

**DAGGETT COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**DAGGETT COUNTY  
 BASIC FINANCIAL STATEMENTS  
 TABLE OF CONTENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2017**

|  |   | <b><u>PAGE</u></b> |
|--|---|--------------------|
| <b><u>OPINION</u></b>                          | Independent Auditors' Report  | 1-3                |
| <b><u>MD&amp;A</u></b>                         | Management's Discussion and Analysis  | 4-11               |
| <br><b><u>BASIC FINANCIAL STATEMENTS</u></b>   |   |                    |
| <b>Government-wide Financial Statements:</b>   |   |                    |
| EXHIBIT 1                                      | Statement of Net Position   | 12-13              |
| EXHIBIT 2                                      | Statement of Activities   | 14                 |
| <b>Governmental Fund Financial Statements:</b> |   |                    |
| EXHIBIT 3                                      | Balance Sheet - Governmental Funds  | 15                 |
| EXHIBIT 4                                      | Reconciliation of the Balance Sheet of Governmental Funds<br>to the Statement of Net Position   | 16                 |
| EXHIBIT 5                                      | Statement of Revenues, Expenditures, and Changes in<br>Fund Balances - Governmental Funds   | 17                 |
| EXHIBIT 6                                      | Reconciliation of the Statement of Revenues, Expenditures, and Changes<br>in Fund Balances of Governmental Funds to the Statement of Activities | 18                 |
| <b>Proprietary Fund Financial Statements:</b>  |   |                    |
| EXHIBIT 7                                      | Statement of Net Position - Proprietary Funds   | 19-20              |
| EXHIBIT 8                                      | Statement of Revenues, Expenses, and Changes in<br>Fund Net Position - Proprietary Funds  | 21                 |
| EXHIBIT 9                                      | Statement of Cash Flows - Proprietary Funds   | 22                 |
| <b>Fiduciary Fund Financial Statements:</b>    |   |                    |
| EXHIBIT 10                                     | Statement of Fiduciary Net Position - Fiduciary Funds   | 23                 |
| EXHIBIT 11                                     | Statement of Revenues, Expenses, and Changes in<br>Fund Net Position - Fiduciary Funds  | 24                 |
|  | Notes to the Financial Statements   | 25-60              |

**DAGGETT COUNTY  
 BASIC FINANCIAL STATEMENTS  
 TABLE OF CONTENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2017**

|  |  | <u>PAGE</u> |
|--|--|-------------|
| <br>   |  |             |
| <b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b> |  |             |
| SCHEDULE 1                                       | Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund  | 61-64       |
| SCHEDULE 2                                       | Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Jail Fund   | 65          |
| SCHEDULE 3                                       | Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Flaming Gorge Roads & Transportation Special Service District | 66          |
| SCHEDULE 4                                       | Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Daggett County Redevelopment Agency                           | 67          |
| SCHEDULE 5                                       | Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Class "B" Road Fund   | 68          |
| SCHEDULE 6                                       | Schedule of Proportionate Share of the Net Pension Liability as of December 31, 2017   | 69          |
| SCHEDULE 7                                       | Schedule of Contributions as of December 31, 2017  | 70          |
|  | Notes to the Required Supplementary Information  | 71          |
| <br>   |  |             |
| <b><u>SUPPLEMENTARY INFORMATION</u></b>          |  |             |
| <b>Combining Fund Statements and Schedules:</b>  |  |             |
| SCHEDULE 8                                       | Combining Balance Sheet - Nonmajor Governmental Funds  | 72-74       |
| SCHEDULE 9                                       | Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds  | 75-77       |
| SCHEDULE 10                                      | Schedule of Current Taxes Levied, Collected and Treasurer's Relief   | 78          |
| <br>   |  |             |
| <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            | 79-81       |

**DAGGETT COUNTY**  
**BASIC FINANCIAL STATEMENTS**  
**TABLE OF CONTENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | <b><u>PAGE</u></b> |
|--|--------------------|
| <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 | 82-83              |
| Schedule of Findings and Responses   | 84-85              |
| Summary Schedule of Prior Audit Findings   | 86                 |

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## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Daggett County  
Manila, Utah 84046

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Daggett County, Utah (the County) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the County, as of December 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of American require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions, notes to required supplementary information and budgetary comparison information on pages 4 through 11 and pages 61 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statement. 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 4, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Daggett County's internal control over financial reporting and compliance.

SMUIN, RICH & MARSING

A handwritten signature in cursive script that reads "Amuin, Rich & Marsing". The signature is written in black ink and is positioned below the printed name of the firm.

Price, Utah

November 4, 2018

## **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 FY2017**

- During the year, Flaming Gorge Roads & Transportation Special Service District, a component unit of Daggett County, issued \$1,655,000 of Mineral Lease Revenue Bonds, Series 2017 for the purpose of making improvements to a portion of Brown's Park Road.
- The government-wide assets and deferred outflow of resources of Daggett County exceeded its liabilities and deferred inflow of resources by \$26,672,178 reflecting a change in net position from operations from the prior period decreasing the total by \$210,393. There also was a prior period adjustment to net position which decreased it by \$161,315.
- The County's governmental funds reported combined ending fund balances of \$6,082,247, a decrease of \$12,268 from operations over the prior year and an increase from a prior period adjustment of \$46,675 which combine for an overall increase of fund balance of \$34,407.
- Daggett County had total overall governmental fund revenues and other financing sources of \$6,429,616 which were less than total expenditures and transfers of \$6,441,884 by \$12,268.
- The County's government-wide long-term bond and capital lease debt increased \$1,429,550 during the current year. The County's debt consists of general obligation bonds, revenue bonds and capital leases. The G.O. bonds were issued to construct the Daggett County Jail and the revenue bonds were issued to finance a water tank for Dutch John and a revenue bond was issued for road construction and improvements to be completed by the Flaming Gorge Road and Transportation Special Service District, a component unit of the County. The County entered into one capital lease agreement for the purchase of a vehicle for the police department during 2017.

### **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 separate legal entities 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 that can be accessed from their administrative office in Manila, Utah.

## **Fund Financial Statements**

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

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

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

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

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

**Fund Financial Statements (Continued)**

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

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

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

**Net Position**

The County’s assets exceeded its liabilities at the close of FY2017 by \$26,672,178. 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 \$4,831,352 and represents resources that are subject to restrictions on how they may be used.

**Table 1  
Net Position**

|   | <b>Governmental<br/>Activities</b> |                      | <b>Business-Type<br/>Activities</b> |                     | <b>Total<br/>Primary Government</b> |                      |
|---|------------------------------------|----------------------|-------------------------------------|---------------------|-------------------------------------|----------------------|
|   | <b>2017</b>                        | <b>2016</b>          | <b>2017</b>                         | <b>2016</b>         | <b>2017</b>                         | <b>2016</b>          |
| Current and other assets  | \$ 6,503,129                       | \$ 6,294,048         | \$ 439,260                          | \$ 481,760          | \$ 6,942,389                        | \$ 6,775,808         |
| Capital assets  | 19,460,837                         | 17,824,273           | 5,639,577                           | 5,906,598           | 25,100,414                          | 23,730,871           |
| Deferred outflow of resources                                   | 566,523                            | 596,488              | 2,367                               | 12,173              | 568,890                             | 608,661              |
| <b>Total assets &amp; deferred<br/>outflow of resources</b>     | <b>\$ 26,530,489</b>               | <b>\$ 24,714,809</b> | <b>\$ 6,081,204</b>                 | <b>\$ 6,400,531</b> | <b>\$ 32,611,693</b>                | <b>\$ 31,115,340</b> |
| Current and other liabilities                                   | \$ 441,726                         | \$ 475,250           | \$ 230,680                          | \$ 50,632           | \$ 672,406                          | \$ 525,882           |
| Long-term liabilities   | 4,386,126                          | 2,696,787            | 598,000                             | 617,498             | 4,984,126                           | 3,314,285            |
| Deferred inflow of resources                                    | 281,806                            | 226,661              | 1,177                               | 4,626               | 282,983                             | 231,287              |
| <b>Total liabilities &amp; deferred<br/>inflow of resources</b> | <b>\$ 5,109,658</b>                | <b>\$ 3,398,698</b>  | <b>\$ 829,857</b>                   | <b>\$ 672,756</b>   | <b>\$ 5,939,515</b>                 | <b>\$ 4,071,454</b>  |
| Net position:   |                                    |                      |                                     |                     |                                     |                      |
| Net investment in<br>capital assets                             | \$ 16,105,967                      | \$ 15,942,759        | \$ 5,041,577                        | \$ 5,287,598        | \$ 21,147,544                       | \$ 21,230,357        |
| Restricted  | 4,825,467                          | 1,559,247            | 5,885                               | 21,870              | 4,831,352                           | 1,581,117            |
| Unrestricted  | 489,397                            | 3,814,105            | 203,885                             | 418,307             | 693,282                             | 4,232,412            |
| <b>Total net position</b>                                       | <b>\$ 21,420,831</b>               | <b>\$ 21,316,111</b> | <b>\$ 5,251,347</b>                 | <b>\$ 5,727,775</b> | <b>\$ 26,672,178</b>                | <b>\$ 27,043,886</b> |

## Changes in Net Position

Daggett County's combined ending net position total is \$26,672,178, an overall decrease from operations of \$210,393 and prior period adjustment of \$161,315 compared with last year's ending net position balances.

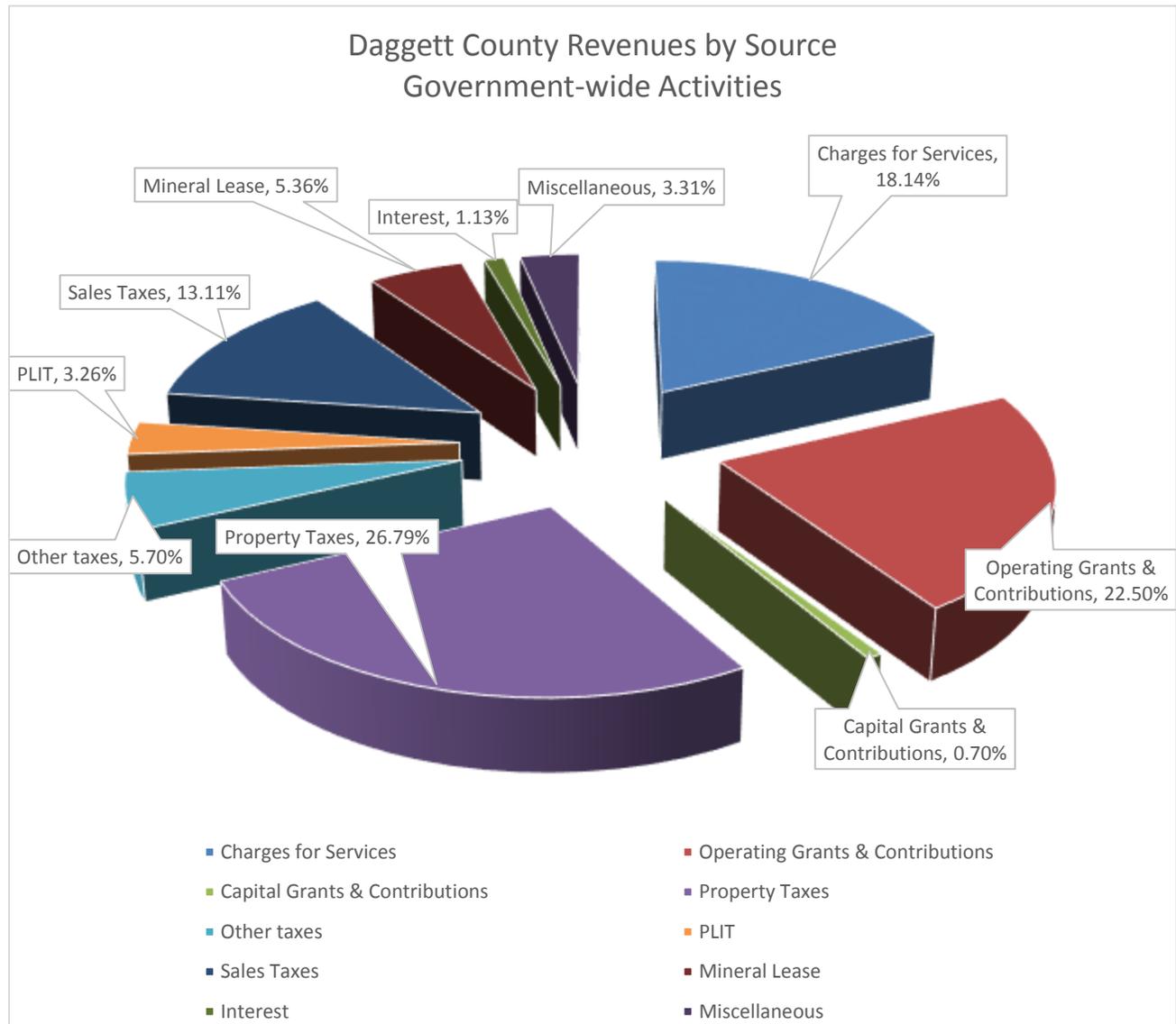
The cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense. The County reported depreciation expense over the past year of \$634,928 in governmental activities. The following table summarizes the changes in Daggett County's net position:

