2021, 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.

# Aycock, Miles & Associates, CPAs, P.C.

Certified Public Accountants

58 East 100 North (83-13) • Roosevelt, Utah 84066 • Phone (435) 722-5153 • Fax (435) 722-5095

## **Basis for Qualified and Unmodified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

## **Matter Giving Rise to Qualified Opinion on the Governmental Activities and Blended Component Unit**

The financial statements of the *Flaming Gorge Roads & Transportation Special Service District* have not been audited, and we were not engaged to audit the District's financial statements as part of our audit of the County's basic financial statements. The District's financial activities are included in the County's basic financial statements as a blended component unit major governmental fund and represent 9 percent, 10 percent, and 5 percent of the assets, net position, and revenues, respectively, of the County's governmental activities.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

# Aycock, Miles & Associates, CPAs, P.C.

## Certified Public Accountants

58 East 100 North (83-13) • Roosevelt, Utah 84066 • Phone (435) 722-5153 • Fax (435) 722-5095

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **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 (see table of contents) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

# Aycock, Miles & Associates, CPAs, P.C.

Certified Public Accountants

58 East 100 North (83-13) • Roosevelt, Utah 84066 • Phone (435) 722-5153 • Fax (435) 722-5095

## 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 November 14, 2022, 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.

*Aycock, Miles & Associates, CPAs*

Roosevelt, Utah  
November 14, 2022

## **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 FY2021**

- During the year, Daggett County and its component units, paid off \$48,000 of Mineral Lease Revenue Bonds, Series 2008A & 2008B, \$114,000 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 \$31,118,146 reflecting a change in net position from operations from the prior period increasing the total by \$1,432,428.
- The County's governmental funds reported combined ending fund balances of \$8,616,074, an increase of \$1,505,020 from operations over the prior year.
- Daggett County had total overall governmental fund revenues and other financing sources of \$5,636,647 which were more than total expenditures and transfers of \$4,131,627 by \$1,505,020.
- The County's government-wide long-term bond and capital lease debt decreased \$201,703 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.

### **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 FY2021 by \$31,118,146. 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 \$4,723,325 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 8,870,078	\$ 7,417,557	\$ 537,052	\$ 492,278	\$ 9,407,130	\$ 7,909,835
Capital assets	18,978,871	18,731,347	4,706,530	5,514,093	23,685,401	24,245,440
Deferred outflows of resources	233,747	212,142	12,710	10,159	246,457	222,301
<b>Total assets &amp; deferred outflows of resources</b>	<b>\$ 28,082,696</b>	<b>\$ 26,361,046</b>	<b>\$ 5,256,292</b>	<b>\$ 6,016,530</b>	<b>\$ 33,338,988</b>	<b>\$ 32,377,576</b>
Current and other liabilities	\$ 423,324	\$ 307,535	\$ 55,535	\$ 54,687	\$ 478,859	\$ 362,222
Long-term liabilities	871,174	1,456,939	544,957	627,412	1,416,131	2,084,351
Deferred inflows of resources	309,047	234,076	16,805	11,209	325,852	245,285
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>\$ 1,603,545</b>	<b>\$ 1,998,550</b>	<b>\$ 617,297</b>	<b>\$ 693,308</b>	<b>\$ 2,220,842</b>	<b>\$ 2,691,858</b>
Net position:						
Net investment in capital assets	\$ 18,078,256	\$ 17,629,029	\$ 4,227,806	\$ 4,901,151	\$ 22,306,062	\$ 22,530,180
Restricted	4,624,932	3,333,936	98,393	74,530	4,723,325	3,408,466
Unrestricted	3,775,963	3,399,531	312,796	347,541	4,088,759	3,747,072
<b>Total net position</b>	<b>\$ 26,479,151</b>	<b>\$ 24,362,496</b>	<b>\$ 4,638,995</b>	<b>\$ 5,323,222</b>	<b>\$ 31,118,146</b>	<b>\$ 29,685,718</b>

## Changes in Net Position

Daggett County's combined ending net position total is \$31,118,146, an overall increase from operations of \$1,432,428 as compared with last year's ending net position balances.

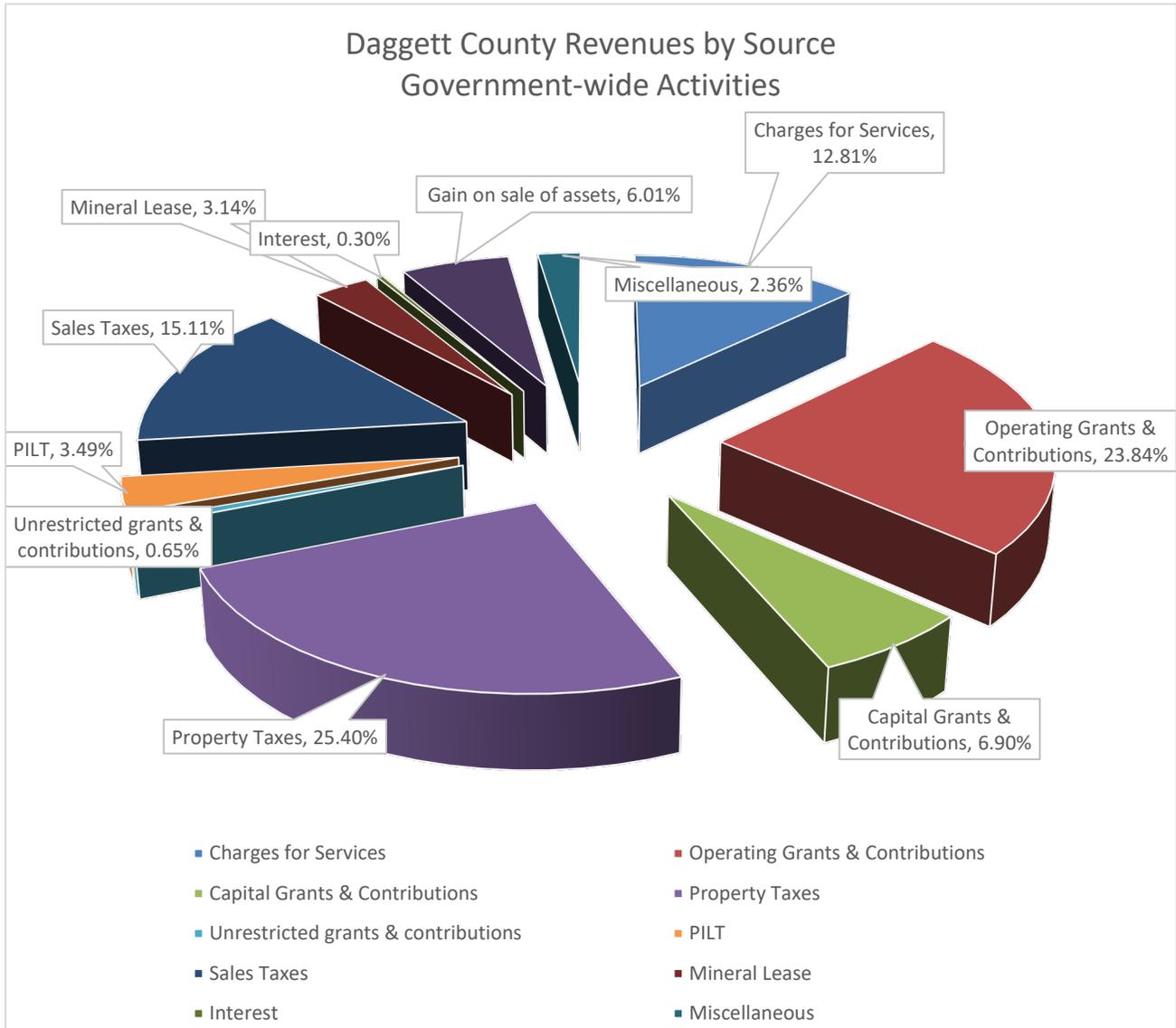
The cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense. The County reported depreciation expense over the past year of \$639,704 in governmental activities. The following table summarizes the changes in Daggett County's net position:

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 372,984	\$ 278,157	\$ 344,566	\$ 350,156	\$ 717,550	\$ 628,313
Operating grants and contrib.	1,335,506	1,130,714			1,335,506	1,130,714
Capital grants and contrib.	346,888	171,643	40,000	55,000	386,888	226,643
General Revenues:						
Property taxes	1,173,020	1,211,102			1,173,020	1,211,102
Sales taxes	846,572	654,508			846,572	654,508
Assessing & collecting	250,188	252,952			250,188	252,952
PILT	195,404	149,345			195,404	149,345
Grants & contributions not restricted	36,323	26,299			36,323	26,299
Mineral lease revenue	175,882	168,468			175,882	168,468
Gains/(loss) on sale of assets	336,749	(14,820)			336,749	(14,820)
Interest	16,582	50,982	375	739	16,957	51,721
Miscellaneous	132,081	116,298			132,081	116,298
Total revenues	\$ 5,218,179	\$ 4,195,648	\$ 384,941	\$ 405,895	\$ 5,603,120	\$ 4,601,543
<b>Program expenses</b>						
General government	\$ 1,096,021	\$ 1,269,437			\$ 1,096,021	\$ 1,269,437
Public safety	982,406	838,823			982,406	838,823
Public health	240,722	299,326			240,722	299,326
Highways and public improv.	1,092,690	1,056,063			1,092,690	1,056,063
Parks and recreation	60,056	12,254			60,056	12,254
Economic development	284,742	255,031			284,742	255,031
Capital outlay					-	-
Interest on long-term debt	21,617	23,139			21,617	23,139
Dutch John			\$ 392,438	\$ 304,246	392,438	304,246
Low income housing				5,699	-	5,699
Total expenses	\$ 3,778,254	\$ 3,754,073	\$ 392,438	\$ 309,945	\$ 4,170,692	\$ 4,064,018
Excess (deficiency) before transfers	\$ 1,439,925	\$ 441,575	\$ (7,497)	\$ 95,950	\$ 1,432,428	\$ 537,525
Transfers						
Change in net position	\$ 1,439,925	\$ 441,575	\$ (7,497)	\$ 95,950	\$ 1,432,428	\$ 537,525
Net position - beginning	\$ 24,362,496	\$ 23,920,921	\$ 5,323,222	\$ 5,227,272	\$ 29,685,718	\$ 29,148,193
Prior Period adjustment	676,730		(676,730)			
Net position - ending	26,479,151	24,362,496	4,638,995	5,323,222	31,118,146	29,685,718
Change in net position	\$ 1,439,925	\$ 441,575	\$ (7,497)	\$ 95,950	\$ 1,432,428	\$ 537,525