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

|                                      | Governmental<br>Activities |               | Business-Type<br>Activities |              | Total<br>Primary Government |               |
|--------------------------------------|----------------------------|---------------|-----------------------------|--------------|-----------------------------|---------------|
|                                      | 2017                       | 2016          | 2017                        | 2016         | 2017                        | 2016          |
| <b>Revenues</b>                      |                            |               |                             |              |                             |               |
| Program Revenues:                    |                            |               |                             |              |                             |               |
| Charges for services                 | \$ 555,583                 | \$ 2,318,373  | \$ 214,981                  | \$ 248,630   | \$ 770,564                  | \$ 2,567,003  |
| Operating grants and contrib.        | 955,685                    | 608,908       |                             |              | 955,685                     | 608,908       |
| Capital grants and contrib.          | 9,809                      | 132,876       | 20,000                      | 520,000      | 29,809                      | 652,876       |
| General Revenues:                    |                            |               |                             |              |                             |               |
| Property taxes                       | 1,138,167                  | 1,033,543     |                             |              | 1,138,167                   | 1,033,543     |
| Sales taxes                          | 556,746                    | 492,994       |                             |              | 556,746                     | 492,994       |
| Other taxes                          | 242,180                    | 255,340       |                             |              | 242,180                     | 255,340       |
| PILT                                 | 138,513                    | 210,155       |                             |              | 138,513                     | 210,155       |
| Mineral lease revenue                | 227,549                    | 278,713       |                             |              | 227,549                     | 278,713       |
| Gains/(loss) on sale of assets       | 3,009                      | (30,583)      |                             |              | 3,009                       | (30,583)      |
| Interest                             | 47,776                     | 37,874        | 217                         | 2,562        | 47,993                      | 40,436        |
| Miscellaneous                        | 138,089                    | 153,936       |                             |              | 138,089                     | 153,936       |
| Total revenues                       | \$ 4,013,106               | \$ 5,492,129  | \$ 235,198                  | \$ 771,192   | \$ 4,248,304                | \$ 6,263,321  |
| <b>Program expenses</b>              |                            |               |                             |              |                             |               |
| General government                   | \$ 1,301,079               | \$ 1,295,587  |                             |              | \$ 1,301,079                | \$ 1,295,587  |
| Public safety                        | 1,506,267                  | 2,871,845     |                             |              | 1,506,267                   | 2,871,845     |
| Public health                        | 239,774                    | 176,619       |                             |              | 239,774                     | 176,619       |
| Highways and public improv.          | 810,863                    | 1,031,218     |                             |              | 810,863                     | 1,031,218     |
| Parks and recreation                 | 111,829                    | 34,400        |                             |              | 111,829                     | 34,400        |
| Economic development                 | 129,733                    | 140,029       |                             |              | 129,733                     | 140,029       |
| Interest on long-term debt           | 55,516                     | 33,599        |                             |              | 55,516                      | 33,599        |
| Dutch John                           |                            |               | \$ 292,237                  | \$ 220,835   | 292,237                     | 220,835       |
| Low income housing                   |                            |               | 11,399                      | 17,075       | 11,399                      | 17,075        |
| Total expenses                       | \$ 4,155,061               | \$ 5,583,297  | \$ 303,636                  | \$ 237,910   | \$ 4,458,697                | \$ 5,821,207  |
| Excess (deficiency) before transfers |                            |               |                             |              |                             |               |
|                                      | \$ (141,955)               | \$ (91,168)   | \$ (68,438)                 | \$ 533,282   | \$ (210,393)                | \$ 442,114    |
| Transfers                            | 200,000                    |               | (200,000)                   |              | -                           |               |
| Change in net position               | \$ 58,045                  | \$ (91,168)   | \$ (268,438)                | \$ 533,282   | \$ (210,393)                | \$ 442,114    |
| Net position - beginning             | \$ 21,316,111              | \$ 21,407,279 | \$ 5,727,775                | \$ 5,194,493 | \$ 27,043,886               | \$ 26,601,772 |
| Prior period adjustment              | 46,675                     |               | (207,990)                   |              | (161,315)                   |               |
| Net position - ending                | 21,420,831                 | 21,316,111    | 5,251,347                   | 5,727,775    | 26,672,178                  | 27,043,886    |
| Change in net position               | \$ 58,045                  | \$ (91,168)   | \$ (268,438)                | \$ 533,282   | \$ (210,393)                | \$ 442,114    |

## Government Wide Activities

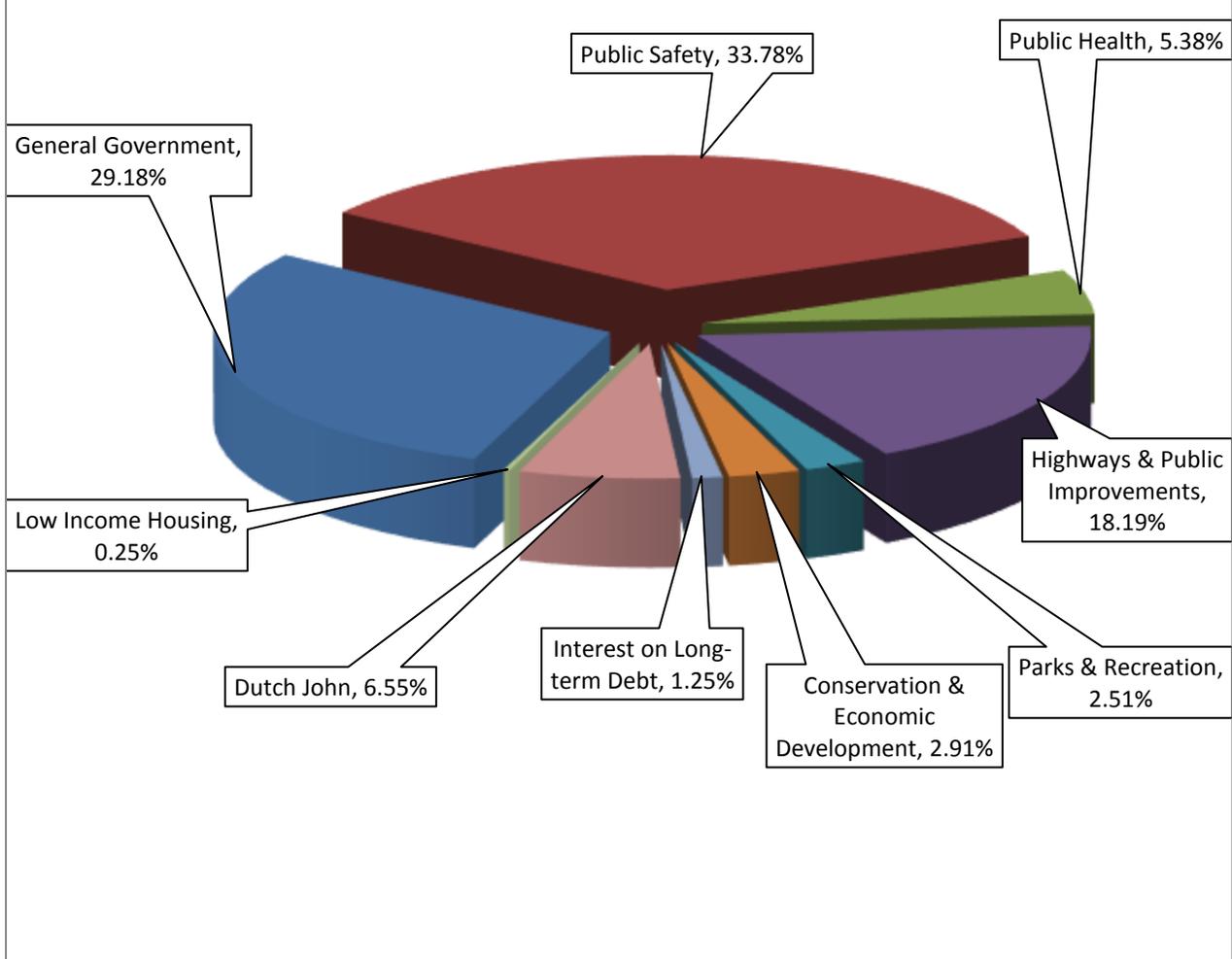
Sources of revenues for the County’s government-wide activities are comprised of the items listed below and total \$4,248,304.



Property taxes constitute the largest source of Daggett County revenues at 26.79%. Operating grants and contribution are the second largest source of revenues at 22.50%. Charges for services represent 18.14%, Sales tax represent 13.11%, Other taxes represent 5.70%, mineral lease revenue represents 5.36% Miscellaneous represent 3.31% and PLIT, Interest and capital grants represent 3.26%, 1.13%, and .70% respectively of the total revenue for the year.

The cost of all activities for FY2017 was \$4,458,697. The following chart represents expenses by the County’s largest functions.

## Daggett County Expense by Function



### General Fund Budgetary Highlights

Differences between the original budgeted expenditures and the final amended budget of \$386,477 can be briefly summarized as follows:

- \$ 9,800 increase in general government
- \$ 10,250 increase in public safety
- \$ 18,450 increase in highways and public improvements
- \$ 347,977 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, 2017 amounted to \$25,100,414. Capital asset investments include land, right of ways, water rights, buildings, improvements other than buildings and equipment. Roads, highways, and bridges are incorporated in the infrastructure, as summarized below:

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

|                                      | <b>Governmental<br/>Activities</b> |                      | <b>Business-type<br/>Activities</b> |                     | <b>Total<br/>Primary Government</b> |                      |
|--------------------------------------|------------------------------------|----------------------|-------------------------------------|---------------------|-------------------------------------|----------------------|
|                                      | <b>2017</b>                        | <b>2016</b>          | <b>2017</b>                         | <b>2016</b>         | <b>2017</b>                         | <b>2016</b>          |
| Land                                 | \$ 8,723,541                       | \$ 8,723,541         | \$ 1,753,928                        | \$ 1,753,928        | \$ 10,477,469                       | \$ 10,477,469        |
| Water rights                         | 886,462                            | 886,462              |                                     |                     | 886,462                             | 886,462              |
| Buildings                            | 2,437,481                          | 2,572,802            | 8,270                               | 9,202               | 2,445,751                           | 2,582,004            |
| Improvements other<br>than buildings | 2,059,979                          | 2,134,835            | 2,339,783                           | 2,638,798           | 4,399,762                           | 4,773,633            |
| Equipment                            | 1,062,885                          | 1,301,819            | 28,724                              | 33,866              | 1,091,609                           | 1,335,685            |
| Infrastructure                       | 2,050,130                          | 2,194,519            | 296,766                             | 309,197             | 2,346,896                           | 2,503,716            |
| Work in process                      | 2,240,359                          | 10,295               | 1,212,106                           | 1,161,607           | 3,452,465                           | 1,171,902            |
| <b>Total</b>                         | <b>\$ 19,460,837</b>               | <b>\$ 17,824,273</b> | <b>\$ 5,639,577</b>                 | <b>\$ 5,906,598</b> | <b>\$ 25,100,414</b>                | <b>\$ 23,730,871</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 and used for the payment of principal and interest on long-term obligations and on general obligation bonds, and for operations of the jail, which are funded through inmate fees. Although the Jail is accumulating funds to make debt payments, the bonds are general obligation debt. The amount of debt a governmental entity may issue is limited to 2 percent of its total fair market value of taxable property. Daggett County currently has general obligation debt of \$1,226,000.

During the 2017 year, the component unit Flaming Gorge Roads & Transportation Special Service District issued \$1,655,000 of mineral lease revenue bonds and has outstanding Mineral Lease Revenue Bonds of \$1,987,000.

During the 2016 year, the County issued Taxable Revenue Bonds, Series 2016 in the amount of \$640,000 for improvements to their culinary water system. At December 31, 2017, their outstanding balance was \$598,000. The County also has several capital leases outstanding at December 31, 2017.

**Long-Term Debt (Continued)**

The following table is a summary of Daggett County’s gross outstanding long-term debt as of December 31, 2017

|                               | <u>Governmental Activities</u> |                     | <u>Business-Type Activities</u> |                   |
|-------------------------------|--------------------------------|---------------------|---------------------------------|-------------------|
|                               | <u>2017</u>                    | <u>2016</u>         | <u>2017</u>                     | <u>2016</u>       |
| Compensated absences          | \$ 72,575                      | \$ 91,618           | \$ 1,346                        | \$ 50             |
| Net pension liability         | 981,487                        | 952,975             | 4,100                           | 19,448            |
| Capital lease payable         | 119,064                        | 162,514             |                                 |                   |
| GO Bond, Series 1998B         | 29,000                         | 38,000              |                                 |                   |
| GO Bond, Series 2015          | 1,197,000                      | 1,303,000           |                                 |                   |
| Revenue Bond, Series 2008A    | 236,000                        | 269,000             |                                 |                   |
| Revenue Bond, Series 2008B    | 96,000                         | 109,000             |                                 |                   |
| Revenue Bond, Series 2016     |                                |                     | 598,000                         | 619,000           |
| Revenue Bond, Series 2017     | 1,655,000                      |                     |                                 |                   |
| <b>Total outstanding debt</b> | <b>\$ 4,386,126</b>            | <b>\$ 2,926,107</b> | <b>\$ 603,446</b>               | <b>\$ 638,498</b> |

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 a decrease in net position during the year due to a small decrease in revenues and an increase in expenditures. 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**

On June 12, 2016, the Bureau of Reclamation did not renew their contract with Daggett County to provide around the clock security services for the Flaming Gorge Dam, power plant and visitor center. This has reduced the County's revenues in the 2017 year by around \$634,000.

In February of 2017, all state inmates were removed from the county jail facility and, to date, have not returned and it is questionable if they will ever return. This will reduce the County’s revenues each year by around \$1,400,000.

**Contacting the County’s Financial Management**

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

**DAGGETT COUNTY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

|   | PRIMARY GOVERNMENT              |                                 |               |
|---|---------------------------------|---------------------------------|---------------|
|   | GOVERN-<br>MENTAL<br>ACTIVITIES | BUSINESS-<br>TYPE<br>ACTIVITIES | TOTAL         |
| <u>ASSETS AND DEFERRED<br/>OUTFLOW OF RESOURCES</u> |                                 |                                 |               |
| Cash and cash equivalents                           | \$ 1,354,101                    | \$ 358,950                      | \$ 1,713,051  |
| Investments in stock                                | 505                             |                                 | 505           |
| Accounts receivable - net                           | 7,027                           | 14,361                          | 21,388        |
| Property taxes receivable                           | 83,990                          |                                 | 83,990        |
| Due from other governmental units                   | 262,128                         |                                 | 262,128       |
| Prepaid expenses                                    | 2,600                           |                                 | 2,600         |
| Inventory   | 59,752                          |                                 | 59,752        |
| Loan receivable - current                           |                                 | 3,297                           | 3,297         |
| Loan subsidy receivable - current                   |                                 | 11,399                          | 11,399        |
| Cash and cash equivalents - restricted              | 4,731,064                       | 5,885                           | 4,736,949     |
| Loan receivable                                     |                                 | 28,262                          | 28,262        |
| Loan subsidy receivable                             |                                 | 17,098                          | 17,098        |
| Net pension asset                                   | 1,962                           | 8                               | 1,970         |
| Capital assets (net of accumulated depreciation):   |                                 |                                 |               |
| Land  | 8,723,541                       | 1,753,928                       | 10,477,469    |
| Water rights  | 886,462                         |                                 | 886,462       |
| Infrastructure                                      | 2,050,130                       | 296,766                         | 2,346,896     |
| Buildings   | 2,437,481                       | 8,270                           | 2,445,751     |
| Improvements other than buildings                   | 2,059,979                       | 2,339,783                       | 4,399,762     |
| Machinery and Equipment                             | 1,062,885                       | 28,724                          | 1,091,609     |
| Work in progress                                    | 2,240,359                       | 1,212,106                       | 3,452,465     |
| Total assets  | \$ 25,963,966                   | \$ 6,078,837                    | \$ 32,042,803 |
| Deferred outflow of resources related to pensions   | \$ 566,523                      | \$ 2,367                        | \$ 568,890    |
| Total assets and deferred outflow of resources      | \$ 26,530,489                   | \$ 6,081,204                    | \$ 32,611,693 |

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

**DAGGETT COUNTY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2017**

|   | PRIMARY GOVERNMENT              |                                 |                      |
|---|---------------------------------|---------------------------------|----------------------|
|   | GOVERN-<br>MENTAL<br>ACTIVITIES | BUSINESS-<br>TYPE<br>ACTIVITIES | TOTAL                |
| <b>LIABILITIES AND DEFERRED<br/>INFLOW OF RESOURCES</b> |                                 |                                 |                      |
| Accounts payable  | \$ 189,313                      | \$ 225,234                      | \$ 414,547           |
| Accrued liabilities                                     | 67,065                          |                                 | 67,065               |
| Bond interest payable                                   | 22,806                          |                                 | 22,806               |
| Unearned revenue  | 162,542                         |                                 | 162,542              |
| Capital lease - current                                 | 39,951                          |                                 | 39,951               |
| G.O. Bonds payable - current                            | 117,000                         |                                 | 117,000              |
| Revenue Bonds payable - current                         | 116,000                         | 21,000                          | 137,000              |
| Capital lease - noncurrent                              | 79,113                          |                                 | 79,113               |
| G.O. Bonds payable - noncurrent                         | 1,109,000                       |                                 | 1,109,000            |
| Revenue Bonds payable - noncurrent                      | 1,871,000                       | 577,000                         | 2,448,000            |
| Compensated absences                                    | 72,575                          | 1,346                           | 73,921               |
| Net pension liability                                   | 981,487                         | 4,100                           | 985,587              |
| Total liabilities                                       | <u>\$ 4,827,852</u>             | <u>\$ 828,680</u>               | <u>\$ 5,656,532</u>  |
| Deferred inflow of resources related to pensions        | <u>\$ 281,806</u>               | <u>\$ 1,177</u>                 | <u>\$ 282,983</u>    |
| Total liabilities and deferred inflow of resources      | <u>\$ 5,109,658</u>             | <u>\$ 829,857</u>               | <u>\$ 5,939,515</u>  |
| <b><u>NET POSITION</u></b>                              |                                 |                                 |                      |
| Net Investment in capital assets                        | \$ 16,105,967                   | \$ 5,041,577                    | \$ 21,147,544        |
| Restricted for:   |                                 |                                 |                      |
| Class "B" roads   | 333,920                         |                                 | 333,920              |
| RDA   | 707,356                         |                                 | 707,356              |
| Flaming Gorge Roads & Transportation S.S.D.             | 2,463,011                       |                                 | 2,463,011            |
| Forest Reserve  | 302,193                         |                                 | 302,193              |
| VAWA  | 4,998                           |                                 | 4,998                |
| VOCA  | 5,683                           |                                 | 5,683                |
| State Beer Tax  | 17,850                          |                                 | 17,850               |
| Transient Room Tax                                      | 140,265                         |                                 | 140,265              |
| Rural Hospital Tax                                      | 447,581                         |                                 | 447,581              |
| Homeland Security                                       | 2,360                           |                                 | 2,360                |
| Assessing and Collecting                                | 211,580                         |                                 | 211,580              |
| Trail Fund  | 64                              |                                 | 64                   |
| Restaurant Tax  | 41,278                          |                                 | 41,278               |
| Jail Tax  | 147,328                         |                                 | 147,328              |
| Debt Reserve  |                                 | 5,885                           | 5,885                |
| Unrestricted  | <u>489,397</u>                  | <u>203,885</u>                  | <u>693,282</u>       |
| Total net position                                      | <u>\$ 21,420,831</u>            | <u>\$ 5,251,347</u>             | <u>\$ 26,672,178</u> |

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

**DAGGETT COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

| Function/Programs                             | PROGRAM REVENUES |                            |   |   | NET (EXPENSE) REVENUE<br>& CHANGES IN NET POSITION |                             |                |
|---|------------------|----------------------------|---|---|--|-----------------------------|----------------|
|   | EXPENSES         | CHARGES<br>FOR<br>SERVICES | OPERATING<br>GRANTS<br>AND<br>CONTRIBUTIONS | CAPITAL<br>GRANTS<br>AND<br>CONTRIBUTIONS | PRIMARY GOVERNMENT                                 |                             |                |
|   |                  |                            |   |   | GOVERNMENTAL<br>ACTIVITIES                         | BUSINESS-TYPE<br>ACTIVITIES | TOTAL          |
| <b>Primary government:</b>                    |                  |                            |   |   |  |                             |                |
| Governmental activities:                      |                  |                            |   |   |  |                             |                |
| General government                            | \$ 1,301,079     | \$ 140,554                 | \$ 57,010                                   |   | \$ (1,103,515)                                     |                             | \$ (1,103,515) |
| Public safety                                 | 1,506,267        | 378,988                    | 129,495                                     | \$ 9,809                                  | (987,975)  |                             | (987,975)      |
| Public health                                 | 239,774          |                            |   |   | (239,774)  |                             | (239,774)      |
| Highways and public improvements              | 810,863          | 200                        | 747,449                                     |   | (63,214)   |                             | (63,214)       |
| Parks, recreation and public property         | 111,829          | 35,341                     |   |   | (76,488)   |                             | (76,488)       |
| Community and economic development            | 129,733          | 500                        | 21,731                                      |   | (107,502)  |                             | (107,502)      |
| Interest on long-term debt                    | 55,516           |                            |   |   | (55,516)   |                             | (55,516)       |
| Total governmental activities                 | \$ 4,155,061     | \$ 555,583                 | \$ 955,685                                  | \$ 9,809                                  | \$ (2,633,984)                                     |                             | \$ (2,633,984) |
| Business-type activities:                     |                  |                            |   |   |  |                             |                |
| Enterprise - Dutch John                       | \$ 292,237       | \$ 213,317                 |   | \$ 20,000                                 |  | \$ (58,920)                 | \$ (58,920)    |
| Enterprise - Low income housing               | 11,399           | 1,664                      |   |   |  | (9,735)                     | (9,735)        |
| Total business-type activities                | \$ 303,636       | \$ 214,981                 | \$ ...                                      | \$ 20,000                                 | \$ ...   | \$ (68,655)                 | \$ (68,655)    |
| Total primary government                      | \$ 4,458,697     | \$ 770,564                 | \$ 955,685                                  | \$ 29,809                                 | \$ (2,633,984)                                     | \$ (68,655)                 | \$ (2,702,639) |
| General revenues:                             |                  |                            |   |   |  |                             |                |
| Property taxes                                |                  |                            |   |   | \$ 1,138,167                                       |                             | \$ 1,138,167   |
| Sales and use taxes                           |                  |                            |   |   | 116,370  |                             | 116,370        |
| County option and Medical Service sales taxes |                  |                            |   |   | 74,386   |                             | 74,386         |
| 911 Surcharge                                 |                  |                            |   |   | 13,292   |                             | 13,292         |
| Restaurant tax revenue                        |                  |                            |   |   | 18,442   |                             | 18,442         |
| Transient room taxes                          |                  |                            |   |   | 136,020  |                             | 136,020        |
| Rural hospital taxes                          |                  |                            |   |   | 198,236  |                             | 198,236        |
| Payment in lieu of taxes                      |                  |                            |   |   | 138,513  |                             | 138,513        |
| Assessing & collecting taxes                  |                  |                            |   |   | 242,180  |                             | 242,180        |
| Mineral lease revenue                         |                  |                            |   |   | 227,549  |                             | 227,549        |
| Unrestricted investment earnings              |                  |                            |   |   | 47,776   | \$ 217                      | 47,993         |
| Miscellaneous                                 |                  |                            |   |   | 138,089  |                             | 138,089        |
| Gain/(loss) on sale of capital assets         |                  |                            |   |   | 3,009  |                             | 3,009          |
| Transfers                                     |                  |                            |   |   | 200,000  | (200,000)                   |                |
| Total general revenues and transfers          |                  |                            |   |   | \$ 2,692,029                                       | \$ (199,783)                | \$ 2,492,246   |
| Change in net position                        |                  |                            |   |   | \$ 58,045  | \$ (268,438)                | \$ (210,393)   |
| Net position - beginning                      |                  |                            |   |   | 21,316,111   | 5,727,775                   | 27,043,886     |
| Prior period adjustment                       |                  |                            |   |   | 46,675   | (207,990)                   | (161,315)      |
| Net position - ending                         |                  |                            |   |   | \$ 21,420,831                                      | \$ 5,251,347                | \$ 26,672,178  |

"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, 2017**

|   | GENERAL<br>FUND     | JAIL              | FLAMING GORGE<br>ROADS AND<br>TRANSPORTATION<br>SPECIAL SERVICE<br>DISTRICT | DAGGETT<br>COUNTY<br>REDEVELOPMENT<br>AGENCY | CLASS "B"<br>ROAD | NONMAJOR<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---|---------------------|-------------------|---|--|-------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>                               |                     |                   |   |  |                   |                                   |                                |
| Cash and cash equivalents                   | \$ 941,351          | \$ 145,228        |   |  |                   | \$ 267,522                        | \$ 1,354,101                   |
| Restricted cash and cash equivalents        | 96                  |                   | \$ 2,560,178  | \$ 716,365                                   | \$ 266,687        | 1,187,738                         | 4,731,064                      |
| Investments in stock                        | 505                 |                   |   |  |                   |                                   | 505                            |
| Account receivable (net)                    | 4,460               |                   |   |  |                   | 2,567                             | 7,027                          |
| Property taxes receivable                   | 61,255              | 9,814             |   |  |                   | 12,921                            | 83,990                         |
| Due from other governments                  | 99,720              | 266               | 56,700  |  | 68,204            | 37,238                            | 262,128                        |
| Inventory                                   |                     |                   | 59,752  |  |                   |                                   | 59,752                         |
| Prepaid expenses                            | 2,600               |                   |   |  |                   |                                   | 2,600                          |
| <b>Total assets</b>                         | <b>\$ 1,109,987</b> | <b>\$ 155,308</b> | <b>\$ 2,676,630</b>   | <b>\$ 716,365</b>                            | <b>\$ 334,891</b> | <b>\$ 1,507,986</b>               | <b>\$ 6,501,167</b>            |
| <b>LIABILITIES AND FUND BALANCES</b>        |                     |                   |   |  |                   |                                   |                                |
| <b>Liabilities:</b>                         |                     |                   |   |  |                   |                                   |                                |
| Accounts payable                            | \$ 108,204          | \$ 7,980          |   | \$ 334                                       | \$ 971            | \$ 71,824                         | \$ 189,313                     |
| Accrued liabilities                         | 67,065              |                   |   |  |                   |                                   | 67,065                         |
| Unearned revenue                            |                     |                   | \$ 153,867  | 8,675  |                   |                                   | 162,542                        |
| <b>Total liabilities</b>                    | <b>\$ 175,269</b>   | <b>\$ 7,980</b>   | <b>\$ 153,867</b>   | <b>\$ 9,009</b>                              | <b>\$ 971</b>     | <b>\$ 71,824</b>                  | <b>\$ 418,920</b>              |
| <b>Fund balances:</b>                       |                     |                   |   |  |                   |                                   |                                |
| <b>Nonspendable:</b>                        |                     |                   |   |  |                   |                                   |                                |
| Inventory                                   |                     |                   | \$ 59,752   |  |                   |                                   | \$ 59,752                      |
| Prepays                                     | \$ 2,600            |                   |   |  |                   |                                   | 2,600                          |
| <b>Restricted for:</b>                      |                     |                   |   |  |                   |                                   |                                |
| Class "B" Road                              |                     |                   |   |  | \$ 333,920        |                                   | 333,920                        |
| Flaming Gorge Roads & Transportation S.S.D. |                     |                   | 2,463,011   |  |                   |                                   | 2,463,011                      |
| Redevelopment Agency                        |                     |                   |   | \$ 707,356                                   |                   |                                   | 707,356                        |
| Forest Reserve                              |                     |                   |   |  |                   | \$ 302,193                        | 302,193                        |
| VAWA  |                     |                   |   |  |                   | 4,998                             | 4,998                          |
| VOCA  |                     |                   |   |  |                   | 5,683                             | 5,683                          |
| Beer Tax                                    |                     |                   |   |  |                   | 17,850                            | 17,850                         |
| Transient Room Tax                          |                     |                   |   |  |                   | 140,265                           | 140,265                        |
| Rural Hospital Tax                          |                     |                   |   |  |                   | 447,581                           | 447,581                        |
| Homeland Security                           |                     |                   |   |  |                   | 2,360                             | 2,360                          |
| Assessing and Collecting                    |                     |                   |   |  |                   | 211,580                           | 211,580                        |
| Trails fund                                 |                     |                   |   |  |                   | 64                                | 64                             |
| Restaurant Tax                              |                     |                   |   |  |                   | 41,278                            | 41,278                         |
| Jail Fund                                   |                     | \$ 147,328        |   |  |                   |                                   | 147,328                        |
| <b>Assigned for:</b>                        |                     |                   |   |  |                   |                                   |                                |
| Special Revenue                             |                     |                   |   |  |                   | 197,761                           | 197,761                        |
| Capital Projects                            |                     |                   |   |  |                   | 64,549                            | 64,549                         |
| Unassigned                                  | 932,118             |                   |   |  |                   |                                   | 932,118                        |
| <b>Total fund balances</b>                  | <b>\$ 934,718</b>   | <b>\$ 147,328</b> | <b>\$ 2,522,763</b>   | <b>\$ 707,356</b>                            | <b>\$ 333,920</b> | <b>\$ 1,436,162</b>               | <b>\$ 6,082,247</b>            |
| <b>Total liabilities and fund balances</b>  | <b>\$ 1,109,987</b> | <b>\$ 155,308</b> | <b>\$ 2,676,630</b>   | <b>\$ 716,365</b>                            | <b>\$ 334,891</b> | <b>\$ 1,507,986</b>               | <b>\$ 6,501,167</b>            |

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

**DAGGETT COUNTY  
RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2017**

Total fund balances - governmental fund types: \$ 6,082,247

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

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

|                                   |    |                  |            |
|-----------------------------------|----|------------------|------------|
| Land                              | \$ | 8,723,541        |            |
| Water rights                      |    | 886,462          |            |
| Infrastructure                    |    | 2,050,130        |            |
| Buildings                         |    | 2,437,481        |            |
| Improvements other than buildings |    | 2,059,979        |            |
| Equipment                         |    | 1,062,885        |            |
| Work in progress                  |    | <u>2,240,359</u> |            |
| Total                             |    |                  | 19,460,837 |

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                              | \$ | (22,806)        |             |
| Capital lease - current portion                    |    | (39,951)        |             |
| Capital lease - due in more than one year          |    | (79,113)        |             |
| G.O. bonds payable - current portion               |    | (115,000)       |             |
| G.O. bonds payable - due in more than one year     |    | (1,111,000)     |             |
| Revenue bonds payable - current portion            |    | (118,000)       |             |
| Revenue bonds payable - due in more than one year  |    | (1,869,000)     |             |
| Net pension liability                              |    | (981,487)       |             |
| Deferred inflows of resources related to pensions  |    | (281,806)       |             |
| Deferred outflows of resources related to pensions |    | 566,523         |             |
| Compensated absences                               |    | <u>(72,575)</u> |             |
| Total  |    |                 | (4,124,215) |

The net pension asset is not an available resource, therefore, is not reported in the governmental funds 1,962