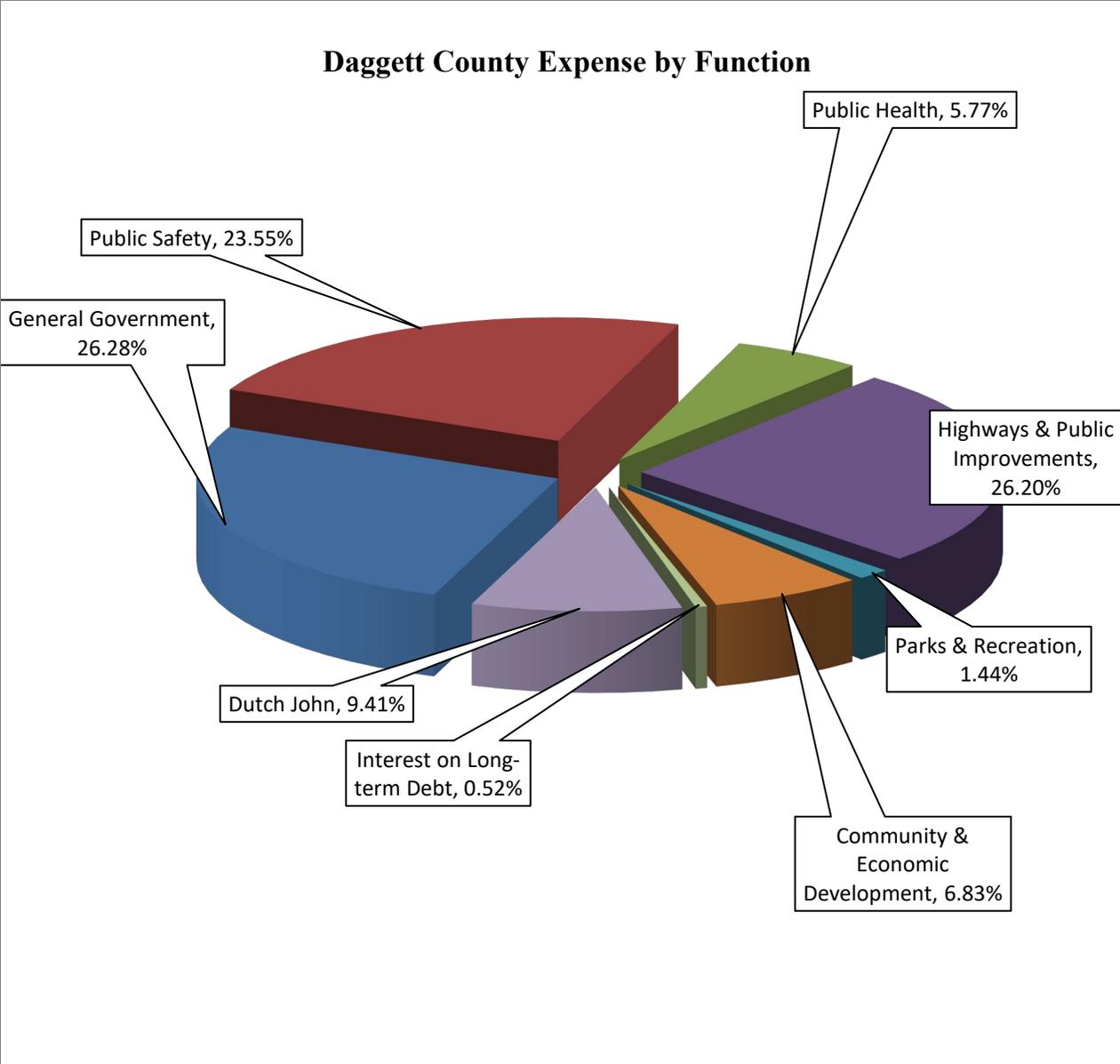
## Government Wide Activities

Sources of revenues for the County’s government-wide activities are comprised of the items listed below and total \$5,603,120.



Property taxes constitute the largest source of Daggett County revenues at 25.40%. Operating grants and contributions are the second largest source of revenues at 23.84%. Charges for services represent 12.81%, Sales tax represent 15.11%, Unrestricted grants and contributions represent .65%, mineral lease revenue represents 3.14%, Miscellaneous represent 2.36%, and PILT, Interest, Gain on sale of assets and capital grants represent 3.49%, .30%, 6.01%, and 6.90% respectfully of the total revenue for the year.

The cost of all activities for FY2021 was \$4,170,692. The following chart represents expenses by the County’s largest functions.



### General Fund Budgetary Highlights

Differences between the original budgeted expenditures and the final amended budget of \$644,353 can be briefly summarized as follows:

- \$ 187,485 increase in general government
- \$ 165,008 increase in public safety
- \$ 1,400 increase in parks & recreation
- \$ 168,000 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, 2021 amounted to \$23,685,401. 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	
	2021	2020	2021	2020	2021	2020
Land	\$ 9,100,612	\$ 8,723,541	\$ 1,077,197	\$ 1,753,928	\$ 10,177,809	\$ 10,477,469
Water rights	886,462	886,462			886,462	886,462
Buildings	1,946,570	2,060,962	4,542	5,474	1,951,112	2,066,436
Improvements other than buildings	2,229,247	2,354,787	3,272,127	2,066,709	5,501,374	4,421,496
Equipment	864,004	900,029	105,621	108,302	969,625	1,008,331
Infrastructure	3,567,379	3,756,339	247,043	259,474	3,814,422	4,015,813
Work in process	384,597	49,227		1,320,206	384,597	1,369,433
<b>Total</b>	<b>\$ 18,978,871</b>	<b>\$ 18,731,347</b>	<b>\$ 4,706,530</b>	<b>\$ 5,514,093</b>	<b>\$ 23,685,401</b>	<b>\$ 24,245,440</b>

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

### Long-Term Debt

The Jail Fund accounts for resources obtained through assessing a certified rate on property taxes and used for the payment of principal and interest on long-term obligations and on general obligation bonds, and for operations of the jail. Although the Jail is accumulating funds to make debt payments, the bonds are general obligation debt. The amount of 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 \$753,000.

During the 2021 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 \$102,000 and \$42,000 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, 2021, their outstanding balance was \$514,000. The County also has several capital leases outstanding at December 31, 2021.

### Long-Term Debt (Continued)

The following table is a summary of Daggett County’s gross outstanding long-term debt as of December 31, 2021.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Compensated absences	\$ 64,935	\$ 52,448		
Net pension liability	74,239	302,173	\$ 4,037	14,470
Capital lease payable	3,615	43,318	63,117	77,942
GO Bond, Series 2015	753,000	867,000		
Revenue Bond, Series 2008A	102,000	136,000		
Revenue Bond, Series 2008B	42,000	56,000		
Revenue Bond, Series 2016			514,000	535,000
Total outstanding debt	<u>\$ 1,039,789</u>	<u>\$ 1,456,939</u>	<u>\$ 581,154</u>	<u>\$ 627,412</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**

The RDA and the County continue to negotiate land sales in the Town of Dutch John which in turn will bring in additional property tax revenue. Broadband is available in the county which will open other economic development opportunities as well. Inflation and the high fuel costs are a challenge along with limited housing. The County is observing a new interest in people wanting to own property and homes here in the county.

### **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, P.O. Box 219, Manila, Utah 84046 or [kpallesen@daggettcountry.org](mailto:kpallesen@daggettcountry.org).

**DAGGETT COUNTY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	PRIMARY GOVERNMENT		
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Cash and cash equivalents	\$ 3,599,692	\$ 412,642	\$ 4,012,334
Accounts receivable - net	284,905	23,167	308,072
Property taxes receivable	224,759		224,759
Sales taxes receivable	29,706		29,706
Due from other governmental units	149,907		149,907
Prepaid expenses	90,094		90,094
Inventory	11,950		11,950
Loan receivable - current		2,850	2,850
Cash and cash equivalents - restricted	4,479,065	98,393	4,577,458
Capital assets (net of accumulated depreciation):			
Land	9,100,612	1,077,197	10,177,809
Water rights	886,462		886,462
Infrastructure	3,567,379	247,043	3,814,422
Buildings	1,946,570	4,542	1,951,112
Improvements other than buildings	2,229,247	3,272,127	5,501,374
Machinery and Equipment	864,004	105,621	969,625
Work in progress	384,597		384,597
	\$ 27,848,949	\$ 5,243,582	\$ 33,092,531
Deferred outflows of resources related to pensions	\$ 233,747	\$ 12,710	\$ 246,457
Total assets and deferred outflows of resources	\$ 28,082,696	\$ 5,256,292	\$ 33,338,988

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

**DAGGETT COUNTY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	PRIMARY GOVERNMENT		
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
Accounts payable	\$ 226,830	\$ 18,973	\$ 245,803
Cash deficit	18,499		18,499
Bond interest payable	705	365	1,070
Unearned revenue	8,675		8,675
Capital lease payable - current	3,615	15,197	18,812
G.O. Bonds payable - current	117,000		117,000
Revenue Bonds payable - current	48,000	21,000	69,000
Capital lease payable - noncurrent		47,920	47,920
Revenue Bonds payable - noncurrent	96,000	493,000	589,000
G.O. Bonds payable - noncurrent	636,000		636,000
Compensated absences	64,935		64,935
Net pension liability	74,239	4,037	78,276
Total liabilities	\$ 1,294,498	\$ 600,492	\$ 1,894,990
Deferred inflows of resources related to pensions	\$ 309,047	\$ 16,805	\$ 325,852
Total liabilities and deferred inflows of resources	\$ 1,603,545	\$ 617,297	\$ 2,220,842
<u>NET POSITION</u>			
Net Investment in capital assets	\$ 18,078,256	\$ 4,227,806	\$ 22,306,062
Restricted for:			
Class "B" roads	682,832		682,832
Flaming Gorge Roads & Transportation S.S.D.	48,000		48,000
RDA	1,407,347		1,407,347
Forest Reserve	569,768		569,768
Noxious weed	23,719		23,719
SRS roads	142,398		142,398
VAWA	431		431
VOCA	9,635		9,635
State Beer Tax	31,141		31,141
Transient Room Tax	352,042		352,042
Rural Hospital Tax	648,938		648,938
Transportation Tax	68,683		68,683
Homeland Security	12,865		12,865
Assessing and Collecting	111,798		111,798
Trails Fund	10,064		10,064
Restaurant Tax	43,597		43,597
Jail Tax	193,396		193,396
Economic development	268,278		268,278
Debt Reserve		98,393	98,393
Unrestricted	3,775,963	312,796	4,088,759
Total net position	\$ 26,479,151	\$ 4,638,995	\$ 31,118,146

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

**DAGGETT COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Function/Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE & CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 1,096,021	\$ 197,468	\$ 15,000	\$	\$ (883,553)	\$	\$ (883,553)
Public safety	982,406	150,319	250,844	\$ 47,780	(533,463)		(533,463)
Public health	240,722	1,993			(238,729)		(238,729)
Highways & public improvements	1,092,690	9,164	718,363	299,108	(66,055)		(66,055)
Parks & recreation	60,056	14,040			(46,016)		(46,016)
Economic development	284,742		351,299		66,557		66,557
Interest on long-term debt	21,617				(21,617)		(21,617)
<b>Total governmental activities</b>	<b>\$ 3,778,254</b>	<b>\$ 372,984</b>	<b>\$ 1,335,506</b>	<b>\$ 346,888</b>	<b>\$ (1,722,876)</b>		<b>\$ (1,722,876)</b>
Business-type activities:							
Enterprise - Dutch John	\$ 392,438	\$ 344,566		\$ 40,000		\$ (7,872)	\$ (7,872)
Enterprise - Low income housing							
<b>Total business-type activities</b>	<b>\$ 392,438</b>	<b>\$ 344,566</b>	<b>\$</b>	<b>\$ 40,000</b>	<b>\$</b>	<b>\$ (7,872)</b>	<b>\$ (7,872)</b>
<b>Total primary government</b>	<b>\$ 4,170,692</b>	<b>\$ 717,550</b>	<b>\$ 1,335,506</b>	<b>\$ 386,888</b>	<b>\$ (1,722,876)</b>	<b>\$ (7,872)</b>	<b>\$ (1,730,748)</b>
General revenues:							
Property taxes					\$ 1,173,020		\$ 1,173,020
Sales and use taxes					146,416		146,416
County option and Medical Service sales taxes					74,285		74,285
Restaurant tax revenue					31,649		31,649
Transient room taxes					264,790		264,790
Rural hospital taxes					329,432		329,432
Payment in lieu of taxes					195,404		195,404
Motor fuel tax					36,323		36,323
Assessing and collecting					250,188		250,188
Mineral lease revenue					175,882		175,882
Unrestricted investment earnings					16,582	\$ 375	16,957
Miscellaneous					132,081		132,081
Gain/(loss) on sale of capital assets					336,749		336,749
<b>Total general revenues</b>					<b>\$ 3,162,801</b>	<b>\$ 375</b>	<b>\$ 3,163,176</b>
Change in net position					\$ 1,439,925	\$ (7,497)	\$ 1,432,428
Prior period adjustment					676,730	(676,730)	
<b>Net position - beginning</b>					<b>24,362,496</b>	<b>5,323,222</b>	<b>29,685,718</b>
<b>Net position - ending</b>					<b>\$ 26,479,151</b>	<b>\$ 4,638,995</b>	<b>\$ 31,118,146</b>

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

**DAGGETT COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	GENERAL FUND	FLAMING GORGE ROADS AND TRANSPORTATION SPECIAL SERVICE DISTRICT	RURAL HOSPITAL TAX	DAGGETT COUNTY REDEVELOPMENT AGENCY	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
Cash and cash equivalents	\$ 882,310	\$ 2,442,461			\$ 274,921	\$ 3,599,692
Restricted cash and cash equivalents	279	48,000	\$ 696,846	\$ 1,415,345	2,318,595	4,479,065
Account receivable (net)	101,962	62,354		12	120,577	284,905
Property taxes receivable	166,380				58,379	224,759
Sales tax receivable	29,706					29,706
Due from other governments	26,913		30,810		92,184	149,907
Inventory		11,950				11,950
Prepaid expenses	88,309			1,785		90,094
Total assets	<u>\$1,295,859</u>	<u>\$ 2,564,765</u>	<u>\$ 727,656</u>	<u>\$ 1,417,142</u>	<u>\$ 2,864,656</u>	<u>\$ 8,870,078</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 72,783	\$ 436	\$ 78,718	\$ 1,120	\$ 73,773	\$ 226,830
Cash in deficit					18,499	18,499
Unearned revenue				8,675		8,675
Total liabilities	<u>\$ 72,783</u>	<u>\$ 436</u>	<u>\$ 78,718</u>	<u>\$ 9,795</u>	<u>\$ 92,272</u>	<u>\$ 254,004</u>
Fund balances:						
Nonspendable:						
Inventory		\$ 11,950				\$ 11,950
Prepays	\$ 88,309					88,309
Restricted for:						
Class "B" Road					\$ 682,832	682,832
Flaming Gorge Roads & Transportation S.S.D.		48,000				48,000
Redevelopment Agency				\$ 1,407,347		1,407,347
Forest Reserve					569,768	569,768
Noxious weed					23,719	23,719
SRS roads					142,398	142,398
VAWA					431	431
VOCA					9,635	9,635
Beer Tax					31,141	31,141
Transient Room Tax					352,042	352,042
Rural Hospital Tax			\$ 648,938			648,938
Homeland Security					12,865	12,865
Assessing and Collecting					111,798	111,798
Trails fund					10,064	10,064
Transportation Tax					68,683	68,683
Restaurant Tax					43,597	43,597
Jail Fund					193,396	193,396
Economic development					268,278	268,278
Assigned for:						
Special Revenue		60,408			53,794	114,202
Debt Service		163,413				163,413
Capital Projects		2,280,558			197,943	2,478,501
Unassigned	1,134,767					1,134,767
Total fund balances	<u>\$1,223,076</u>	<u>\$ 2,564,329</u>	<u>\$ 648,938</u>	<u>\$ 1,407,347</u>	<u>\$ 2,772,384</u>	<u>\$ 8,616,074</u>
Total liabilities and fund balances	<u>\$1,295,859</u>	<u>\$ 2,564,765</u>	<u>\$ 727,656</u>	<u>\$ 1,417,142</u>	<u>\$ 2,864,656</u>	<u>\$ 8,870,078</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, 2021**

Total fund balances - governmental fund types: \$ 8,616,074

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	\$ 9,100,612	
Water rights	886,462	
Infrastructure	1,946,570	
Buildings	2,229,247	
Improvements other than buildings	864,004	
Machinery and equipment	3,567,379	
Work in progress	<u>384,597</u>	
Total		18,978,871

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	\$ (705)	
Capital lease - current portion	(3,615)	
G.O. bonds payable - current portion	(117,000)	
G.O. bonds payable - due in more than one year	(636,000)	
Revenue bonds payable - current portion	(48,000)	
Revenue bonds payable - due in more than one year	(96,000)	
Net pension liability	(74,239)	
Deferred inflows of resources related to pensions	(309,047)	
Deferred outflows of resources related to pensions	233,747	
Compensated absences	<u>(64,935)</u>	
Total		<u>(1,115,794)</u>

Net position of government activities \$ 26,479,151

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	GENERAL FUND	FLAMING GORGE ROADS AND TRANSPORTATION SPECIAL SERVICE DISTRICT	RURAL HOSPITAL TAX	DAGGETT COUNTY REDEVELOPMENT AGENCY	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>						
Taxes	\$ 1,252,513		\$ 329,432		\$ 724,157	\$ 2,306,102
Licenses and permits	46,568					46,568
Intergovernmental revenues	538,644	\$ 173,423			1,359,351	2,071,418
Charges for services	220,138				23,872	244,010
Fines and forfeitures	67,672					67,672
Interest income	7,053	7,574		\$ 1,955		16,582
Miscellaneous revenues	85,329	98		31,200	11,944	128,571
<b>Total revenues</b>	<b>\$ 2,217,917</b>	<b>\$ 181,095</b>	<b>\$ 329,432</b>	<b>\$ 33,155</b>	<b>\$ 2,119,324</b>	<b>\$ 4,880,923</b>
<b>EXPENDITURES:</b>						
Current:						
General government	\$ 1,021,999				\$ 363,752	\$ 1,385,751
Public safety	792,349				59,129	851,478
Public health	9,315		\$ 231,407			240,722
Highways & public improvement	7,414	\$ 13,361			793,872	814,647
Parks & recreation					40,323	40,323
Economic development	6,372			\$ 14,335	261,081	281,788
Capital outlay					331,352	331,352
Debt service:						
Principal retirement	31,563	48,000			122,140	201,703
Interest and fiscal charges					21,617	21,617
<b>Total expenditures</b>	<b>\$ 1,869,012</b>	<b>\$ 61,361</b>	<b>\$ 231,407</b>	<b>\$ 14,335</b>	<b>\$ 1,993,266</b>	<b>\$ 4,169,381</b>
<b>Excess revenues over (under) expenditures</b>	<b>\$ 348,905</b>	<b>\$ 119,734</b>	<b>\$ 98,025</b>	<b>\$ 18,820</b>	<b>\$ 126,058</b>	<b>\$ 711,542</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Sale of capital assets						
Transfers in	\$ 5,644			\$ 569,319	\$ 224,159	\$ 793,478
Transfers out	(152,115)				160,499	166,143
					(14,028)	(166,143)
<b>Total other financing sources (uses)</b>	<b>\$ (146,471)</b>	<b>\$ ...</b>	<b>\$ ...</b>	<b>\$ 569,319</b>	<b>\$ 370,630</b>	<b>\$ 793,478</b>
<b>Excess of revenues and other sources over (under) expenditures and other us</b>	<b>\$ 202,434</b>	<b>\$ 119,734</b>	<b>\$ 98,025</b>	<b>\$ 588,139</b>	<b>\$ 496,688</b>	<b>\$ 1,505,020</b>
<b>FUND BALANCES - beginning of year</b>	<b>1,020,642</b>	<b>2,444,595</b>	<b>550,913</b>	<b>819,208</b>	<b>2,275,696</b>	<b>7,111,054</b>
<b>FUND BALANCES - end of year</b>	<b>\$ 1,223,076</b>	<b>\$ 2,564,329</b>	<b>\$ 648,938</b>	<b>\$ 1,407,347</b>	<b>\$ 2,772,384</b>	<b>\$ 8,616,074</b>

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

**DAGGETT COUNTY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

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

Net changes in fund balances - total governmental funds	\$	1,505,020
<p>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 (\$639,704) did not exceed capital outlay (\$666,722) in the period.</p>		
		27,018
<p>In the statement of activities, only the gain or 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.</p>		
		(455,572)
<p>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.</p>		
Change in interest payable	\$	(325)
Retirement of long-term debt		162,000
Capital lease financing		<u>39,703</u>
Total		201,378
<p>As net pension assets, liabilities and deferred inflows and outflows change during the year it has the affect of increasing or decreasing 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.</p>		
		174,568
<p>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).</p>		
		<u>(12,487)</u>
Change in net position of governmental activities	\$	<u><u>1,439,925</u></u>