Net position of government activities \$ 21,420,831

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

**DAGGETT COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|   | GENERAL<br>FUND     | JAIL              | FLAMING GORGE<br>ROADS AND<br>TRANSPORTATION<br>SPECIAL SERVICE<br>DISTRICT | DAGGETT<br>COUNTY<br>REDEVELOPMENT<br>AGENCY | CLASS "B"<br>ROAD | NONMAJOR<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---|---------------------|-------------------|---|--|-------------------|-----------------------------------|--------------------------------|
| <b>REVENUES:</b>  |                     |                   |   |  |                   |                                   |                                |
| Taxes   | \$ 1,183,954        | \$ 158,261        |   |  |                   | \$ 594,878                        | \$ 1,937,093                   |
| Licenses and permits  | 32,830              |                   |   |  | \$ 200            |                                   | 33,030                         |
| Intergovernmental revenues  | 281,296             |                   | \$ 433,296  |  | 430,841           | 186,123                           | 1,331,556                      |
| Charges for services  | 209,423             | 224,764           |   | \$ 27,000                                    |                   | 49,367                            | 510,554                        |
| Fines and forfeitures   | 11,999              |                   |   |  |                   |                                   | 11,999                         |
| Interest income   | 20,016              |                   | 21,196  | 4,818  |                   | 1,746                             | 47,776                         |
| Miscellaneous revenues  | 75,147              |                   | 19,894  |  | 4,760             | 38,288                            | 138,089                        |
| <b>Total revenues</b>   | <b>\$ 1,814,665</b> | <b>\$ 383,025</b> | <b>\$ 474,386</b>   | <b>\$ 31,818</b>                             | <b>\$ 435,801</b> | <b>\$ 870,402</b>                 | <b>\$ 4,010,097</b>            |
| <b>EXPENDITURES:</b>  |                     |                   |   |  |                   |                                   |                                |
| General government  | \$ 874,932          |                   |   |  |                   | \$ 316,077                        | \$ 1,191,009                   |
| Public safety   | 644,497             | \$ 557,553        |   |  |                   | 121,524                           | 1,323,574                      |
| Public health   | 9,269               |                   |   |  |                   | 213,215                           | 222,484                        |
| Highways and public improvements  | 71,109              |                   | \$ 22,857   |  | \$ 314,653        | 38,375                            | 446,994                        |
| Parks, recreation, and public property  | 5,432               |                   |   |  |                   | 117,098                           | 122,530                        |
| Community and economic development  |                     |                   |   | \$ 8,991                                     |                   | 120,742                           | 129,733                        |
| Capital outlay  |                     |                   | 2,228,517   |  |                   |                                   | 2,228,517                      |
| Debt service:   |                     |                   |   |  |                   |                                   |                                |
| Principal retirement  |                     | 115,000           | 46,000  |  |                   | 85,400                            | 246,400                        |
| Interest and fiscal charges   |                     | 31,811            |   |  |                   | 3,804                             | 35,615                         |
| <b>Total expenditures</b>   | <b>\$ 1,605,239</b> | <b>\$ 704,364</b> | <b>\$ 2,297,374</b>   | <b>\$ 8,991</b>                              | <b>\$ 314,653</b> | <b>\$ 1,016,235</b>               | <b>\$ 5,946,856</b>            |
| Excess revenues over (under) expenditures                                     | \$ 209,426          | \$ (321,339)      | \$ (1,822,988)  | \$ 22,827                                    | \$ 121,148        | \$ (145,833)                      | \$ (1,936,759)                 |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                     |                   |   |  |                   |                                   |                                |
| Transfers in  | \$ 200,000          | \$ 330,000        |   |  |                   | \$ 165,028                        | \$ 695,028                     |
| Transfers out   | (443,228)           |                   |   |  |                   | (51,800)                          | (495,028)                      |
| Sale of capital assets  |                     |                   |   |  | \$ 5,500          | 22,522                            | 28,022                         |
| Bond proceeds   |                     |                   | \$ 1,655,000  |  |                   |                                   | 1,655,000                      |
| Capital lease financing   |                     |                   |   |  |                   | 41,469                            | 41,469                         |
| <b>Total other financing sources (uses)</b>                                   | <b>\$ (243,228)</b> | <b>\$ 330,000</b> | <b>\$ 1,655,000</b>   | <b>\$ ...</b>                                | <b>\$ 5,500</b>   | <b>\$ 177,219</b>                 | <b>\$ 1,924,491</b>            |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ (33,802)         | \$ 8,661          | \$ (167,988)  | \$ 22,827                                    | \$ 126,648        | \$ 31,386                         | \$ (12,268)                    |
| <b>FUND BALANCES - beginning of year</b>                                      | <b>928,426</b>      | <b>138,667</b>    | <b>2,690,751</b>  | <b>687,003</b>                               | <b>207,272</b>    | <b>1,395,721</b>                  | <b>6,047,840</b>               |
| Prior period adjustment   | 40,094              |                   |   | (2,474)                                      |                   | 9,055                             | 46,675                         |
| <b>FUND BALANCES - end of year</b>  | <b>\$ 934,718</b>   | <b>\$ 147,328</b> | <b>\$ 2,522,763</b>   | <b>\$ 707,356</b>                            | <b>\$ 333,920</b> | <b>\$ 1,436,162</b>               | <b>\$ 6,082,247</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, 2017**

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

Net changes in fund balances - total governmental funds \$ (12,268)

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 capital outlays (\$2,296,505) exceeds depreciation expense (\$659,941) in the period. 1,636,564

In the statement of activities, only the loss on the sale of the capital assets is reported, whereas, in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the net book value of the capital assets sold. (115,324)

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.

|                              |                |             |
|------------------------------|----------------|-------------|
| Issuance of long-term debt   | \$ (1,655,000) |             |
| Capital lease financing      | (41,469)       |             |
| Change in interest payable   | (19,901)       |             |
| Retirement of long-term debt | <u>246,400</u> |             |
| Total                        |                | (1,469,970) |

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) 19,043

Change in net position of governmental activities \$ 58,045

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

**DAGGETT COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2017**

|   | BUSINESS-TYPE ACTIVITIES -<br>ENTERPRISE FUNDS |                                       |               |
|---|--|---------------------------------------|---------------|
|   | DUTCH<br>JOHN<br>ENTERPRISE                    | NON-MAJOR<br>LOW<br>INCOME<br>HOUSING | TOTAL<br>BTAs |
| <u>ASSETS AND DEFERRED<br/>OUTFLOW OF RESOURCES</u> |  |                                       |               |
| Current assets:                                     |  |                                       |               |
| Cash and cash equivalents                           | \$ 338,033                                     | \$ 20,917                             | \$ 358,950    |
| Accounts receivable (net of allowance \$14,504)     | 14,361   |                                       | 14,361        |
| Loan receivable - current                           |  | 3,297                                 | 3,297         |
| Loan subsidy receivable - current                   |  | 11,399                                | 11,399        |
|   | \$ 352,394                                     | \$ 35,613                             | \$ 388,007    |
| Total current assets                                |  |                                       |               |
| Noncurrent assets:                                  |  |                                       |               |
| Loan receivable                                     |  | \$ 28,262                             | \$ 28,262     |
| Loan subsidy receivable                             |  | 17,098                                | 17,098        |
| Net pension asset                                   | \$ 8   |                                       | 8             |
| Restricted cash and cash equivalents                | 5,885  |                                       | 5,885         |
| Capital Assets:                                     |  |                                       |               |
| Land  | 1,753,928                                      |                                       | 1,753,928     |
| Infrastructure                                      | 372,927  |                                       | 372,927       |
| Buildings   | 13,978   |                                       | 13,978        |
| Improvements  | 2,975,331                                      |                                       | 2,975,331     |
| Machinery and equipment                             | 65,972   |                                       | 65,972        |
| Work in progress                                    | 1,212,106                                      |                                       | 1,212,106     |
| Less accumulated depreciation                       | (754,665)                                      |                                       | (754,665)     |
|   | \$ 5,645,470                                   | \$ 45,360                             | \$ 5,690,830  |
| Total noncurrent assets                             |  |                                       |               |
| Total assets  | \$ 5,997,864                                   | \$ 80,973                             | \$ 6,078,837  |
| Deferred outflow of resources:                      |  |                                       |               |
| Deferred outflow - related to pensions              | \$ 2,367                                       |                                       | \$ 2,367      |
|   | \$ 2,367                                       | \$ ...                                | \$ 2,367      |
| Total deferred outflow of resources                 |  |                                       |               |
| Total assets and deferred outflow of resources      | \$ 6,000,231                                   | \$ 80,973                             | \$ 6,081,204  |

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

**DAGGETT COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2017**

|  | BUSINESS-TYPE ACTIVITIES -<br>ENTERPRISE FUNDS |                                       |               |
|--|--|---------------------------------------|---------------|
|  | DUTCH<br>JOHN<br>ENTERPRISE                    | NON-MAJOR<br>LOW<br>INCOME<br>HOUSING | TOTAL<br>BTAs |
| <b><u>LIABILITIES AND DEFERRED<br/>INFLOW OF RESOURCES</u></b> |  |                                       |               |
| Current Liabilities:   |  |                                       |               |
| Accounts payable   | \$ 225,234                                     |                                       | \$ 225,234    |
| Current portion - long-term debt                               | 21,000   |                                       | 21,000        |
|  |  |                                       |               |
| Total current liabilities                                      | \$ 246,234                                     | \$ ...                                | \$ 246,234    |
| Noncurrent Liabilities:  |  |                                       |               |
| Compensated absences   | \$ 1,346                                       |                                       | \$ 1,346      |
| Net pension liability  | 4,100  |                                       | 4,100         |
| Revenue bonds payable  | 577,000  |                                       | 577,000       |
|  |  |                                       |               |
| Total noncurrent liabilities                                   | \$ 582,446                                     | \$ ...                                | \$ 582,446    |
|  |  |                                       |               |
| Total liabilities  | \$ 828,680                                     | \$ ...                                | \$ 828,680    |
| Deferred inflow of resources:                                  |  |                                       |               |
| Deferred inflow- related to pensions                           | \$ 1,177                                       |                                       | \$ 1,177      |
|  |  |                                       |               |
| Total deferred inflow of resources                             | \$ 1,177                                       | \$ ...                                | \$ 1,177      |
|  |  |                                       |               |
| Total liabilities and deferred inflow of resources             | \$ 829,857                                     | \$ ...                                | \$ 829,857    |
| <b><u>NET POSITION</u></b>                                     |  |                                       |               |
| Net Position   |  |                                       |               |
| Net Investment in capital assets                               | \$ 5,041,577                                   |                                       | \$ 5,041,577  |
| Restricted   | 5,885  |                                       | 5,885         |
| Unrestricted   | 122,912  | \$ 80,973                             | 203,885       |
|  |  |                                       |               |
| Total net position   | \$ 5,170,374                                   | \$ 80,973                             | \$ 5,251,347  |

"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, 2017**

|  | BUSINESS-TYPE ACTIVITIES -<br>ENTERPRISES FUNDS |                                       |                     |
|--|---|---------------------------------------|---------------------|
|  | DUTCH<br>JOHN<br>ENTERPRISE                     | NON-MAJOR<br>LOW<br>INCOME<br>HOUSING | TOTAL<br>BTAs       |
|  |   |                                       |                     |
| Operating Revenues:                              |   |                                       |                     |
| Charges for services                             | \$ 213,317                                      |                                       | \$ 213,317          |
| Intergovernmental                                | 20,000  |                                       | 20,000              |
| Miscellaneous                                    |   | \$ 1,664                              | 1,664               |
| <b>Total operating revenues</b>                  | <b>\$ 233,317</b>                               | <b>\$ 1,664</b>                       | <b>\$ 234,981</b>   |
| Operating Expenses:                              |   |                                       |                     |
| Salaries, wages and benefits                     | \$ 67,683                                       |                                       | \$ 67,683           |
| Administration costs                             | 8,646   |                                       | 8,646               |
| Insurance  | 6,908   |                                       | 6,908               |
| Repairs & Maintenance                            | 389   |                                       | 389                 |
| Supplies   | 521   |                                       | 521                 |
| Contractual services                             | 7,520   |                                       | 7,520               |
| Utilities  | 25,639  |                                       | 25,639              |
| Miscellaneous                                    | 2,019   |                                       | 2,019               |
| Travel   | 2,412   |                                       | 2,412               |
| Fuel   | 3,476   |                                       | 3,476               |
| Water Treatment & Distribution                   | 34,286  |                                       | 34,286              |
| Sewer Treatment & Collection                     | 21,839  |                                       | 21,839              |
| Bad debt expense                                 | 1,368   |                                       | 1,368               |
| Amortization                                     |   | \$ 11,399                             | 11,399              |
| Depreciation                                     | 109,531   |                                       | 109,531             |
| <b>Total operating expenses</b>                  | <b>\$ 292,237</b>                               | <b>\$ 11,399</b>                      | <b>\$ 303,636</b>   |
| <b>Operating income (loss)</b>                   | <b>\$ (58,920)</b>                              | <b>\$ (9,735)</b>                     | <b>\$ (68,655)</b>  |
| Nonoperating Revenues (Expenses):                |   |                                       |                     |
| Interest income                                  | \$ 217  |                                       | \$ 217              |
| <b>Total nonoperating revenues (expenses)</b>    | <b>\$ 217</b>                                   | <b>\$ ...</b>                         | <b>\$ 217</b>       |
| Capital contributions and transfers:             |   |                                       |                     |
| Transfers out                                    | \$ (200,000)                                    |                                       | \$ (200,000)        |
| <b>Total capital contributions and transfers</b> | <b>\$ (200,000)</b>                             | <b>\$ ...</b>                         | <b>\$ (200,000)</b> |
| <b>Change in net position</b>                    | <b>\$ (258,703)</b>                             | <b>\$ (9,735)</b>                     | <b>\$ (268,438)</b> |
| Total net position - beginning                   | 5,637,067                                       | 90,708                                | 5,727,775           |
| Prior period adjustment                          | (207,990)                                       |                                       | (207,990)           |
| <b>Total net position - ending</b>               | <b>\$ 5,170,374</b>                             | <b>\$ 80,973</b>                      | <b>\$ 5,251,347</b> |