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

**DAGGETT COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2021**

	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	\$ 356,227	\$ 56,415	\$ 412,642
Accounts receivable (net of allowance)	23,167		23,167
Loan receivable - current		2,850	2,850
	\$ 379,394	\$ 59,265	\$ 438,659
Noncurrent assets:			
Restricted cash and cash equivalents	\$ 98,393		\$ 98,393
Capital Assets:			
Land	1,077,197		1,077,197
Infrastructure	372,927		372,927
Buildings	13,978		13,978
Improvements	4,277,486		4,277,486
Machinery and equipment	184,791		184,791
Less accumulated depreciation	(1,219,849)		(1,219,849)
	\$ 4,804,923	\$ ...	\$ 4,804,923
Total noncurrent assets	\$ 4,804,923	\$ ...	\$ 4,804,923
Total assets	\$ 5,184,317	\$ 59,265	\$ 5,243,582
Deferred outflows of resources:			
Deferred outflows - related to pensions	\$ 12,710		\$ 12,710
Total deferred outflows of resources	\$ 12,710	\$ ...	\$ 12,710
Total assets and deferred outflows of resources	\$ 5,197,027	\$ 59,265	\$ 5,256,292

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

**DAGGETT COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2021**

	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	\$ 18,973		\$ 18,973
Bonds interest payable	365		365
Current portion - capital lease	15,197		15,197
Current portion - long-term debt	21,000		21,000
Total current liabilities	\$ 55,535	\$ ...	\$ 55,535
Noncurrent Liabilities:			
Capital lease payable	\$ 47,920		\$ 47,920
Net pension liability	4,037		4,037
Revenue bonds payable	493,000		493,000
Total noncurrent liabilities	\$ 544,957	\$ ...	\$ 544,957
Total liabilities	\$ 600,492	\$ ...	\$ 600,492
Deferred inflows of resources:			
Deferred inflows- related to pensions	\$ 16,805		\$ 16,805
Total deferred inflows of resources	\$ 16,805	\$ ...	\$ 16,805
Total liabilities and deferred inflows of resources	\$ 617,297	\$ ...	\$ 617,297
<u>NET POSITION</u>			
Net Position			
Net Investment in capital assets	\$ 4,227,806		\$ 4,227,806
Restricted	98,393		98,393
Unrestricted	253,531	\$ 59,265	312,796
Total net position	\$ 4,579,730	\$ 59,265	\$ 4,638,995

"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, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS		
	DUTCH JOHN ENTERPRISE	NON-MAJOR LOW INCOME HOUSING	TOTAL BTAs
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Operating Revenues:			
Charges for services	\$ 341,706		\$ 341,706
Miscellaneous	2,860		2,860
	<u>                    </u>		<u>                    </u>
Total operating revenues	\$ 344,566	\$ ...	\$ 344,566
	<u>                    </u>		<u>                    </u>
Operating Expenses:			
Salaries, wages and benefits	\$ 112,085		\$ 112,085
Administration costs	13,000		13,000
Insurance	7,452		7,452
Repairs & Maintenance	4,325		4,325
Supplies	4,868		4,868
Contractual services	46,515		46,515
Utilities	35,458		35,458
Travel	744		744
Fuel	4,745		4,745
Water Treatment & Distribution	24,801		24,801
Sewer Treatment & Collection	3,591		3,591
Miscellaneous	2,151		2,151
Depreciation	130,832		130,832
	<u>                    </u>		<u>                    </u>
Total operating expenses	\$ 390,567	\$ ...	\$ 390,567
	<u>                    </u>		<u>                    </u>
Operating income (loss)	\$ (46,001)	\$ ...	\$ (46,001)
	<u>                    </u>		<u>                    </u>
Nonoperating Revenues (Expenses):			
Water grant	\$ 40,000		\$ 40,000
Interest expense	(1,871)		(1,871)
Interest income	340	\$ 35	375
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total nonoperating revenues (expenses)	\$ 38,469	\$ 35	\$ 38,504
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Change in net position	\$ (7,532)	\$ 35	\$ (7,497)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total net position - beginning	5,263,992	59,230	5,323,222
Prior period adjustment	(676,730)		(676,730)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total net position - ending	<u>\$ 4,579,730</u>	<u>\$ 59,265</u>	<u>\$ 4,638,995</u>

"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, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	DUTCH JOHN ENTERPRISE	NON-MAJOR LOW INCOME HOUSING	TOTAL BTA's
<b>Cash Flows From Operating Activities:</b>			
Cash receipts from customers	\$ 342,865		\$ 342,865
Cash payments to suppliers	(169,914)		(169,914)
Cash payments to employees	(132,473)		(132,473)
	\$ 40,478	\$ ...	\$ 40,478
<b>Cash Flows From Noncapital Financing Activities:</b>			
Promissory note		\$ 21,499	
	\$ ...	\$ 21,499	\$ ...
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Capital grant	\$ 40,000		\$ 40,000
Acquisition of capital assets	(14,909)		(14,909)
Principal paid on revenue bonds	(21,000)		(21,000)
	\$ 4,091	\$ ...	\$ 4,091
<b>Cash Flows From Investing Activities:</b>			
Interest and dividends received	\$ (1,531)		\$ (1,531)
	\$ (1,531)	\$ ...	\$ (1,531)
Net increase (decrease) in cash and cash equivalents	\$ 43,038	\$ 21,499	\$ 43,038
Cash and cash equivalents, January 1	411,582	34,916	446,498
Cash and cash equivalents, December 31	\$ 454,620	\$ 56,415	\$ 489,536
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (46,001)		\$ (46,001)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 130,832		\$ 130,832
(Increase) Decrease in accounts receivable	(1,701)		(1,701)
(Increase) Decrease in deferred outflows of resources	(2,551)		(2,551)
Increase (Decrease) in accounts payable	(35,264)		(35,264)
Increase (Decrease) in net pension liabilities	(10,433)		(10,433)
Increase (Decrease) in deferred inflows of resources	5,596		5,596
	\$ 86,479	\$ ...	\$ 86,479
Net cash provided (used) by operating activities	\$ 40,478	\$ ...	\$ 40,478
<b>Noncash Investing, Capital and Financing Activities:</b>			

"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, 2021**

	<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	\$ 1,001	\$ 17,142	\$ 10,865	\$ 185,405	\$ 214,413
Other current asset				\$ 4,016	\$ 4,016
Total assets	\$ 1,001	\$ 17,142	\$ 10,865	\$ 189,421	\$ 218,429
<u>LIABILITIES</u>					
Accounts payable		\$ 8,740			\$ 8,740
Due to other individuals or agencies	\$ 1,001	8,402	\$ 10,865		20,268
Due taxing units				\$ 189,421	344,285
Total liabilities	\$ 1,001	\$ 17,142	\$ 10,865	\$ 189,421	\$ 373,293

"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, 2021**

	Balance at December 31, 2020	ADDITIONS	DEDUCTIONS	Balance at December 31, 2021
<b>EMT FUNDRAISING</b>				
Assets - Cash & cash equivalents	\$ 1,200	\$ 567	\$ 766	\$ 1,001
Liabilities - Due other agencies	\$ 1,200	\$ 567	\$ 766	\$ 1,001
<b>COURT FINES</b>				
Assets - Cash & cash equivalents	\$ 8,485	\$ 90,686	\$ 82,029	\$ 17,142
Liabilities - Due other agencies and others	\$ 8,485	\$ 90,686	\$ 82,029	\$ 17,142
<b>BAIL</b>				
Assets - Cash & cash equivalents	\$ 9,335	\$ 2,013	\$ 483	\$ 10,865
Liabilities - Due other agencies and others	\$ 9,335	\$ 2,013	\$ 483	\$ 10,865
<b>TREASURER - COUNTY</b>				
Assets - Cash & cash equivalents	\$ 344,285	\$ 4,067,507	\$ 4,222,371	\$ 189,421
Liabilities - Due other agencies and others	\$ 344,285	\$ 4,067,507	\$ 4,222,371	\$ 189,421
<b>TOTAL - ALL AGENCY FUNDS</b>				
Assets - Cash & cash equivalents	\$ 363,305	\$ 4,160,206	\$ 4,304,883	\$ 218,628
Liabilities - Due other agencies and others	\$ 363,305	\$ 4,160,206	\$ 4,304,883	\$ 218,628

"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, 2021**

**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.

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 \$64,935 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, 2021 was as follows:

	<u>BEGINNING</u> <u>BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING</u> <u>BALANCE</u>
<b>Primary Government</b>				
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 8,723,541	\$ 677,235	\$ (300,164)	\$ 9,100,612
Rights of Way	886,462			886,462
Work in Progress	49,227	335,370		384,597
Total capital assets not being depreciated	<u>\$ 9,659,230</u>	<u>\$ 1,012,605</u>	<u>\$ (300,164)</u>	<u>\$ 10,371,671</u>
Capital assets being depreciated:				
Buildings	\$ 5,019,663	\$ 7,292		\$ 5,026,955
Improvements other than buildings	3,322,753			3,322,753
Machinery and equipment	3,579,733	324,060	\$ 288,441	3,615,352
Infrastructure	8,847,293			8,847,293
Total capital assets being depreciated	<u>\$ 20,769,442</u>	<u>\$ 331,352</u>	<u>\$ 288,441</u>	<u>\$ 20,812,353</u>
Less accumulated depreciation for:				
Buildings	\$ 2,958,701	\$ 121,684		\$ 3,080,385
Improvements other than buildings	967,966	125,540		1,093,506
Machinery and equipment	2,679,704	203,520	\$ 131,876	2,751,348
Infrastructure	5,090,954	188,960		5,279,914
Total accumulated depreciation	<u>\$ 11,697,325</u>	<u>\$ 639,704</u>	<u>\$ 131,876</u>	<u>\$ 12,205,153</u>
Total capital assets, being depreciated, net	<u>\$ 9,072,117</u>	<u>\$ (308,352)</u>	<u>\$ (156,565)</u>	<u>\$ 8,607,200</u>
Governmental activities capital assets, net	<u>\$ 18,731,347</u>	<u>\$ 704,253</u>	<u>\$ 143,599</u>	<u>\$ 18,978,871</u>