"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, 2017**

|   | BUSINESS-TYPE ACTIVITIES -<br>ENTERPRISE FUNDS |                                       |                          |
|---|--|---------------------------------------|--------------------------|
|   | DUTCH<br>JOHN<br>ENTERPRISE                    | NON-MAJOR<br>LOW<br>INCOME<br>HOUSING | TOTAL<br>BTA's           |
| <b>Cash Flows From Operating Activities:</b>  |  |                                       |                          |
| Cash receipts from customers  | \$ 242,702                                     | \$ 4,801                              | \$ 247,503               |
| Cash payments to suppliers  | 80,579   |                                       | 80,579                   |
| Cash payments to employees  | (75,311)                                       |                                       | (75,311)                 |
| Net cash provided (used) by operating activities  | <u>\$ 247,970</u>                              | <u>\$ 4,801</u>                       | <u>\$ 252,771</u>        |
| <b>Cash Flows From Noncapital Financing Activities:</b>   |  |                                       |                          |
| Transfers out   | <u>\$ (200,000)</u>                            |                                       | <u>\$ (200,000)</u>      |
| Net cash provided (used) by noncapital financing activities   | <u>\$ (200,000)</u>                            | <u>\$ ...</u>                         | <u>\$ (200,000)</u>      |
| <b>Cash Flows From Capital and Related Financing Activities:</b>  |  |                                       |                          |
| Acquisition of capital assets   | \$ (50,500)                                    |                                       | \$ (50,500)              |
| Principal paid on revenue bonds   | (21,000)                                       |                                       | (21,000)                 |
| Net cash provided (used) by capital and related financing activities  | <u>\$ (71,500)</u>                             | <u>\$ ...</u>                         | <u>\$ (71,500)</u>       |
| <b>Cash Flows From Investing Activities:</b>  |  |                                       |                          |
| Interest and dividends received   | <u>\$ 217</u>                                  |                                       | <u>\$ 217</u>            |
| Net cash provided (used) by investing activities  | <u>\$ 217</u>                                  | <u>\$ ...</u>                         | <u>\$ 217</u>            |
| Net increase (decrease) in cash and cash equivalents  | \$ (23,313)                                    | \$ 4,801                              | \$ (18,512)              |
| Cash and cash equivalents, January 1  | <u>367,231</u>                                 | <u>16,116</u>                         | <u>383,347</u>           |
| Cash and cash equivalents, December 31  | <u><u>\$ 343,918</u></u>                       | <u><u>\$ 20,917</u></u>               | <u><u>\$ 364,835</u></u> |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)<br/>TO NET CASH PROVIDED (USED) BY OPERATING<br/>ACTIVITIES:</b> |  |                                       |                          |
| Operating income (loss)   | <u>\$ (58,920)</u>                             | <u>\$ (9,735)</u>                     | <u>\$ (68,655)</u>       |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:         |  |                                       |                          |
| Depreciation expense  | \$ 109,531                                     |                                       | \$ 109,531               |
| Amortization  |  | \$ 11,399                             | 11,399                   |
| (Increase) Decrease in accounts receivable  | 9,385  |                                       | 9,385                    |
| (Increase) Decrease in note receivable  |  | 3,137                                 | 3,137                    |
| (Increase) Decrease in net pension asset  | 67   |                                       | 67                       |
| (Increase) Decrease in deferred outflow of resources  | 9,806  |                                       | 9,806                    |
| Increase (Decrease) in accounts payable   | 195,602  |                                       | 195,602                  |
| Increase (Decrease) in compensated absences   | 1,296  |                                       | 1,296                    |
| Increase (Decrease) in net pension liabilities  | (15,348)                                       |                                       | (15,348)                 |
| Increase (Decrease) in deferred inflows of resources  | (3,449)  |                                       | (3,449)                  |
| Total adjustments   | <u>\$ 306,890</u>                              | <u>\$ 14,536</u>                      | <u>\$ 321,426</u>        |
| Net cash provided (used) by operating activities  | <u><u>\$ 247,970</u></u>                       | <u><u>\$ 4,801</u></u>                | <u><u>\$ 252,771</u></u> |
| <b>Noncash Investing, Capital and Financing Activities:</b>   |  |                                       |                          |

The Low Income Housing Fund reduced the payment subsidy receivable by \$11,399.

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

**DAGGETT COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2017**

|                            | <u>EMT<br/>FUNDRAISING</u> | <u>COURT<br/>FINES</u> | <u>BAIL</u>            | <u>TOTAL<br/>TRUST<br/>FUND</u> | <u>AGENCY<br/>FUND</u> |
|----------------------------|----------------------------|------------------------|------------------------|---------------------------------|------------------------|
| <b><u>ASSETS</u></b>       |                            |                        |                        |                                 |                        |
| Cash & cash equivalents    | \$ 1,200                   | \$ 9,092               | \$ 9,088               | \$ 19,380                       | \$ 296,214             |
| Total assets               | <u>\$ 1,200</u>            | <u>\$ 9,092</u>        | <u>\$ 9,088</u>        | <u>\$ 19,380</u>                | <u>\$ 296,214</u>      |
| <b><u>LIABILITIES</u></b>  |                            |                        |                        |                                 |                        |
| Accounts payable           |                            | \$ 286                 |                        | \$ 286                          |                        |
| Due taxing units           |                            |                        |                        |                                 | \$ 296,214             |
| Total liabilities          | <u>\$ ...</u>              | <u>\$ 286</u>          | <u>\$ ...</u>          | <u>\$ 286</u>                   | <u>\$ 296,214</u>      |
| <b><u>NET POSITION</u></b> |                            |                        |                        |                                 |                        |
| Restricted                 | <u>\$ 1,200</u>            | <u>\$ 8,806</u>        | <u>\$ 9,088</u>        | <u>\$ 19,094</u>                |                        |
| Total net position         | <u><u>\$ 1,200</u></u>     | <u><u>\$ 8,806</u></u> | <u><u>\$ 9,088</u></u> | <u><u>\$ 19,094</u></u>         | <u><u>\$ ...</u></u>   |

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

**DAGGETT COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                | <u>EMT<br/>FUNDRAISING</u> | <u>COURT<br/>FINES</u> | <u>BAIL</u> | <u>TOTAL<br/>TRUST<br/>FUND</u> |
|--------------------------------|----------------------------|------------------------|-------------|---------------------------------|
| Additions:                     |                            |                        |             |                                 |
| Charges for services           |                            | \$ 4,320               | \$ 1,585    | \$ 5,905                        |
| Fines and fees                 |                            | 21,072                 | 150         | 21,222                          |
| Other revenues                 |                            | 3,347                  |             | 3,347                           |
|                                |                            |                        |             |                                 |
| Total operating revenues       | \$ ...                     | \$ 28,739              | \$ 1,735    | \$ 30,474                       |
| Deductions:                    |                            |                        |             |                                 |
| Public safety                  |                            | \$ 25,695              | \$ 4,475    | \$ 30,170                       |
|                                |                            |                        |             |                                 |
| Total operating expenses       | \$ ...                     | \$ 25,695              | \$ 4,475    | \$ 30,170                       |
| Change in net position         |                            | \$ 3,044               | \$ (2,740)  | \$ 304                          |
| Total net position - beginning | \$ 1,200                   | 5,762                  | 11,828      | 18,790                          |
| Total net position - ending    | \$ 1,200                   | \$ 8,806               | \$ 9,088    | \$ 19,094                       |

"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, 2017**

**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.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, (as amended by GASB Statement 37) Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. Certain of the significant changes in the Statement include the following:

- The financial statements include:
  - A Management's Discussion and Analysis (MD&A) providing an analysis of the County's overall financial position and results of operations.
  - Financial statements prepared using full-accrual accounting for all the County's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including the notes to financial statements).

**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.

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

A. **Reporting Entity (Continued)**

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.

**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.

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

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods and services and sales of land.

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

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

B. **Government-Wide and Fund Financial Accounting (Continued)**

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.

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 financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statement, 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 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.
- Jail Fund – The Jail Fund, a special revenue fund, is used to account for revenues and expenditures used to cover the cost of operating the Daggett County Jail facility.
- 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.
- Daggett County Redevelopment Agency Fund - The Redevelopment Agency Fund, is a special revenue fund that is used to account for revenues and expenses used to promote tourism and improvement of related facilities.
- Class “B” Road Fund – The Class “B” Road Fund is used to receive funding from the state of Utah and other sources to be used for the repair, maintenance and improvement of Class “B” road in the County.

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

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

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

The County reports the following major proprietary funds:

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

The County's non-major proprietary funds include the Low-Income Housing Fund. This fund accounts for the resources collected and expenditures incurred during the construction and subsequent sale of housing to qualified 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.
- Trust Funds – The County has the following trust funds, EMT Fundraising, Court Fines, and Bail Fund, which it manages in a trustee capacity.

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

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

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

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

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

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

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

D. **Budgetary Data**

Budgets are presented on the modified accrual basis of accounting for all governmental funds and on the accrual basis for proprietary funds. Budgets are not adopted for the trust and agency fund. 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.

Statements of cash flow are presented for proprietary funds under the direct method.

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

**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 \$72,575 and for proprietary funds total \$1,346.

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

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

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

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

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

**I. Net Position/Fund Balances**

The difference between assets and deferred outflow and liabilities and deferred inflow 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.

**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) and additions to/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, 2017 was as follows:

|  | <u>BEGINNING<br/>BALANCE</u> | <u>INCREASES</u>    | <u>DECREASES</u> | <u>ENDING<br/>BALANCE</u> |
|--|------------------------------|---------------------|------------------|---------------------------|
| <b>Primary Government</b>                    |                              |                     |                  |                           |
| <b>Governmental activities:</b>              |                              |                     |                  |                           |
| Capital assets not being depreciated:        |                              |                     |                  |                           |
| Land   | \$ 8,723,541                 |                     |                  | \$ 8,723,541              |
| Rights of Way                                | 886,462                      |                     |                  | 886,462                   |
| Work in Progress                             | 10,295                       | \$ 2,230,064        |                  | 2,240,359                 |
| Total capital assets not being depreciated   | <u>\$ 9,620,298</u>          | <u>\$ 2,230,064</u> | <u>\$ ...</u>    | <u>\$ 11,850,362</u>      |
| Capital assets being depreciated:            |                              |                     |                  |                           |
| Buildings                                    | \$ 5,019,663                 |                     |                  | \$ 5,019,663              |
| Improvements other than buildings            | 2,718,202                    | \$ 18,708           |                  | 2,736,910                 |
| Machinery and equipment                      | 3,844,095                    | 47,732              | \$ 61,582        | 3,830,245                 |
| Infrastructure                               | 6,618,776                    |                     |                  | 6,618,776                 |
| Total capital assets being depreciated       | <u>\$ 18,200,736</u>         | <u>\$ 66,440</u>    | <u>\$ 61,582</u> | <u>\$ 18,205,594</u>      |
| Less accumulated depreciation for:           |                              |                     |                  |                           |
| Buildings                                    | \$ 2,446,861                 | \$ 171,361          | \$ 36,040        | \$ 2,582,182              |
| Improvements other than buildings            | 583,367                      | 93,564              |                  | 676,931                   |
| Machinery and equipment                      | 2,543,498                    | 261,654             | 37,792           | 2,767,360                 |
| Infrastructure                               | 4,424,257                    | 108,349             | (36,040)         | 4,568,646                 |
| Total accumulated depreciation               | <u>\$ 9,997,983</u>          | <u>\$ 634,928</u>   | <u>\$ 37,792</u> | <u>\$ 10,595,119</u>      |
| Total capital assets, being depreciated, net | <u>\$ 8,202,753</u>          | <u>\$ (568,488)</u> | <u>\$ 23,790</u> | <u>\$ 7,610,475</u>       |
| Governmental activities capital assets, net  | <u>\$ 17,823,051</u>         | <u>\$ 1,661,576</u> | <u>\$ 23,790</u> | <u>\$ 19,460,837</u>      |

2. **CAPITAL ASSETS (Continued)**

|  | <u>BEGINNING<br/>BALANCE</u> | <u>INCREASES</u>    | <u>DECREASES</u>         | <u>ENDING<br/>BALANCE</u> |
|--|------------------------------|---------------------|--------------------------|---------------------------|
| <b>Business-type activities:</b>   |                              |                     |                          |                           |
| Capital assets not being depreciated:  |                              |                     |                          |                           |
| Land   | \$ 1,753,928                 |                     |                          | \$ 1,753,928              |
| Construction in progress   | <u>1,161,606</u>             | <u>\$ 50,500</u>    |                          | <u>1,212,106</u>          |
| Total capital assets not being depreciated   | <u>\$ 2,915,534</u>          | <u>\$ 50,500</u>    | <u>\$ ...</u>            | <u>\$ 2,966,034</u>       |
| Capital assets being depreciated:  |                              |                     |                          |                           |
| Buildings  | \$ 13,978                    |                     |                          | \$ 13,978                 |
| Improvements other than buildings  | 2,975,331                    |                     |                          | 2,975,331                 |
| Machinery and equipment  | 65,972                       |                     |                          | 65,972                    |
| Infrastructure   | <u>372,927</u>               |                     |                          | <u>372,927</u>            |
| Total capital assets being depreciated   | <u>\$ 3,428,208</u>          | <u>\$ ...</u>       | <u>\$ ...</u>            | <u>\$ 3,428,208</u>       |
| Less accumulated depreciation for:   |                              |                     |                          |                           |
| Buildings  | \$ 4,776                     | \$ 932              |                          | \$ 5,708                  |
| Improvements other than buildings  | 336,533                      | 91,025              | \$ (207,990)             | 635,548                   |
| Machinery and equipment  | 32,105                       | 5,143               |                          | 37,248                    |
| Infrastructure   | <u>63,730</u>                | <u>12,431</u>       |                          | <u>76,161</u>             |
| Total accumulated depreciation   | <u>\$ 437,144</u>            | <u>\$ 109,531</u>   | <u>\$ (207,990)</u>      | <u>\$ 754,665</u>         |
| Total capital assets, being depreciated, net   | <u>\$ 2,991,064</u>          | <u>\$ (109,531)</u> | <u>\$ 207,990</u>        | <u>\$ 2,673,543</u>       |
| Business-type activities capital assets, net   | <u>\$ 5,906,598</u>          | <u>\$ (59,031)</u>  | <u>\$ 207,990</u>        | <u>\$ 5,639,577</u>       |
| Depreciation expense was charged to functions/programs of the primary government as follows: |                              |                     |                          |                           |
| Governmental activities:   |                              |                     |                          |                           |
| General government   |                              |                     | \$ 59,081                |                           |
| Public safety  |                              |                     | 192,937                  |                           |
| Public health  |                              |                     | 17,290                   |                           |
| Highways and public improvements   |                              |                     | 357,613                  |                           |
| Parks and recreation   |                              |                     | <u>8,007</u>             |                           |
| Total depreciation expense - governmental activities   |                              |                     | <u>\$ 634,928</u>        |                           |
| Business-type activities:  |                              |                     |                          |                           |
| Enterprise - Dutch John  |                              |                     | <u>\$ 109,531</u>        |                           |
| Total depreciation expense - Business-Type Activities  |                              |                     | <u>\$ 109,531</u>        |                           |
| Total depreciation expense   |                              |                     | <u><u>\$ 744,459</u></u> |                           |

### 3. LONG-TERM DEBT

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

| Year Ending<br>December 31, | Governmental Activities |                   |                     | Business-Type Activities |               |                   |
|-----------------------------|-------------------------|-------------------|---------------------|--------------------------|---------------|-------------------|
|                             | Principal               | Interest          | Total               | Principal                | Interest      | Total             |
| 2018                        | \$ 233,000              | \$ 70,252         | \$ 303,252          | \$ 21,000                |               | \$ 21,000         |
| 2019                        | 238,000                 | 66,361            | 304,361             | 21,000                   |               | 21,000            |
| 2020                        | 243,000                 | 62,047            | 305,047             | 21,000                   |               | 21,000            |
| 2021                        | 237,000                 | 57,372            | 294,372             | 21,000                   |               | 21,000            |
| 2022                        | 878,000                 | 52,586            | 930,586             | 21,000                   |               | 21,000            |
| 2023-2027                   | 653,000                 | 180,516           | 833,516             | 106,000                  |               | 106,000           |
| 2028-2032                   | 731,000                 | 55,700            | 786,700             | 107,000                  |               | 107,000           |
| 2033-2037                   |                         |                   |                     | 108,000                  |               | 108,000           |
| 2038-2042                   |                         |                   |                     | 107,000                  |               | 107,000           |
| 2043-2045                   |                         |                   |                     | 65,000                   |               | 65,000            |
|                             | <u>\$ 3,213,000</u>     | <u>\$ 544,834</u> | <u>\$ 3,757,834</u> | <u>\$ 598,000</u>        | <u>\$ ...</u> | <u>\$ 598,000</u> |

**General Obligation Bonds** – General Obligation Bonds payable at December 31, 2017, 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 \$392,000. 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%.

\$1,197,000

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

\$ 29,000

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

**Mineral Lease Revenue Bonds** – Mineral Lease Revenue Bonds payable at December 31, 2017, 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. \$ 236,000

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. \$ 96,000

Parity Mineral Lease Revenue Bonds, Series 2017 in the amount of \$1,655,000 were issued on July 11, 2017. Annual principal payments are due each July 18 beginning in 2018, and range from \$70,000 to \$153,000. 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 of portions of the Brown's park road. The bonds carry an interest rate of two and one half percent paid annually. \$1,655,000

Business-Type Activities:

**Water Revenue Bonds** – Water Revenue Bonds payable at December 31, 2017, 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. \$ 598,000

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

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2017 was as follows:

|   | Beginning<br>Balance | Additions           | Reductions        | Ending<br>Balance   | Due Within<br>One Year |
|---|----------------------|---------------------|-------------------|---------------------|------------------------|
| <b>Governmental activities:</b>                   |                      |                     |                   |                     |                        |
| Bonds payable:                                    |                      |                     |                   |                     |                        |
| General obligation bonds                          | \$ 1,341,000         |                     | \$ 115,000        | \$ 1,226,000        | \$ 117,000             |
| Revenue bonds                                     | 378,000              | \$ 1,655,000        | 46,000            | 1,987,000           | 116,000                |
| Capital leases                                    | 162,514              | 41,950              | 85,400            | 119,064             | 39,951                 |
| Compensated Absences                              | 91,618               |                     | 19,043            | 72,575              |                        |
| Net pension liability                             | 952,975              | 28,512              |                   | 981,487             |                        |
| Governmental activity<br>long-term liabilities    | <u>\$ 2,926,107</u>  | <u>\$ 1,725,462</u> | <u>\$ 265,443</u> | <u>\$ 4,386,126</u> | <u>\$ 272,951</u>      |
| <b>Business-type activities:</b>                  |                      |                     |                   |                     |                        |
| Revenue Bonds                                     | \$ 619,000           |                     | \$ 21,000         | \$ 598,000          | \$ 21,000              |
| Compensated Absences                              | 50                   | \$ 1,296            |                   | 1,346               |                        |
| Net pension liability                             | 19,448               |                     | 15,348            | 4,100               |                        |
| Business-type activities<br>long-term liabilities | <u>\$ 638,498</u>    | <u>\$ 1,296</u>     | <u>\$ 36,348</u>  | <u>\$ 603,446</u>   | <u>\$ 21,000</u>       |

**Governmental Activity Debt**

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

| Payment Date | Principal        | Interest        | Total            |
|--------------|------------------|-----------------|------------------|
| July 1, 2018 | \$ 9,000         | \$ 870          | \$ 9,870         |
| July 1, 2019 | 10,000           | 600             | 10,600           |
| July 1, 2020 | 10,000           | 300             | 10,300           |
| Total        | <u>\$ 29,000</u> | <u>\$ 1,770</u> | <u>\$ 30,770</u> |

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

**Governmental Activity Debt (Continued)**

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

| Principal<br>Payment Date | Principal           | Interest          | Total               |
|---------------------------|---------------------|-------------------|---------------------|
| June 15, 2018             |                     | \$ 14,003         | \$ 14,003           |
| December 15, 2018         | \$ 108,000          | 14,003            | 122,003             |
| June 15, 2019             |                     | 13,068            | 13,068              |
| December 15, 2019         | 110,000             | 13,068            | 123,068             |
| June 15, 2020             |                     | 11,961            | 11,961              |
| December 15, 2020         | 112,000             | 11,961            | 123,961             |
| June 15, 2021             |                     | 10,686            | 10,686              |
| December 15, 2021         | 114,000             | 10,686            | 124,686             |
| June 15, 2022             |                     | 9,231             | 9,231               |
| December 15, 2022         | 117,000             | 9,231             | 126,231             |
| June 15, 2023             |                     | 7,612             | 7,612               |
| December 15, 2023         | 120,000             | 7,612             | 127,612             |
| June 15, 2024             |                     | 5,882             | 5,882               |
| December 15, 2024         | 124,000             | 5,882             | 129,882             |
| June 15, 2025             |                     | 4,038             | 4,038               |
| December 15, 2025         | 128,000             | 4,038             | 132,038             |
| June 15, 2026             |                     | 2,719             | 2,719               |
| December 15, 2026         | 131,000             | 2,719             | 133,719             |
| June 15, 2027             |                     | 1,370             | 1,370               |
| December 15, 2027         | 133,000             | 1,370             | 134,370             |
|                           | <u>\$ 1,197,000</u> | <u>\$ 161,140</u> | <u>\$ 1,358,140</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<br>Payment Date | Principal         | Interest      | Total             |
|---------------------------|-------------------|---------------|-------------------|
| April 1, 2018             | \$ 33,000         |               | \$ 33,000         |
| April 1, 2019             | 33,000            |               | 33,000            |
| April 1, 2020             | 34,000            |               | 34,000            |
| April 1, 2021             | 34,000            |               | 34,000            |
| April 1, 2022             | 34,000            |               | 34,000            |
| April 1, 2023             | 34,000            |               | 34,000            |
| April 1, 2024             | 34,000            |               | 34,000            |
| Total                     | <u>\$ 236,000</u> | <u>\$ ...</u> | <u>\$ 236,000</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<br>Payment Date | Principal        | Interest      | Total            |
|---------------------------|------------------|---------------|------------------|
| April 1, 2018             | \$ 13,000        |               | \$ 13,000        |
| April 1, 2019             | 13,000           |               | 13,000           |
| April 1, 2020             | 14,000           |               | 14,000           |
| April 1, 2021             | 14,000           |               | 14,000           |
| April 1, 2022             | 14,000           |               | 14,000           |
| April 1, 2023             | 14,000           |               | 14,000           |
| April 1, 2024             | 14,000           |               | 14,000           |
| Total                     | <u>\$ 96,000</u> | <u>\$ ...</u> | <u>\$ 96,000</u> |

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

**Governmental Activity Debt**

Parity Mineral Lease Revenue Bonds, Series 2017, in the amount of \$1,655,000 were issued on July 11, 2017. Annual principle payments are due each July 1<sup>st</sup> beginning in 2018, and range from \$70,000 to \$153,000. 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 a portion of the Brown's Park Road. The bonds carry an interest rate of two and one half percent interest to be paid annually and final payment is July 1, 2032.

| <u>Principal<br/>Payment Date</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|-----------------------------------|---------------------|-------------------|---------------------|
| July 1, 2018                      | \$ 70,000           | \$ 41,375         | \$ 111,375          |
| July 1, 2019                      | 72,000              | 39,625            | 111,625             |
| July 1, 2020                      | 73,000              | 37,825            | 110,825             |
| July 1, 2021                      | 75,000              | 36,000            | 111,000             |
| July 1, 2022                      | 77,000              | 34,125            | 111,125             |
| July 1, 2023                      | 79,000              | 32,200            | 111,200             |
| July 1, 2024                      | 81,000              | 30,225            | 111,225             |
| July 1, 2025                      | 129,000             | 28,200            | 157,200             |
| July 1, 2026                      | 132,000             | 24,975            | 156,975             |
| July 1, 2027                      | 136,000             | 21,675            | 157,675             |
| July 1, 2028                      | 139,000             | 18,275            | 157,275             |
| July 1, 2029                      | 143,000             | 14,800            | 157,800             |
| July 1, 2030                      | 146,000             | 11,225            | 157,225             |
| July 1, 2031                      | 150,000             | 7,575             | 157,575             |
| July 1, 2032                      | 153,000             | 3,825             | 156,825             |
| Total                             | <u>\$ 1,655,000</u> | <u>\$ 381,925</u> | <u>\$ 2,036,925</u> |

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

**Business-Type Activity Debt**

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

| <u>Principal<br/>Payment Date</u> | <u>Principal</u>  | <u>Interest</u> | <u>Total</u>      |
|-----------------------------------|-------------------|-----------------|-------------------|
| November 1, 2018                  | \$ 21,000         |                 | \$ 21,000         |
| November 1, 2019                  | 21,000            |                 | 21,000            |
| November 1, 2020                  | 21,000            |                 | 21,000            |
| November 1, 2021                  | 21,000            |                 | 21,000            |
| November 1, 2022                  | 21,000            |                 | 21,000            |
| November 1, 2023                  | 21,000            |                 | 21,000            |
| November 1, 2024                  | 21,000            |                 | 21,000            |
| November 1, 2025                  | 21,000            |                 | 21,000            |
| November 1, 2026                  | 21,000            |                 | 21,000            |
| November 1, 2027                  | 22,000            |                 | 22,000            |
| November 1, 2028                  | 21,000            |                 | 21,000            |
| November 1, 2029                  | 22,000            |                 | 22,000            |
| November 1, 2030                  | 21,000            |                 | 21,000            |
| November 1, 2031                  | 22,000            |                 | 22,000            |
| November 1, 2032                  | 21,000            |                 | 21,000            |
| November 1, 2033                  | 22,000            |                 | 22,000            |
| November 1, 2034                  | 21,000            |                 | 21,000            |
| November 1, 2035                  | 22,000            |                 | 22,000            |
| November 1, 2036                  | 21,000            |                 | 21,000            |
| November 1, 2037                  | 22,000            |                 | 22,000            |
| November 1, 2038                  | 21,000            |                 | 21,000            |
| November 1, 2039                  | 22,000            |                 | 22,000            |
| November 1, 2040                  | 21,000            |                 | 21,000            |
| November 1, 2041                  | 22,000            |                 | 22,000            |
| November 1, 2042                  | 21,000            |                 | 21,000            |
| November 1, 2043                  | 22,000            |                 | 22,000            |
| November 1, 2044                  | 21,000            |                 | 21,000            |
| November 1, 2045                  | 22,000            |                 | 22,000            |
| Total                             | <u>\$ 598,000</u> | <u>\$ ...</u>   | <u>\$ 598,000</u> |

#### 4. CAPITAL LEASES

##### Primary Government

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

|                                | <u>Governmental<br/>Activities</u> |
|--------------------------------|------------------------------------|
| Equipment                      | \$ 250,532                         |
| Less: Accumulated Depreciation | <u>(83,970)</u>                    |
| Net assets                     | <u>\$ 166,562</u>                  |

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017 were as follows:

| <u>Years Ending<br/>December 31,</u>    | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| 2018                                    | \$ 42,999                          |
| 2019                                    | 40,781                             |
| 2020                                    | 33,288                             |
| 2021                                    | <u>8,413</u>                       |
| Total minimum lease payments            | \$ 125,481                         |
| Less: amount representing interest      | <u>(6,417)</u>                     |
| Present value of minimum lease payments | <u><u>\$ 119,064</u></u>           |

## 5. DEPOSITS AND INVESTMENTS

### **Deposits**

#### *Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. At December 31, 2017, the County's bank balance of cash on deposit was \$104 of this amount \$104 was insured but uncollateralized.

### **Investments**

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

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

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

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

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

**5. DEPOSITS AND INVESTMENTS**

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

*Fair Value of Investments*

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

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

At December 31, 2017, the County had the following recurring fair value measurements:

| <u>Investment by Fair Value Level</u> | <u>Fair Value Measurements Using</u> |                |                     |                |
|---------------------------------------|--------------------------------------|----------------|---------------------|----------------|
|                                       | <u>12/31/17</u>                      | <u>Level 1</u> | <u>Level 2</u>      | <u>Level 3</u> |
| Equity Securities                     |                                      |                |                     |                |
| Money Market Mutual Funds             | \$ 2,471,573                         |                | \$ 2,471,573        |                |
| Water Stock                           | 505                                  |                | 505                 |                |
| State of Utah Public                  |                                      |                |                     |                |
| Treasurer's Investment Fund           | 1,319,827                            |                | 1,319,827           |                |
|                                       | <u>\$ 3,791,905</u>                  | <u>\$ ...</u>  | <u>\$ 3,791,905</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, 2017 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, 2017, 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, 2017, the County's investments had the following maturities:

| Investment Type                                     | Fair Value          | Investment Maturities (in Years) |               |               |               |
|---|---------------------|----------------------------------|---------------|---------------|---------------|
|   |                     | Less Than 1                      | 1 - 5         | 6 - 10        | More than 10  |
| Money Market Mutual Funds                           | \$ 2,471,573        | \$ 2,471,573                     |               |               |               |
| Water Stock   | 505                 | 505                              |               |               |               |
| State of Utah Public<br>Treasurer's Investment Fund | 1,319,827           | 1,319,827                        |               |               |               |
| Total Investments                                   | <u>\$ 3,791,905</u> | <u>\$ 3,791,905</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, 2017, the County had the following investments and quality ratings:

| Investment Type                                     | Fair Value          | Quality Ratings |               |               |                     |
|---|---------------------|-----------------|---------------|---------------|---------------------|
|   |                     | AAA             | AA            | A             | Unrated             |
| Money Market Mutual Funds                           | \$ 2,471,573        |                 |               |               | \$ 2,471,573        |
| Water Stock   | 505                 |                 |               |               | 505                 |
| State of Utah Public<br>Treasurer's Investment Fund | 1,319,827           |                 |               |               | 1,319,827           |
| Total Investments                                   | <u>\$ 3,791,905</u> | <u>\$ ...</u>   | <u>\$ ...</u> | <u>\$ ...</u> | <u>\$ 3,791,905</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, 2017, the County had \$1,319,827 invested in the Public Treasurer's Investment Fund and was held by them. The County also had \$2,471,573 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 mixed agent and cost-sharing, multiple-employer public employee retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer cost sharing public employee retirement system;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

**6. PENSION PLANS (Continued)**

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

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

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

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

**Summary of Benefits by System**

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

\*with actuarial reductions

\*\*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, 2017 are as follows:

**Utah Retirement Systems**

|                                    | Employee | Employer | Employer<br>401(k) |
|------------------------------------|----------|----------|--------------------|
| <b>Contributory System</b>         |          |          |                    |
| 111 Local Government Div - Tier 2  | N/A      | 15.11    | 1.58               |
| <b>Noncontributory System</b>      |          |          |                    |
| 15 Local Governmental Div - Tier 1 | N/A      | 18.47    | N/A                |
| <b>Public Safety System</b>        |          |          |                    |
| <b>Contributory</b>                |          |          |                    |
| 23 Other Div A with 2.5% COLA      | 12.29    | 22.75    | N/A                |
| 122 Tier 2 DB Hybrid Public Safety | N/A      | 22.57    | 1.26               |
| <b>Noncontributory</b>             |          |          |                    |
| 43 Other Div A with 2.5% COLA      | N/A      | 34.04    | N/A                |
| <b>Tier 2 DC Only</b>              |          |          |                    |
| 211 Local Government               | N/A      | 6.69     | 10.00              |
| 222 Public Safety                  | N/A      | 11.83    | 12.00              |

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

6. **PENSION PLANS (Continued)**

For fiscal year ended December 31, 2017, the employer and employee contributions to the Systems were as follows:

| <b>System</b>                        | Employer<br>Contributions | Employee<br>Contributions |
|--------------------------------------|---------------------------|---------------------------|
| Noncontributory System               | \$ 87,459                 | N/A                       |
| Public Safety System                 | 65,941                    | -                         |
| Tier 2 Public Employees System       | 15,727                    | -                         |
| Tier 2 Public Safety and Firefighter | 10,799                    | -                         |
| Tier 2 DC Only System                | 5,615                     | N/A                       |
| Total Contributions                  | \$ 185,540                | \$ -                      |

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 and Relating to Pensions**

At December 31, 2017, we reported a net pension asset of \$1,970 and a net pension liability of \$985,587.

|                                      | (Measurement Date): December 31, 2016 |                          |                        |   |                      |
|--------------------------------------|---------------------------------------|--------------------------|------------------------|---|----------------------|
|                                      | Net Pension<br>Asset                  | Net Pension<br>Liability | Proportionate<br>Share | Proportionate<br>Share<br>December 31, 2015 | Change<br>(Decrease) |
|                                      |                                       |                          |                        |   |                      |
| Noncontributory System               |                                       | \$ 477,662               | 0.0743880%             | 0.0789024%                                  | (0.0045144)%         |
| Public Safety System                 |                                       | 506,614                  | 0.2496528%             | 0.2936244%                                  | (0.0439716)%         |
| Tier 2 Public Employees System       |                                       | 1,311                    | 0.0117530%             | 0.0232503%                                  | (0.0114973)%         |
| Tier 2 Public Safety and Firefighter | \$ 1,970                              |                          | 0.2269697%             | 0.2524283%                                  | (0.0254586)%         |
|                                      | \$ 1,970                              | \$ 985,587               |                        |   |                      |

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016 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, 2017, we recognized pension expense of \$291,776.