2. **CAPITAL ASSETS (Continued)**

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,753,928		\$ 676,731	\$ 1,077,197
Construction in progress	1,320,206		1,320,206	
Total capital assets not being depreciated	<u>\$ 3,074,134</u>	<u>\$ ...</u>	<u>\$ 1,996,937</u>	<u>\$ 1,077,197</u>
Capital assets being depreciated:				
Buildings	\$ 13,978			\$ 13,978
Improvements other than buildings	2,975,332	\$ 1,302,154		4,277,486
Machinery and equipment	166,739	18,052		184,791
Infrastructure	372,927			372,927
Total capital assets being depreciated	<u>\$ 3,528,976</u>	<u>\$ 1,320,206</u>	<u>\$ ...</u>	<u>\$ 4,849,182</u>
Less accumulated depreciation for:				
Buildings	\$ 8,504	\$ 932		\$ 9,436
Improvements other than buildings	908,623	96,736		1,005,359
Machinery and equipment	58,437	20,733		79,170
Infrastructure	113,453	12,431		125,884
Total accumulated depreciation	<u>\$ 1,089,017</u>	<u>\$ 130,832</u>	<u>\$ ...</u>	<u>\$ 1,219,849</u>
Total capital assets, being depreciated, net	<u>\$ 2,439,959</u>	<u>\$ 1,189,374</u>	<u>\$ ...</u>	<u>\$ 3,629,333</u>
Business-type activities capital assets, net	<u>\$ 5,514,093</u>	<u>\$ 1,189,374</u>	<u>\$ 1,996,937</u>	<u>\$ 4,706,530</u>
Depreciation expense was charged to functions/programs of the primary government as follows:				
Governmental activities:				
General government			\$ 168,167	
Public safety			170,807	
Highways and public improvements			291,404	
Community & economic development			9,326	
Total depreciation expense - governmental activities			<u>\$ 639,704</u>	
Business-type activities:				
Enterprise - Dutch John			<u>\$ 130,832</u>	
Total depreciation expense - Business-Type Activities			<u>\$ 130,832</u>	
Total depreciation expense			<u><u>\$ 770,536</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
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	131,000	5,438	136,438	21,000		21,000
2027-2031	133,000	2,739	135,739	107,000		107,000
2032-2036				108,000		108,000
2037-2041				107,000		107,000
2042-2045				87,000		87,000
	<u>\$ 897,000</u>	<u>\$ 61,702</u>	<u>\$ 958,702</u>	<u>\$ 514,000</u>	<u>\$ ...</u>	<u>\$ 514,000</u>

**General Obligation Bonds** – General Obligation Bonds payable at December 31, 2021, 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%.

\$753,000

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

**Mineral Lease and Water Revenue Bonds** – Mineral Lease and Water Revenue Bonds payable at December 31, 2021, 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. \$ 102,000

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. \$ 42,000

Business-Type Activities:

**Water Revenue Bonds** – Water Revenue Bonds payable at December 31, 2021, 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. \$ 514,000

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

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bond payable:					
General obligation bonds	\$ 867,000		\$ (114,000)	\$ 753,000	\$ 117,000
Revenue bonds	192,000		(48,000)	144,000	48,000
Capital leases	43,318		(39,703)	3,615	3,615
Compensated absences	52,448	\$ 12,487		64,935	
Net pension liability	302,173		(227,934)	74,239	
	<u>302,173</u>		<u>(227,934)</u>	<u>74,239</u>	
Governmental activities long-term liabilities	<u>\$ 1,456,939</u>	<u>\$ 12,487</u>	<u>\$ (429,637)</u>	<u>\$ 1,039,789</u>	<u>\$ 168,615</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 535,000		\$ (21,000)	\$ 514,000	\$ 21,000
Capital leases	77,942		(14,825)	63,117	15,197
Net pension liability	14,470		(10,433)	4,037	
	<u>14,470</u>		<u>(10,433)</u>	<u>4,037</u>	
Business-type activities long-term liabilities	<u>\$ 627,412</u>	<u>\$ ...</u>	<u>\$ (46,258)</u>	<u>\$ 581,154</u>	<u>\$ 36,197</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, 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>\$ 753,000</u>	<u>\$ 61,703</u>	<u>\$ 814,703</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, 2022	\$ 34,000		\$ 34,000
April 1, 2023	34,000		34,000
April 1, 2024	34,000		34,000
Total	<u>\$ 102,000</u>	<u>\$ ...</u>	<u>\$ 102,000</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, 2022	\$ 14,000		\$ 14,000
April 1, 2023	14,000		14,000
April 1, 2024	14,000		14,000
Total	<u>\$ 42,000</u>	<u>\$ ...</u>	<u>\$ 42,000</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:

Principal Payment Date	Principal	Interest	Total
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>\$ 514,000</u>	<u>\$ ...</u>	<u>\$ 514,000</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>(154,651)</u>	<u>(9,744)</u>
Net assets	<u>\$ 113,357</u>	<u>\$ 68,198</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021 were as follows:

<u>Years Ending December 31,</u>	<u>Governmental Activities</u>	<u>Enterprise Activities</u>
2022	\$ 3,615	\$ 16,782
2023		16,782
2024		16,781
2025		<u>16,781</u>
Total minimum lease payments	\$ 3,615	\$ 67,126
Less: amount representing interest		<u>(4,009)</u>
Present value of minimum lease payments	<u>\$ 3,615</u>	<u>\$ 63,117</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, 2021, the County's bank balance of cash on deposit was \$5,318,902 of this amount \$500,000 was insured but uncollateralized. There was \$4,818,902 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, 2021, the County had the following recurring fair value measurements:

Investment by Fair Value Level	Fair Value Measurements Using			
	12/31/21	Level 1	Level 2	Level 3
Debt/Equity Securities				
Money Market Mutual Funds	\$ 1,946,092		\$ 1,946,092	
State of Utah Public				
Treasurer's Investment Fund	2,131,559		2,131,559	
	<u>\$ 4,077,651</u>	<u>\$ ...</u>	<u>\$ 4,077,651</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, 2021 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, 2021, 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, 2021, 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	\$ 1,946,092	\$ 1,946,092			
	2,131,559	2,131,559			
Total Investments	<u>\$ 4,077,651</u>	<u>\$ 4,077,651</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, 2021, 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	\$ 1,946,092				\$ 1,946,092
	2,131,559				2,131,559
Total Investments	<u>\$ 4,077,651</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 4,077,651</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, 2021, the County had \$2,131,559 invested in the Public Treasurer's Investment Fund and was held by them. The County also had \$1,946,092 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;

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.

**6. PENSION PLANS (Continued)**

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](http://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 upon employer
		20 years, any age		
		10 years, age 60		
		4 years, age 65		
Tier 2 Public Employees System	Highest 5 Years	35 years, any age	1.50% per year all years	Up to 2.5%
		20 years, age 60*		
		10 years, age 62*		
		4 years, age 65		

\* 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, 2021 are as follows:

	Employee	Employer	Employer 401(k)
<b>Contributory System</b>			
111 Local Government Div - Tier 2	N/A	16.07	0.62
<b>Noncontributory System</b>			
15 Local Governmental Div - Tier 1	N/A	18.47	N/A
<b>Public Safety System</b>			
<b>Contributory</b>			
122 Tier 2 DB Hybrid Public Safety	2.27	25.83	N/A
<b>Noncontributory</b>			
43 Other Div A with 2.5% COLA	N/A	34.04	N/A
<b>Tier 2 DC Only</b>			
211 Local Government	N/A	6.69	10.00
222 Public Safety	N/A	11.83	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, 2021, the employer and employee contributions to the Systems were as follows:

<b>System</b>	<b>Employer Contributions</b>	<b>Employee Contributions</b>
Noncontributory System	\$ 79,390	N/A
Public Safety System	19,259	
Tier 2 Public Employees System	43,641	
Tier 2 Public Safety and Firefighter	5,739	\$ 504
Tier 2 DC Only System	11,972	N/A
Total Contributions	\$ 160,001	\$ 504

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, 2021, we reported a net pension asset of \$0 and a net pension liability of \$78,276.

	<u>(Measurement Date): December 31, 2020</u>			Proportionate Share	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share	December 31, 2019	
Noncontributory System		\$ 30,939	0.0603169%	0.0537240%	0.0065929 %
Public Safety System		45,383	0.0546625%	0.0678693%	(0.0132068)%
Tier 2 Public Employees System		1,954	0.0135864%	0.0155785%	(0.0019921)%
Tier 2 Public Safety and Firefighter				0.0179364%	(0.0179364)%
	\$ ...	\$ 78,276			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020, 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, 2021, we recognized pension expense of (\$22,057).

6. **PENSION PLANS (Continued)**

At December 31, 2021 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 51,659	\$ 939
Changes in assumptions	2,472	5,409
Net difference between projected and actual earnings on pension plan investments		290,276
Changes in proportion and differences between contributions and proportionate share of contributions	32,324	29,228
Contributions subsequent to the measurement date	<u>160,001</u>	
Total	<u>\$ 246,456</u>	<u>\$ 325,852</u>

\$160,001 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, 2020.

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>
2021	\$ (73,386)
2022	(25,606)
2023	(98,537)
2024	(47,407)
2025	823
Thereafter	4,717

6. **PENSION PLANS (Continued)**

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

For the year ended December 31, 2021, we recognized pension expense of \$13,831

At December 31, 2021, 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	\$ 41,507	
Changes in assumptions		\$ 4,047
Net difference between projected and actual earnings on pension plan investments		225,919
Changes in proportion and differences between contributions and proportionate share of contributions	24,015	5,007
Contributions subsequent to the measurement date	<u>79,390</u>	
Total	<u>\$ 144,912</u>	<u>\$ 234,973</u>

\$79,390 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, 2020.

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>
2021	\$ (43,896)
2022	(11,840)
2023	(76,259)
2024	(37,455)
2025	
Thereafter	

6. **PENSION PLANS (Continued)**

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

For the year ended December 31, 2021, we recognized pension expense of (\$55,176).

At December 31, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,353	\$ 44
Changes in assumptions		1,291
Net difference between projected and actual earnings on pension plan investments		58,645
Changes in proportion and differences between contributions and proportionate share of contributions		21,223
Contributions subsequent to the measurement date	<u>19,259</u>	
Total	<u>\$ 27,612</u>	<u>\$ 81,203</u>

\$19,259 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, 2020.

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>
2021	\$ (28,672)
2022	(13,348)
2023	(21,108)
2024	(9,722)
2025	
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, 2021, we recognized pension expense of \$19,107.

At December 31, 2021, 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	\$ 1,799	\$ 895
Changes in assumptions	2,472	71
Net difference between projected and actual earnings on pension plan investments		5,712
Changes in proportion and differences between contributions and proportionate share of contributions	2,681	
Contributions subsequent to the measurement date	55,613	
	<hr/>	
Total	\$ 62,565	\$ 6,678

\$55,613 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, 2020.

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>
2021	\$ (999)
2022	(598)
2023	(1,351)
2024	(411)
2025	642
Thereafter	2,990

6. **PENSION PLANS (Continued)**

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

For the year ended December 31, 2021, we recognized pension expense of 181.

At December 31, 2021, 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		
Changes in assumptions		
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 5,628	\$ 2,998
Contributions subsequent to the measurement date	5,739	
	<hr/>	<hr/>
Total	<u>\$ 11,367</u>	<u>\$ 2,998</u>

\$5,739 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, 2020.

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>
2021	\$ 181
2022	181
2023	181
2024	181
2025	181
Thereafter	1,727

6. **PENSION PLANS (Continued)**

**Actuarial Assumptions**

The total pension liability in the December 31, 2020, 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 an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based on gender, occupation and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	37.00%	6.30%	2.33%
Debt securities	20.00%	0.00%	0.00%
Real assets	15.00%	6.19%	0.93%
Private equity	12.00%	9.50%	1.14%
Absolute return	16.00%	2.75%	0.44%
Cash and cash equivalents	0.00%	0.00%	0.00%
Totals	100%		4.84%
		Inflation	2.50%
		Expected arithmetic nominal return	7.34%

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 (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate:

<b>System</b>	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 536,392	\$ 30,939	\$ (390,432)
Public Safety System	191,600	45,383	(73,345)
Tier 2 Public Employees System	32,882	1,954	(21,705)
Total	\$ 760,874	\$ 78,276	\$ (485,482)

\*\*\*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 31st were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>401(k) Plan</b>			
Employer Contributions	\$ 24,520	\$ 20,674	\$ 15,810
Employee Contributions	9,002	8,536	12,809
<b>457 Plan</b>			
Employer Contributions			
Employee Contributions	\$ 1,198	\$ 1,147	\$ 842
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 2,880	\$ 3,120	\$ 3,120

7. **CONTINGENT LIABILITIES**

Litigation

Currently, there is one legal action, still pending, 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, 2021, 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	Redevelop- ment Agency	Flaming Gorge Roads and Transportation SS District	Dutch John Proprietary Fund	Rural Hospital Tax	Nonmajor Govt Funds	Total
Receivables:							
Taxes	\$ 166,380					\$ 58,379	\$ 224,759
Accounts	101,962	\$ 12	\$ 62,354	\$ 35,114		120,577	320,019
Sales tax	29,706						29,706
Due from other governments	26,913				\$ 30,810	92,184	149,907
Gross receivables	\$ 324,961	\$ 12	\$ 62,354	\$ 35,114	\$ 30,810	\$ 271,140	\$ 724,391
Less: Allowance for uncollectible accounts				(11,947)			(11,947)
Net receivables	<u>\$ 324,961</u>	<u>\$ 12</u>	<u>\$ 62,354</u>	<u>\$ 23,167</u>	<u>\$ 30,810</u>	<u>\$ 271,140</u>	<u>\$ 712,444</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:

\$23,719 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.

\$142,398 has been restricted in the SRS Fund for the purpose of maintaining, improving, repairing or replacing roads in Daggett County.

\$682,832 has been reserved in the “B” Road Fund for the purpose of maintaining, improving, repairing or replacement of “B” roads in Daggett County.

\$1,407,347 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)**

\$68,683 has been restricted in the Transportation fund through a special tax to be used for the improvement and construction of transportation related assets.

\$9,635 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.

\$31,141 this is fund received through the State of Utah Liquor Fund Allotment to be used by law enforcement departments in policing alcohol related offences.

\$569,768 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.

\$352,042 has been restricted in the Transient Room Tax Fund to be used for the purpose of promoting tourism and improvement of related facilities.

\$648,938 Rural Hospital Tax has been restricted to provide medical assistance in many different areas of the State of Utah for rural communities.

\$12,865 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.

\$111,798 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.

\$10,064 has been restricted in the Trails Fund, which was received from a grant to be used for improvement of trails.

\$43,597 has been restricted in the Restaurant Tax Fund. These funds are restricted to special uses as outlined by the type of tax imposed.

\$193,396 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.

\$268,278 has been restricted in the Economic Development fund. These funds are restricted to special uses as outlined by the type of tax imposed.

\$98,393 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, 2021, the County had no unfavorable budget variance when comparing their budget to actual. See Schedules 1 through 5 for more information.

**14. OFF BALANCE SHEET RISK**

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

**15. RECONCILIATION OF INTERFUND TRANSFERS**

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

	<u>Transfers In:</u>		
	<u>Nonmajor Governmental Funds</u>	<u>General Fund</u>	<u>Total Out</u>
Transfer Out:			
General Fund		\$ (152,115)	\$ (152,115)
Nonmajor funds	\$ 152,115		152,115
	<u>\$ 152,115</u>	<u>\$ (152,115)</u>	<u>\$ ...</u>

There were several transfers of funds during the year. The General Fund transferred \$152,115 to several nonmajor governmental funds to help cover the expenses of these funds. Also the Dam Security transferred \$4,617 and the Transient Room Tax Fund transferred \$8,385 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           \$4,577,458

The restricted cash and cash equivalents represent \$279 of sheriff funds held in the general fund, \$48,000 of money restricted held in the Flaming Gorge Fund restricted for a debt reserve. They have restricted \$1,415,345 in the Dutch John Redevelopment Agency to be used for allowable expenditures within the Agency’s boundaries. There has been \$98,393 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 \$696,846. 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 \$2,318,595 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 \$819,000 at December 31, 2021.

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

Daggett County has restricted \$98,393 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 \$98,393 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.

**21. PRIOR PERIOD ADJUSTMENT**

Land of \$676,730 was reclassified from an enterprise fund to a governmental fund.

# **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, 2021**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Taxes:				
Property taxes - current	\$ 960,000	\$ 971,100	\$ 1,007,695	\$ 36,595
Property taxes - delinquent	50,000	50,000	7,355	(42,645)
Fees-in-lieu of personal property tax	68,000	68,000	9,792	(58,208)
Sales and use taxes	117,000	117,000	146,417	29,417
County option sales tax	78,000	78,000	74,285	(3,715)
Motor fuel tax reimbursement	5,000	5,000	6,969	1,969
	<u>\$ 1,278,000</u>	<u>\$ 1,289,100</u>	<u>\$ 1,252,513</u>	<u>\$ (36,587)</u>
Total taxes				
Licenses and permits:				
Business licenses and permits	\$ 9,000	\$ 9,000	\$ 8,308	\$ (692)
Building, structures, and equipment licenses	22,000	37,500	37,661	161
Marriage licenses	200	250	249	(1)
Conditional Use Permit		350	350	
	<u>\$ 31,200</u>	<u>\$ 47,100</u>	<u>\$ 46,568</u>	<u>\$ (532)</u>
Total licenses and permits				
Intergovernmental:				
Federal PILT	\$ 144,000	\$ 150,000	\$ 148,283	\$ (1,717)
State PILT		38,000	37,755	(245)
Mineral Lease SITLA land exchange		800	2,459	1,659
Secure Rural Schools - Title III	14,000	14,000	4,621	(9,379)
Wild life Reserve PILT	4,683	4,683	9,366	4,683
EMS grant	21,750	148,000	147,060	(940)
CARES Act grant		102,263	15,000	(87,263)
CEM/FEMA	32,500	38,400	64,100	25,700
ARPA funding			92,263	92,263
Elections reimbursement	15,900	17,900	17,737	(163)
	<u>\$ 232,833</u>	<u>\$ 514,046</u>	<u>\$ 538,644</u>	<u>\$ 24,598</u>
Total intergovernmental revenue				
Charges for services:				
Administration costs	\$ 39,200	\$ 32,020	\$ 29,700	\$ (2,320)
District court contract	40,000	40,000	39,349	(651)
Recording legal documents	21,000	23,000	23,711	711
Motor vehicle contract			38,666	38,666
SISK	25,000	43,000	43,000	
Sheriff's Office service charges	1,000	1,000	635	(365)
Sheriff's Office - report request	300	300	140	(160)
Property records On-line fees	3,600	7,600	7,575	(25)
Bailiff contract	200	200	47	(153)
Ambulance	35,000	35,000	33,376	(1,624)
Miscellaneous fees		300	249	(51)
Cemetery charges	5,500	6,300	3,690	(2,610)
	<u>\$ 170,800</u>	<u>\$ 188,720</u>	<u>\$ 220,138</u>	<u>\$ 31,418</u>
Total charges for services				

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, 2021**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Fines and forfeitures:				
Court fines	\$ 29,400	\$ 57,000	\$ 58,149	\$ 1,149
Security surcharge	2,000	6,000	9,523	3,523
Total fines and forfeitures	\$ 31,400	\$ 63,000	\$ 67,672	\$ 4,672
Miscellaneous:				
Interest income	\$ 22,500	\$ 22,500	\$ 7,053	\$ (15,447)
Office/Home rental	4,800	37,400	35,010	(2,390)
Admin costs - tax sale	2,000			
Sundry revenue	4,000	8,000	19,029	11,029
Capital asset sales	45,000	45,000	8,088	(36,912)
Filing fees - elections		100	50	(50)
GIS subscription/tax roll	600	600	400	(200)
Scale charges	400	400	67	(333)
Food Pantry reimbursement	2,900	2,900	1,993	(907)
Insurance reimbursement	4,000	10,000	9,665	(335)
Passport fees		300	210	(90)
Rodeo arena/lights			2,000	2,000
Weed & mosquito spraying	14,000	14,000	7,767	(6,233)
Zions credit card rebate	500	1,000	900	(100)
Newsletter advertisements		200	150	(50)
Total miscellaneous	\$ 100,700	\$ 142,400	\$ 92,382	\$ (50,018)
Contributions and Transfers				
Transfers in	\$ 490,976	\$ 613,436	\$ 5,644	\$ (607,792)
Total revenues	\$ 2,335,909	\$ 2,857,802	\$ 2,223,561	\$ (634,241)