6. **PENSION PLANS (Continued)**

At December 31, 2017 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 11,831                            | \$ 55,204                           |
| Changes in assumptions  | 154,972                              | 33,567                              |
| Net difference between projected and actual earnings<br>on pension plan investments                     | 214,267                              | 63,106.00                           |
| Changes in proportion and differences between<br>contributions and proportionate share of contributions | 2,280                                | 131,106                             |
| Contributions subsequent to the measurement date  | 185,540                              |                                     |
|   | <hr/>                                | <hr/>                               |
| Total   | <u>\$ 568,890</u>                    | <u>\$ 282,983</u>                   |

\$185,540 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2016.

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<br/>(Inflows) of Resources</u> |
|--------------------------------|---|
| 2017                           | \$ 13,068   |
| 2018                           | 25,433  |
| 2019                           | 69,328  |
| 2020                           | (9,579)   |
| 2021                           | 155   |
| Thereafter                     | 1,961   |

6. **PENSION PLANS (Continued)**

**Actuarial Assumptions**

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 2.60 percent  |
| Salary increases          | 3.35 - 10.35 percent, average, including inflation                        |
| Investment rate of return | 7.20 percent, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the January 1, 2016, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

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

| Asset Class               | Expected Return Arithmetic Basis   |                              |  |
|---------------------------|------------------------------------|------------------------------|--|
|                           | Target Asset Allocation            | Real Return Arithmetic Basis | Long-Term expected portfolio real rate of return |
| Equity securities         | 40.00%                             | 7.06%                        | 2.82%  |
| Debt securities           | 20.00%                             | 0.80%                        | 0.16%  |
| Real assets               | 13.00%                             | 5.10%                        | 0.66%  |
| Private equity            | 9.00%                              | 11.30%                       | 1.02%  |
| Absolute return           | 18.00%                             | 3.15%                        | 0.57%  |
| Cash and cash equivalents | 0.00%                              | 0.00%                        | 0.00%  |
| Totals                    | 100%                               |                              | 5.23%  |
|                           | Inflation                          |                              | 2.60%  |
|                           | Expected arithmetic nominal return |                              | 7.83%  |

**6. PENSION PLANS (Continued)**

The 7.20% assumed investment rate of return is comprised of an inflation rate of 2.60%, a real return of 4.60% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.20 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 was reduced to 7.20 percent from 7.50 percent from the prior measurement period.

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 7.20 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

| <b>System</b>                        | 1%<br>Decrease<br>(6.20%) | Discount<br>Rate<br>(7.20%) | 1%<br>Increase<br>(8.20%) |
|--------------------------------------|---------------------------|-----------------------------|---------------------------|
| Noncontributory System               | \$ 989,400                | \$ 477,662                  | \$ 50,645                 |
| Public Safety System                 | 1,053,643                 | 506,614                     | 61,955                    |
| Tier 2 Public Employees System       | 8,924                     | 1,311                       | (4,480)                   |
| Tier 2 Public Safety and Firefighter | 13,784                    | (1,970)                     | (14,077)                  |
| Total                                | \$ 2,065,751              | \$ 983,617                  | \$ 94,043                 |

Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position 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
- \*Traditional IRA Plan

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

|                        | 2017      | 2016      | 2015      |
|------------------------|-----------|-----------|-----------|
| <b>401(k) Plan</b>     |           |           |           |
| Employer Contributions | \$ 19,172 | \$ 41,561 | \$ 40,795 |
| Employee Contributions | 16,805    | 47,571    | 47,006    |
| <b>457 Plan</b>        |           |           |           |
| Employer Contributions | \$ -      | \$ -      | \$ -      |
| Employee Contributions | -         | -         | 400       |
| <b>Roth IRA Plan</b>   |           |           |           |
| Employer Contributions | N/A       | N/A       | N/A       |
| Employee Contributions | \$ 4,160  | \$ 3,720  | \$ 5,560  |
| <b>Traditional IRA</b> |           |           |           |
| Employer Contributions | N/A       | N/A       | N/A       |
| Employee Contributions | \$ -      | \$ 180    | \$ 260    |

7. **CONTINGENT LIABILITIES**

Litigation

Daggett County has no pending lawsuits and/or notice of claim filed subsequent to December 31, 2017.

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, 2017, for Daggett County's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

|  | General<br>Fund   | Jail<br>Fund     | Classs<br>"B"<br>Road | Flaming Gorge<br>Roads and<br>Transportation<br>SS District | Dutch John<br>Proprietary<br>Fund | Nonmajor<br>Govt<br>Funds | Total             |
|--|-------------------|------------------|-----------------------|---|-----------------------------------|---------------------------|-------------------|
| Receivables:                                     |                   |                  |                       |   |                                   |                           |                   |
| Taxes  | \$ 61,255         | \$ 9,814         |                       |   |                                   | \$ 12,921                 | \$ 83,990         |
| Accounts   | 4,460             |                  |                       |   | \$ 28,865                         | 2,567                     | 35,892            |
| Due from other<br>governments                    | 99,720            | 266              | \$ 68,204             | \$ 56,700   |                                   | 37,238                    | 262,128           |
| Gross receivables                                | \$ 165,435        | \$ 10,080        | \$ 68,204             | \$ 56,700   | \$ 28,865                         | \$ 52,726                 | \$ 382,010        |
| Less: Allowance for<br>uncollectible<br>accounts |                   |                  |                       |   | (14,504)                          |                           | (14,504)          |
| Net receivables                                  | <u>\$ 165,435</u> | <u>\$ 10,080</u> | <u>\$ 68,204</u>      | <u>\$ 56,700</u>  | <u>\$ 14,361</u>                  | <u>\$ 52,726</u>          | <u>\$ 367,506</u> |

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

The County has restricted the following fund balances of governmental funds:

\$333,920 has been reserved in the “B” Road Fund for the purpose of maintaining, improving, repairing or replacement of “B” roads in Daggett County.

\$707,356 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.

\$2,463,011 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.

\$4,998 has been restricted for victims advocate (VAWA). These funds have been received through a grant for provide advocate for victims.

\$5,683 has been restricted though a grant for Victims of Crimes (VOCA) and to be used for support for staff to help with victims of crimes.

\$17,850 this is fund received through the State of Utah Liquor Fund Allotment to be used by law enforcement departments in policing alcohol related offences.

\$302,193 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.

\$140,265 has been restricted in the Transient Room Tax Fund to be used for the purpose of promoting tourism and improvement of related facilities.

\$447,581 Rural Hospital Tax has been restricted to provide medical assistance in many different areas of the State of Utah.

\$2,360 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.

\$211,580 has been restricted in the Assessing and Collecting Fund, because of funds that have been received through the imposing a certified tax rate to cover the cost of assessing and collecting tax revenues.

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

\$41,278 has been restricted in the Restaurant Tax Fund. These funds are restricted to special uses as outline by the type of tax imposed.

\$147,328 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.

\$5,885 has been restricted in the Dutch John operating fund as a debt reserve account to be accumulated and used for the retirement of debt.

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

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, 2017, the County had no unfavorable variance when comparing their budget to actual. See Schedules one through five 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 moneys.

**15. RECONCILIATION OF INTERFUND TRANSFERS**

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

|               | Transfers In:                     |                   |                   |                   |
|---------------|-----------------------------------|-------------------|-------------------|-------------------|
|               | Nonmajor<br>Governmental<br>Funds | Jail<br>Fund      | General<br>Fund   | Total<br>Out      |
| Transfer Out: |                                   |                   |                   |                   |
| General Fund  | \$ 113,228                        | \$ 330,000        |                   | \$ 443,228        |
| Dutch John    |                                   |                   | \$ 200,000        | 200,000           |
| Total in      | <u>\$ 113,228</u>                 | <u>\$ 330,000</u> | <u>\$ 200,000</u> | <u>\$ 643,228</u> |

There were several transfer of funds during the year. The Dutch John Fund transferred \$200,000 to the general fund. The General Fund transferred \$443,228 to several funds. Of this amount, \$330,000 went to jail fund to help cover the cost of operations and debt payments. There was \$113,228 transferred to various nonmajor governmental 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           \$4,736,949

The restricted cash and cash equivalents represent \$96 of sheriff funds held in the general fund, \$2,560,178 of money restricted held in the Flaming Gorge Fund restricted for the use in improving and maintain roads and transportation in the County. The County has also restricted \$266,687 in “B” Road Fund to be used for the maintenance and improvement of qualified “B” roads. They have restricted \$716,365 in the Dutch John Redevelopment Agency to be used for allowable expenditures within the Agency’s boundaries. The County has also restricted funds in the nonmajor funds associated with different grant requirements, special assessed taxes, specific certified rates and restricted road allotments. The total of these restricted cash and cash equivalents is \$1,187,738 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, for a specific purpose. The same formal action must be taken to remove or change the constraints placed on the resources.

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

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

**17. FUND EQUITY (Continued)**

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

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

**18. INVENTORY**

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

**19. CURRENT REFUNDING**

On January 15, 2015 Daggett County issued \$1,516,000 of General Obligation Refunding Bonds, Series 2015 for the purpose of refunding \$1,483,000 of the then outstanding General Obligation Refunding Bonds Series 2008. The 2015 bonds carry an interest rate ranging between 0.660% and 2.975% and will be paid in annual debt service payments over the next 13 years with the final payment being made on December 15, 2027. The refunded 2008 bonds also required annual principal payment, with the final payment due December 15, 2027. As a result of the refunding, the County reduced its cash flow requirements on debt service by \$222,549 over the next 13 years. The County also realized an economic gain (the difference between the present value of debt service payments on the old and new debt) from the refunding of \$186,783. The balance outstanding on the defeased G.O Refunding Bonds, Series 2008 was \$1,209,000 at December 31, 2017.

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

Daggett County has restricted \$5,885 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 2017, there was \$5,885 of money deposited into the public treasurer's investment fund as a debt reserve fund for the Water Revenue Bond, Series 2016. Each year additional funds will be deposited into the PTIF fund to accumulate a debt reserve fund as required by bond documents in the amount of \$21,333.

**21. PRIOR PERIOD ADJUSTMENTS**

During the year ended December 31, 2017, there were several prior period adjustment made to the general fund, transient room tax fund, rural hospital tax fund and the restaurant tax fund. The prior period adjustments associated with these fund were due to the difference tax revenue received by the State of Utah and disbursed to Counties. For these taxes there is a 60 day lag time between when taxes are collected and disbursed to the Counties. In prior years, 12 payments of these taxes had been reported in the records of the County but the periods that applied to the current year needed to be adjusted by accruing the payments in January and February of the subsequent year and recording a prior period adjustment for fund collect January and February 2017. Below we have listed the governmental funds affected by the prior period adjustments and the amounts that apply to each:

|                    |          |
|--------------------|----------|
| General Fund       | \$40,094 |
| Transient Room Tax | 2,079    |
| Rural Hospital Tax | 6,835    |
| Restaurant Tax     | 141      |

There was also a prior period adjustment for the redevelopment agency fund and the Dutch John enterprise fund. The redevelopment agency fund is a governmental fund and the County has been recording R.V. rental fees as accounts receivable. The R.V. rental fees are several years old and it was necessary to remove the receivables since they do not meet the measurable and available tests which are necessary to accrue governmental receivables in the Daggett County Redevelopment Agency. There was a prior period adjustment in the Dutch John enterprise fund of \$207,990 which applied to depreciation that should have been taken on the Dutch John sewer plant in prior years. When the capital assets was setup in the County's accounting system the sewer plant was not being depreciated.