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, 2021**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>EXPENDITURES</b>				
General government:				
Commission	\$ 180,070	\$ 180,070	\$ 143,986	\$ 36,084
Human resources	42,530	42,530	37,585	4,945
Justice court - Manila	49,170	53,570	48,518	5,052
Auditor/recorder	94,755	127,150	89,516	37,634
Clerk/treasurer	164,115	167,575	139,224	28,351
Attorney	106,165	106,165	93,638	12,527
Indigent attorney/capital defendant	8,500	8,500	7,592	908
IT/GIS	130,080	130,080	84,179	45,901
Non-departmental	242,600	325,600	164,228	161,372
Building and grounds	175,440	229,350	183,572	45,778
Elections	7,100	7,100	5,990	1,110
Planning commission	29,280	39,600	27,611	11,989
Total general government	\$ 1,229,805	\$ 1,417,290	\$ 1,025,639	\$ 391,651
Public safety:				
Sheriff	\$ 644,140	\$ 644,140	\$ 573,496	\$ 70,644
Fire control	43,000	52,000	34,213	17,787
Ambulance	129,350	290,758	127,833	162,925
Emergency management	66,000	60,600	19,053	41,547
Total public safety	\$ 882,490	\$ 1,047,498	\$ 754,595	\$ 292,903
Public health:				
Health Department	\$ 11,300	\$ 11,300	\$ 9,315	\$ 1,985
Total public health	\$ 11,300	\$ 11,300	\$ 9,315	\$ 1,985
Highways & public works:				
Mosquito	\$ 14,000	\$ 14,000	\$ 7,414	\$ 6,586
Total public works	\$ 14,000	\$ 14,000	\$ 7,414	\$ 6,586
Economic development				
Television	\$ 6,600	\$ 8,000	\$ 6,372	\$ 1,628
Total community	\$ 6,600	\$ 8,000	\$ 6,372	\$ 1,628
Debt service:				
Principal payment	\$ 39,600	\$ 39,600	\$ 27,923	\$ 11,677
Total debt service	\$ 39,600	\$ 39,600	\$ 27,923	\$ 11,677
Total expenditures	\$ 2,183,795	\$ 2,537,688	\$ 1,831,258	\$ 706,430
Excess of revenue over (under) expenditures	\$ 152,114	\$ 320,114	\$ 392,303	\$ 72,189

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, 2021**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital lease financing				
Transfers (out)	\$ (152,114)	\$ (320,114)	\$ (189,869)	\$ 130,245
Total other financing sources (uses)	<u>\$ (152,114)</u>	<u>\$ (320,114)</u>	<u>\$ (189,869)</u>	<u>\$ 130,245</u>
Excess of revenues and other sources over (under) expenditures and other uses			\$ 202,434	\$ 202,434
Fund balances - beginning of year			1,020,642	
Fund balances - end of year	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 1,223,076</u>	<u>\$ 202,434</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, 2021**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 173,521	\$ (26,479)
Interest income	26,000	26,000	7,574	(18,426)
Total revenues	<u>\$ 226,000</u>	<u>\$ 226,000</u>	<u>\$ 181,095</u>	<u>\$ (44,905)</u>
<b>EXPENDITURES</b>				
Public works	\$ 20,000	\$ 20,000	\$ 13,361	\$ 6,639
Capital outlay	200,000	200,000		200,000
Debt Service:				
Principal retirement	48,000	48,000	48,000	
Total expenditures	<u>\$ 268,000</u>	<u>\$ 268,000</u>	<u>\$ 61,361</u>	<u>\$ 206,639</u>
Excess of revenue over (under) expenditures	<u>\$ (42,000)</u>	<u>\$ (42,000)</u>	<u>\$ 119,734</u>	<u>\$ 161,734</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 179,500	\$ 179,500	\$ 150,000	\$ 29,500
Transfers out	(179,500)	(179,500)	(150,000)	(29,500)
Total other financing sources (uses)	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (42,000)</u>	<u>\$ (42,000)</u>	<u>\$ 119,734</u>	<u>\$ 161,734</u>
Fund balances - beginning of year	2,338,464	2,338,464	2,444,595	
Fund balances - end of year	<u>\$ 2,296,464</u>	<u>\$ 2,296,464</u>	<u>\$ 2,564,329</u>	<u>\$ 161,734</u>

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

**DAGGETT COUNTY  
RURAL HOSPITAL TAX  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Taxes	\$ 205,000	\$ 305,000	\$ 329,432	\$ 24,432
Total revenues	\$ 205,000	\$ 305,000	\$ 329,432	\$ 24,432
<b>EXPENDITURES</b>				
Public Safety	\$ 21,000	\$ 21,000		\$ 21,000
Public Health	189,000	284,000	\$ 231,407	52,593
Total expenditures	\$ 210,000	\$ 305,000	\$ 231,407	\$ 73,593
Excess of revenue over (under) expenditures	\$ (5,000)	\$ ...	\$ 98,025	\$ 98,025
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources	\$ 5,000			
Total other financing sources (uses)	\$ 5,000	\$ ...	\$ ...	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses			\$ 98,025	\$ 98,025
Fund balances - beginning of year			550,913	
Fund balances - end of year	\$ ...	\$ ...	\$ 648,938	\$ 98,025

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, 2021**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Charges for services	\$ 24,000	\$ 24,000	\$ 31,200	\$ 7,200
Interest income	3,000	3,000	1,955	(1,045)
Total revenues	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ 33,155</u>	<u>\$ 6,155</u>
<b>EXPENDITURES</b>				
Community	\$ 166,285	\$ 166,285	\$ 14,335	\$ 151,950
Total expenditures	<u>\$ 166,285</u>	<u>\$ 166,285</u>	<u>\$ 14,335</u>	<u>\$ 151,950</u>
Excess of revenue over (under) expenditures	<u>\$ (139,285)</u>	<u>\$ (139,285)</u>	<u>\$ 18,820</u>	<u>\$ 158,105</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets			\$ 569,319	\$ 569,319
Transfers in (out)	\$ 139,285	\$ 139,285		(139,285)
Total other financing sources (uses)	<u>\$ 139,285</u>	<u>\$ 139,285</u>	<u>\$ 569,319</u>	<u>\$ (139,285)</u>
Excess of revenues and other sources over (under) expenditures and other uses			\$ 588,139	\$ 588,139
Fund balances - beginning of year			819,208	
Fund balances - end of year	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 1,407,347</u>	<u>\$ 588,139</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, 2020**  
**DECEMBER 31, 2021**

	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%
	2020	0.0603169%	30,939	531,977	5.82%	99.2%
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%
	2020	0.0546625%	45,383	125,229	36.24%	95.5%
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%
	2020	0.0135864%	1,954	217,311	0.90%	98.3%
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%
	2020					

\* 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, 2021**

	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%
	2021	79,390	79,390	-	472,846	16.79%
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%
	2021	19,259	19,259	-	130,781	14.73%
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%
	2021	43,641	43,641	-	273,778	15.94%
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%
	2021	5,739	5,739	-	22,219	25.83%
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%
	2021	11,972	11,972	-	88,878	13.47%
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%
	2021	-	-	-	-	0.00%

\* 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, 2021**

CHANGES IN ASSUMPTIONS:

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability of as December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at [newsroom.urs.org](https://newsroom.urs.org) under the “Retirement Office” column using the “Reports and Stats” tab.

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

DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

		SPECIAL REVENUE FUNDS							
	FOREST SERVICE ROADS	CLASS B ROADS	VAWA	VOCA	STATE BEER TAX	DUTCH JOHN FIRE DEPT.	ECONOMIC DEVELOPMT.	TRANSIENT ROOM TAX	MUSEUM
Cash and cash equivalents						\$ 3,667			\$ 5,159
Restricted cash and cash equivalents		\$ 605,939	\$ 431	\$ 2,860	\$ 31,141		\$ 271,178	\$ 339,599	
Accounts receivable (net)		82,768							
Property taxes receivable									
Due from other governmental units	19,042			6,775				12,487	
Total assets	\$ 574,389	\$ 688,707	\$ 431	\$ 9,635	\$ 31,141	\$ 3,667	\$ 271,178	\$ 352,086	\$ 5,159
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Deficit cash	\$ 4,621	\$ 5,875						\$ 44	\$ 59
Accounts payable									
Total liabilities	\$ 4,621	\$ 5,875	\$ ...	\$ ...	\$ ...	\$ ...	\$ 2,900	\$ 44	\$ 59
Fund Balances:									
Restricted for:									
Special revenue fund	\$ 569,768	\$ 682,832	\$ 431	\$ 9,635	\$ 31,141		\$ 268,278	\$ 352,042	
Class "B" road									
Assigned for:						\$ 3,667			\$ 5,100
Special revenue									
Capital projects									
Total fund balances	\$ 569,768	\$ 688,707	\$ 431	\$ 9,635	\$ 31,141	\$ 3,667	\$ 268,278	\$ 352,042	\$ 5,100
Total liabilities and fund balances	\$ 574,389	\$ 688,707	\$ 431	\$ 9,635	\$ 31,141	\$ 3,667	\$ 271,178	\$ 352,086	\$ 5,159

DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

		SPECIAL REVENUE FUNDS						
		CORNER MOUNDMENT	HOMELAND SECURITY	RODEO	ASSESSING AND COLLECTING	SHOOTING RANGE	TRAILS	TRANSPOR- TATION TAX
<u>ASSETS</u>								
Cash and cash equivalents	\$	5,813		10,021				
Restricted cash and cash equivalents					79,335	419	10,064	37,991
Accounts receivable (net)	\$		31,364		1,000			3,145
Property taxes receivable					35,459			
Due from other governmental units								53,880
Total assets	\$	5,813	31,364	10,021	115,794	419	10,064	95,016
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Deficit cash	\$		18,499		7,625			26,333
Accounts payable					3,996			
Total liabilities	\$	...	18,499	7,625	3,996	...	...	26,333
Fund Balances:								
Restricted for:								
Special revenue fund	\$		12,865		111,798		10,064	68,683
Class "B" road								
Assigned for:								
Special revenue	\$	5,813		2,396		419		
Capital projects								
Total fund balances	\$	5,813	12,865	2,396	111,798	419	10,064	68,683
Total liabilities and fund balances	\$	5,813	31,364	10,021	115,794	419	10,064	95,016

SCHEDULE 7  
(Continued)

DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	SPECIAL REVENUE FUNDS							CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	RESTAURANT TAX PARK	SEARCH AND RESCUE	GEO INFO SYSTEM	NOXIOUS WEED PROGRAM	SRS FUND	CAPITAL LEASES	JAIL		
Cash and cash equivalents	\$ 41,474	\$ 23,954	\$ 6,643	\$ 30,362	\$ 142,398	\$ 6,302	\$ 170,476	\$ 212,943	\$ 274,921
Restricted cash and cash equivalents	2,300								2,318,595
Accounts receivable (net)							22,920		120,577
Property taxes receivable									58,379
Due from other governmental units									92,184
Total assets	\$ 43,774	\$ 23,954	\$ 6,643	\$ 30,362	\$ 142,398	\$ 6,302	\$ 193,396	\$ 212,943	\$ 2,864,656
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Deficit cash	\$ 177	\$ 500		\$ 6,643				\$ 15,000	\$ 18,499
Accounts payable									73,773
Total liabilities	\$ 177	\$ 500	\$ ...	\$ 6,643	\$ ...	\$ ...	\$ ...	\$ 15,000	\$ 92,272
Fund Balances:									
Restricted for:	\$ 43,597			\$ 23,719	\$ 142,398		\$ 193,396		\$ 1,837,815
Special revenue fund									682,832
Class "B" road									
Assigned for:									
Special revenue		\$ 23,454	\$ 6,643			\$ 6,302		\$ 197,943	53,794
Capital projects									197,943
Total fund balances	\$ 43,597	\$ 23,454	\$ 6,643	\$ 23,719	\$ 142,398	\$ 6,302	\$ 193,396	\$ 197,943	\$ 2,772,384
Total liabilities and fund balances	\$ 43,774	\$ 23,954	\$ 6,643	\$ 30,362	\$ 142,398	\$ 6,302	\$ 193,396	\$ 212,943	\$ 2,864,656

DAGGETT COUNTY  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES -  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	SPECIAL REVENUE FUNDS									
	FOREST SERVICE ROADS	DAM SECURITY	CLASS B ROAD	VAVA	VOCA	STATE BEER TAX	DUTCH JOHN FIRE DEPT.	ECONOMIC DEVELOPMT.	TRANSIENT ROOM TAX	MUSEUM
REVENUES:										
Taxes										
Intergovernmental	\$ 112,379		\$ 468,230		\$ 33,975	\$ 5,710		\$ 250,000	\$ 264,790	
Charges for services										\$ 806
Miscellaneous			7,623					1,360		
Total revenues	\$ 112,379	\$ ...	\$ 475,853	\$ ...	\$ 33,975	\$ 5,710	\$ ...	\$ 251,360	\$ 264,790	\$ 806
EXPENDITURES:										
General government										
Public safety					\$ 33,172	\$ 161			\$ 14,417	
Highway and public improvement	\$ 23,705		\$ 347,812							\$ 2,584
Parks, recreation and public property										
Economic development								\$ 119,650	140,261	
Capital outlay										
Debt service:										
Principal retirement										
Interest expense										
Total expenditures	\$ 23,705	\$ ...	\$ 347,812	\$ ...	\$ 33,172	\$ 161	\$ ...	\$ 119,650	\$ 154,678	\$ 2,584
Excess of revenues over (under) expenditures	\$ 88,674	\$ ...	\$ 128,041	\$ ...	\$ 803	\$ 5,549	\$ ...	\$ 131,710	\$ 110,112	\$ (1,778)
Other financing sources (uses):										
Transfers in										
Transfers (out)		\$ (4,617)			\$ 2,746				\$ (8,385)	
Sale of capital assets										
Total other financing sources (uses)	\$ ...	\$ (4,617)	\$ ...	\$ ...	\$ 2,746	\$ ...	\$ ...	\$ ...	\$ (8,385)	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses	\$ 88,674	\$ (4,617)	\$ 128,041	\$ ...	\$ 3,549	\$ 5,549	\$ ...	\$ 131,710	\$ 101,727	\$ (1,778)
Fund Balances - Beginning of year	481,094	4,617	554,791	431	6,086	25,592	3,667	136,568	250,315	6,878
Fund Balances - End of year	\$ 569,768	\$ ...	\$ 682,832	\$ 431	\$ 9,635	\$ 31,141	\$ 3,667	\$ 268,278	\$ 352,042	\$ 5,100

SCHEDULE 8  
(Continued)

DAGGETT COUNTY  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	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					\$ 250,188				\$ 29,354	
Intergovernmental	\$ 9,036	\$ 47,780		\$ 8,350	15,322				299,108	
Charges for services					423					
Miscellaneous										
Total revenues	\$ 9,036	\$ 47,780	\$ ...	\$ 8,350	\$ 265,933	\$ ...	\$ ...	\$ ...	\$ 328,462	\$ ...
EXPENDITURES:										
General government	\$ 4,661	\$ 9,250			\$ 337,984					
Public safety										
Highway and public improvement									\$ 345,820	\$ 12,839
Parks, recreation and public property				\$ 7,624		\$ 1,170				
Economic development										
Capital outlay		31,364								
Debt service:										
Principal retirement										
Interest expense										
Total expenditures	\$ 4,661	\$ 40,614	\$ ...	\$ 7,624	\$ 337,984	\$ 1,170	\$ ...	\$ ...	\$ 345,820	\$ 12,839
Excess of revenues over (under) expenditures	\$ 4,375	\$ 7,166	\$ ...	\$ 726	\$ (72,051)	\$ (1,170)	\$ ...	\$ ...	\$ (17,358)	\$ (12,839)
Other financing sources (uses):										
Transfers in	\$ 2,000		\$ (626)			\$ 600	\$ 5,000		\$ 65,266	
Transfers (out)										(400)
Sale of capital assets										
Total other financing sources (uses)	\$ 2,000	\$ ...	\$ (626)	\$ ...	\$ ...	\$ 600	\$ 5,000	\$ (400)	\$ 65,266	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses	\$ 6,375	\$ 7,166	\$ (626)	\$ 726	\$ (72,051)	\$ (570)	\$ 5,000	\$ (400)	\$ 47,908	\$ (12,839)
Fund Balances - Beginning of year	(562)	5,699	626	1,670	183,849	989	5,064	400	20,775	12,839
Fund Balances - End of year	\$ 5,813	\$ 12,865	\$ ...	\$ 2,396	\$ 111,798	\$ 419	\$ 10,064	\$ ...	\$ 68,683	\$ ...

SCHEDULE 8  
(Continued)

DAGGETT COUNTY  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	SPECIAL REVENUE FUNDS							CAPITAL PROJECT FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	RESTAURANT TAX PARK	SEARCH AND RESCUE	GEO INFO SYSTEM	NOXIOUS WEED PROG	SRS FUNDS	CAPITAL LEASES	JAIL	CAPITAL PROJECT FUND		
REVENUES:										
Taxes	\$ 31,649						\$ 148,176		\$	724,157
Intergovernmental		200		\$ 57,306	\$ 75,827					1,359,351
Charges for services		335		1,397						23,872
Miscellaneous										11,944
Total revenues	\$ 31,649	\$ 535	\$ ...	\$ 58,703	\$ 75,827	\$ ...	\$ 148,176	\$ ...	\$	2,119,324
EXPENDITURES:										
General government									\$	363,752
Public safety		2,129							21,107	59,129
Highway and public improvement				\$ 72,260	\$ 4,275				1,818	793,872
Parks, recreation and public property	\$ 15,458									40,323
Economic development					280,101				19,887	261,081
Capital outlay										331,352
Debt service:										
Principal retirement						\$ 8,140	\$ 114,000			122,140
Interest expense						245	21,372			21,617
Total expenditures	\$ 15,458	\$ 2,129	\$ ...	\$ 72,260	\$ 284,376	\$ 8,385	\$ 135,372	\$ 42,812	\$	1,993,266
Excess of revenues over (under) expenditures	\$ 16,191	\$ (1,594)	\$ ...	\$ (13,557)	\$ (208,549)	\$ (8,385)	\$ 12,804	\$ (42,812)	\$	126,058
Other financing sources (uses):										
Transfers in			\$ 2,000	\$ 2,000		\$ 14,687		\$	66,200	160,499
Transfers (out)										(14,028)
Sale of capital assets					\$ 207,100				17,059	224,159
Total other financing sources (uses)	\$ ...	\$ ...	\$ 2,000	\$ 2,000	\$ 207,100	\$ 14,687	\$ ...	\$	83,259	370,630
Excess of revenues and other sources over (under) expenditures and other uses	\$ 16,191	\$ (1,594)	\$ 2,000	\$ (11,557)	\$ (1,449)	\$ 6,302	\$ 12,804	\$	40,447	496,688
Fund Balances - Beginning of year	27,406	25,048	4,643	35,276	143,847		180,592		157,496	2,275,696
Fund Balances - End of year	\$ 43,597	\$ 23,454	\$ 6,643	\$ 23,719	\$ 142,398	\$ 6,302	\$ 193,396	\$	197,943	2,772,384



# Aycock, Miles & Associates, CPAs, P.C.

## Certified Public Accountants

58 East 100 North (83-13) • Roosevelt, Utah 84066 • Phone (435) 722-5153 • Fax (435) 722-5095

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

Daggett County Commission

We have audited, 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, the financial statements of the governmental activities and business-type activities of Daggett County as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Daggett County's basic financial statements, and have issued our report thereon dated November 14, 2022.

#### Internal Control over Financial Reporting

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

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

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

#### Compliance & Other Matters

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

#### Purpose of this Report

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

*Aycock, Miles & Associates, CPAs*

Roosevelt, Utah  
November 14, 2022

# Aycock, Miles & Associates, CPAs, P.C.

## Certified Public Accountants

58 East 100 North (83-13) • Roosevelt, Utah 84066 • Phone (435) 722-5153 • Fax (435) 722-5095

### **Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the State Compliance Audit Guide**

Daggett County Commission

#### **Report on Compliance**

We have audited Daggett County's compliance with the applicable state compliance requirements described in the State Compliance Audit Guide, issued by the Office of the Utah State Auditor, that could have a direct and material effect on Daggett County for the year ended June 30, 2022.

State compliance requirements were tested for the year ended June 30, 2022 in the following areas: budgetary compliance, fund balance, justice court, restricted taxes and other related restricted revenue, fraud risk assessment, governmental fees, public treasurer's bond and open and public meetings act.

#### **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 Daggett 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 Daggett County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Daggett County's compliance with those requirements.

#### **Opinion on General State Compliance Requirements**

In our opinion, Daggett County complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2022.

#### **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance.

#### **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 Daggett County's internal control over compliance with the state compliance requirements referred to above to determine the audit 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 Daggett County's internal control over compliance.

# Aycock, Miles & Associates, CPAs, P.C.

## Certified Public Accountants

58 East 100 North (83-13) • Roosevelt, Utah 84066 • Phone (435) 722-5153 • Fax (435) 722-5095

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

### ***Purpose of this Report***

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 of Utah Compliance Audit Guide. Accordingly, this report is not suitable for any other purpose.

*Aycock, Miles & Associates, CPAs*

Roosevelt, Utah  
November 14, 2022