# **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 – Jail Fund
- SCHEDULE 3 Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Flaming Gorge Roads & Transportation Special Service District
- SCHEDULE 4 Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – 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 as of December 31, 2017
- SCHEDULE 7 Schedule of Contributions as of December 31, 2017

Notes to the 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, 2017**

|  | BUDGET AMOUNTS      |                     | ACTUAL<br>AMOUNTS   | VARIANCE WITH<br>FINAL BUDGET |
|--|---------------------|---------------------|---------------------|-------------------------------|
|  | ORIGINAL            | FINAL               |                     | FAVORABLE<br>(UNFAVORABLE)    |
| <b>REVENUES</b>                              |                     |                     |                     |                               |
| Taxes:                                       |                     |                     |                     |                               |
| Property taxes - current                     | \$ 935,000          | \$ 935,000          | \$ 897,722          | \$ (37,278)                   |
| Property taxes - delinquent                  | 30,000              | 30,000              | 27,998              | (2,002)                       |
| Fees-in-lieu of personal property tax        | 55,000              | 55,000              | 54,186              | (814)                         |
| Sales and use taxes                          | 80,000              | 80,000              | 116,370             | 36,370                        |
| County option sales tax                      | 70,000              | 70,000              | 74,386              | 4,386                         |
| Motor fuel tax reimbursement                 |                     |                     | 9,649               | 9,649                         |
| 911 surcharge                                | 7,000               | 7,000               | 3,643               | (3,357)                       |
|  | <u>7,000</u>        | <u>7,000</u>        | <u>3,643</u>        | <u>(3,357)</u>                |
| Total taxes                                  | <u>\$ 1,177,000</u> | <u>\$ 1,177,000</u> | <u>\$ 1,183,954</u> | <u>\$ 6,954</u>               |
| Licenses and permits:                        |                     |                     |                     |                               |
| Business licenses and permits                | \$ 11,000           | \$ 11,000           | \$ 9,270            | \$ (1,730)                    |
| OHV out of state permit fees                 | 1,000               | 1,000               | 960                 | (40)                          |
| Building, structures, and equipment licenses | 15,000              | 15,000              | 22,281              | 7,281                         |
| Marriage licenses                            | 100                 | 100                 | 189                 | 89                            |
| Planning and zoning                          |                     |                     | 60                  | 60                            |
| Conditional use                              |                     |                     | 20                  | 20                            |
| Encroachment permit                          |                     |                     | 50                  | 50                            |
|  | <u>11,000</u>       | <u>11,000</u>       | <u>9,270</u>        | <u>(1,730)</u>                |
| Total licenses and permits                   | <u>\$ 27,100</u>    | <u>\$ 27,100</u>    | <u>\$ 32,830</u>    | <u>\$ 5,730</u>               |
| Intergovernmental:                           |                     |                     |                     |                               |
| Federal PILT                                 | \$ 130,000          | \$ 130,000          | \$ 138,513          | \$ 8,513                      |
| Mineral Lease SITLA land exchange            | 6,000               | 6,000               | 4,544               | (1,456)                       |
| Secure Rural Schools - Title III             | 7,000               | 7,000               |                     | (7,000)                       |
| Wild life Reserve PILT                       | 4,600               | 4,600               |                     | (4,600)                       |
| RMP grant                                    | 25,000              | 25,000              | 47,000              | 22,000                        |
| CEM/FEMA                                     | 33,000              | 33,000              | 33,279              | 279                           |
| Local Emergency Planning (LEPC)              | 3,000               | 3,000               | 1,592               | (1,408)                       |
| Weed grant                                   | 41,000              | 50,000              | 56,000              | 6,000                         |
| DUI fees on fines                            | 400                 | 400                 | 368                 | (32)                          |
|  | <u>400</u>          | <u>400</u>          | <u>368</u>          | <u>(32)</u>                   |
| Total intergovernmental revenue              | <u>\$ 250,000</u>   | <u>\$ 259,000</u>   | <u>\$ 281,296</u>   | <u>\$ 22,296</u>              |
| Charges for services:                        |                     |                     |                     |                               |
| Administration costs                         | \$ 75,000           | \$ 12,000           | \$ 20,646           | \$ 8,646                      |
| District court contract                      | 36,000              | 36,000              | 36,130              | 130                           |
| Recording legal documents                    | 6,000               | 6,000               | 6,233               | 233                           |
| Zoning and subdivision fees                  |                     |                     | 1,026               | 1,026                         |
| Motor vehicle contract                       | 4,500               | 4,500               | 7,701               | 3,201                         |
| SISK   | 43,000              | 43,000              | 85,971              | 42,971                        |
| Sheriff's Office service charges             | 300                 | 300                 | 915                 | 615                           |
| Sheriff's Office - report request            | 100                 | 100                 | 115                 | 15                            |
| Sheriff's Office donations                   |                     |                     | 1,000               | 1,000                         |
| Bailiff contract                             | 400                 | 400                 | 708                 | 308                           |
| Ambulance                                    | 50,000              | 50,000              | 42,778              | (7,222)                       |
| Cemetery charges                             | 4,800               | 4,800               | 6,200               | 1,400                         |
|  | <u>4,800</u>        | <u>4,800</u>        | <u>6,200</u>        | <u>1,400</u>                  |
| Total charges for services                   | <u>\$ 220,100</u>   | <u>\$ 157,100</u>   | <u>\$ 209,423</u>   | <u>\$ 52,323</u>              |

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

**DAGGETT COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                             | BUDGET AMOUNTS      |                     | ACTUAL<br>AMOUNTS   | VARIANCE WITH<br>FINAL BUDGET |
|-----------------------------|---------------------|---------------------|---------------------|-------------------------------|
|                             | ORIGINAL            | FINAL               |                     | FAVORABLE<br>(UNFAVORABLE)    |
| Fines and forfeitures:      |                     |                     |                     |                               |
| Court fines                 | \$ 15,000           | \$ 15,000           | \$ 9,542            | \$ (5,458)                    |
| Security surcharge          | 1,400               | 1,400               | 2,457               | 1,057                         |
| Total fines and forfeitures | <u>\$ 16,400</u>    | <u>\$ 16,400</u>    | <u>\$ 11,999</u>    | <u>\$ (4,401)</u>             |
| Miscellaneous:              |                     |                     |                     |                               |
| Interest income             | \$ 6,200            | \$ 6,200            | \$ 20,016           | \$ 13,816                     |
| Copies/printing             |                     |                     | 26                  | 26                            |
| Office rental               | 6,000               | 6,000               | 6,837               | 837                           |
| Admin costs - tax sale      | 1,000               | 1,000               | 1,000               |                               |
| Sundry revenue              | 5,000               | 5,000               | 28,220              | 23,220                        |
| Postage reimbursement       | 200                 | 200                 | 162                 | (38)                          |
| Reimburses travel expenses  |                     |                     | 35                  | 35                            |
| Centennial item sales       |                     |                     | 1,232               | 1,232                         |
| Filling fees/elections      | 250                 | 250                 |                     | (250)                         |
| GIS subscription/tax roll   | 220                 | 220                 | 660                 | 440                           |
| Scale charges               | 400                 | 400                 | 457                 | 57                            |
| Food Pantry reimbursement   | 600                 | 600                 |                     | (600)                         |
| Insurance reimbursement     | 10,000              | 10,000              | 12,816              | 2,816                         |
| Passport fees               | 200                 | 200                 | 325                 | 125                           |
| Rodeo arena/lights          |                     |                     | 76                  | 76                            |
| Weed & mosquito spraying    | 15,000              | 18,492              | 19,182              | 690                           |
| Zions credit card rebate    |                     |                     | 2,839               | 2,839                         |
| Newsletter advertisements   |                     |                     | 1,280               | 1,280                         |
| Total miscellaneous         | <u>\$ 45,070</u>    | <u>\$ 48,562</u>    | <u>\$ 95,163</u>    | <u>\$ 46,601</u>              |
| Total revenues              | <u>\$ 1,735,670</u> | <u>\$ 1,685,162</u> | <u>\$ 1,814,665</u> | <u>\$ 129,503</u>             |

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

**DAGGETT COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|   | BUDGET AMOUNTS      |                     | ACTUAL<br>AMOUNTS   | VARIANCE WITH<br>FINAL BUDGET<br>FAVORABLE<br>(UNFAVORABLE) |
|---|---------------------|---------------------|---------------------|---|
|   | ORIGINAL            | FINAL               |                     |   |
| <b>EXPENDITURES</b>                         |                     |                     |                     |   |
| General government:                         |                     |                     |                     |   |
| Commission                                  | \$ 131,600          | \$ 134,600          | \$ 112,421          | \$ 22,179   |
| Justice court - Manila                      | 53,625              | 53,625              | 42,891              | 10,734  |
| Auditor/recorder                            | 105,980             | 105,980             | 91,761              | 14,219  |
| Clerk/treasurer                             | 103,900             | 103,900             | 103,977             | (77)  |
| Attorney                                    | 108,860             | 110,660             | 100,519             | 10,141  |
| Assessor                                    | 47,050              | 47,050              | 40,785              | 6,265   |
| Indigent attorney/capital defendant         | 8,000               | 8,000               | 1,681               | 6,319   |
| IT/GIS                                      | 96,550              | 96,550              | 97,201              | (651)   |
| Non-departmental                            | 137,100             | 142,100             | 124,721             | 17,379  |
| Building and grounds                        | 172,600             | 172,600             | 127,754             | 44,846  |
| Litigation                                  | 5,000               | 5,000               |                     | 5,000   |
| Elections                                   | 35,500              | 35,500              | 194                 | 35,306  |
| Planning commission                         | 38,800              | 38,800              | 31,027              | 7,773   |
|   | <u>\$ 1,044,565</u> | <u>\$ 1,054,365</u> | <u>\$ 874,932</u>   | <u>\$ 179,433</u>   |
| Total general government                    |                     |                     |                     |   |
| Public safety:                              |                     |                     |                     |   |
| Sheriff                                     | \$ 530,150          | \$ 530,150          | \$ 512,016          | \$ 18,134   |
| Fire control                                | 6,550               | 6,550               | 4,140               | 2,410   |
| Ambulance                                   | 50,300              | 60,550              | 61,103              | (553)   |
| Emergency management                        | 66,000              | 66,000              | 64,213              | 1,787   |
| Local Emergency Planning Committee          | 4,000               | 4,000               | 3,025               | 975   |
|   | <u>\$ 657,000</u>   | <u>\$ 667,250</u>   | <u>\$ 644,497</u>   | <u>\$ 22,753</u>  |
| Total public safety                         |                     |                     |                     |   |
| Public health:                              |                     |                     |                     |   |
| Health Department                           | \$ 12,720           | \$ 12,720           | \$ 9,269            | \$ 3,451  |
|   | <u>\$ 12,720</u>    | <u>\$ 12,720</u>    | <u>\$ 9,269</u>     | <u>\$ 3,451</u>   |
| Total public health                         |                     |                     |                     |   |
| Highways and public improvements:           |                     |                     |                     |   |
| Airport                                     | \$ 3,000            | \$ 3,000            | \$ 1,708            | \$ 1,292  |
| Mosquito                                    | 11,700              | 11,700              | 9,671               | 2,029   |
| Weeds                                       | 44,500              | 62,950              | 59,730              | 3,220   |
|   | <u>\$ 59,200</u>    | <u>\$ 77,650</u>    | <u>\$ 71,109</u>    | <u>\$ 6,541</u>   |
| Total highways and public improvements      |                     |                     |                     |   |
| Parks, recreation and public property       |                     |                     |                     |   |
| Television                                  | \$ 5,700            | \$ 5,700            | \$ 5,432            | \$ 268  |
|   | <u>\$ 5,700</u>     | <u>\$ 5,700</u>     | <u>\$ 5,432</u>     | <u>\$ 268</u>   |
| Total parks, recreation and public property |                     |                     |                     |   |
| Total expenditures                          | <u>\$ 1,779,185</u> | <u>\$ 1,817,685</u> | <u>\$ 1,605,239</u> | <u>\$ 212,446</u>   |
| Excess of revenue over (under) expenditures | <u>\$ (43,515)</u>  | <u>\$ (132,523)</u> | <u>\$ 209,426</u>   | <u>\$ 341,949</u>   |

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

**DAGGETT COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | BUDGET AMOUNTS    |                   | ACTUAL<br>AMOUNTS | VARIANCE WITH<br>FINAL BUDGET<br>FAVORABLE<br>(UNFAVORABLE) |
|--|-------------------|-------------------|-------------------|---|
|  | ORIGINAL          | FINAL             |                   |   |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                   |                   |                   |   |
| Transfers in   | \$ 35,000         | \$ 200,000        | \$ 200,000        |   |
| Transfers (out)  | (111,128)         | (459,105)         | (443,228)         | \$ 15,877   |
| <br>Total other financing sources (uses)   | <br>\$ (76,128)   | <br>\$ (259,105)  | <br>\$ (243,228)  | <br>\$ 15,877   |
| <br>Excess of revenues and other sources<br>over (under) expenditures and other uses | <br>\$ (119,643)  | <br>\$ (391,628)  | <br>\$ (33,802)   | <br>\$ 357,826  |
| Fund balances - beginning of year  | 928,426           | 928,426           | 928,426           |   |
| Prior period adjustment  |                   |                   | 40,094            | 40,094  |
| Fund balances - end of year  | <u>\$ 808,783</u> | <u>\$ 536,798</u> | <u>\$ 934,718</u> | <u>\$ 397,920</u>   |

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

**DAGGETT COUNTY  
JAIL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | <u>BUDGET AMOUNTS</u>   |                          | <u>ACTUAL<br/>AMOUNTS</u> | <u>VARIANCE WITH<br/>FINAL BUDGET<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
|--|-------------------------|--------------------------|---------------------------|---|
|  | <u>ORIGINAL</u>         | <u>FINAL</u>             |                           |   |
| <b>REVENUES</b>  |                         |                          |                           |   |
| Taxes  | \$ 145,700              | \$ 157,000               | \$ 158,261                | \$ 1,261  |
| Charges for services   | 1,425,000               | 220,396                  | 224,764                   | 4,368   |
| Total revenues   | <u>\$ 1,570,700</u>     | <u>\$ 377,396</u>        | <u>\$ 383,025</u>         | <u>\$ 5,629</u>   |
| <b>EXPENDITURES</b>  |                         |                          |                           |   |
| Public safety  | \$ 1,485,000            | \$ 550,000               | \$ 557,553                | \$ (7,553)  |
| Debt Service:  |                         |                          |                           |   |
| Principal retirement   | 115,000                 | 120,000                  | 115,000                   | 5,000   |
| Interest and fiscal charges  | 30,700                  | 37,000                   | 31,811                    | 5,189   |
| Total expenditures   | <u>\$ 1,630,700</u>     | <u>\$ 707,000</u>        | <u>\$ 704,364</u>         | <u>\$ 2,636</u>   |
| Excess of revenue over (under) expenditures                                      | <u>\$ (60,000)</u>      | <u>\$ (329,604)</u>      | <u>\$ (321,339)</u>       | <u>\$ 8,265</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                         |                          |                           |   |
| Transfers in (out)   |                         | \$ 345,877               | \$ 330,000                | \$ (15,877)   |
| Total other financing sources (uses)   | <u>\$ ...</u>           | <u>\$ 345,877</u>        | <u>\$ 330,000</u>         | <u>\$ (15,877)</u>  |
| Excess of revenues and other sources<br>over (under) expenditures and other uses | \$ (60,000)             | \$ 16,273                | \$ 8,661                  | \$ (7,612)  |
| Fund balances - beginning of year  | <u>138,667</u>          | <u>138,667</u>           | <u>138,667</u>            |   |
| Fund balances - end of year  | <u><u>\$ 78,667</u></u> | <u><u>\$ 154,940</u></u> | <u><u>\$ 147,328</u></u>  | <u><u>\$ (7,612)</u></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, 2017**

|  | <u>BUDGET AMOUNTS</u> |                       | <u>ACTUAL<br/>AMOUNTS</u> | <u>VARIANCE WITH<br/>FINAL BUDGET<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
|--|-----------------------|-----------------------|---------------------------|---|
|  | <u>ORIGINAL</u>       | <u>FINAL</u>          |                           |   |
| <b>REVENUES</b>  |                       |                       |                           |   |
| Intergovernmental  | \$ 480,000            | \$ 563,293            | \$ 433,296                | \$ (129,997)  |
| Interest income  | 16,500                | 16,500                | 21,196                    | 4,696   |
| Miscellaneous income   |                       |                       | 19,894                    | 19,894  |
| Total revenues   | <u>\$ 496,500</u>     | <u>\$ 579,793</u>     | <u>\$ 474,386</u>         | <u>\$ (105,407)</u>   |
| <b>EXPENDITURES</b>  |                       |                       |                           |   |
| Highways and public improvements   | \$ 31,000             | \$ 31,000             | \$ 22,857                 | \$ 8,143  |
| Capital outlay   | 529,000               | 2,220,793             | 2,228,517                 | (7,724)   |
| Debt Service:  |                       |                       |                           |   |
| Principal retirement   | 46,000                | 46,000                | 46,000                    |   |
| Total expenditures   | <u>\$ 606,000</u>     | <u>\$ 2,297,793</u>   | <u>\$ 2,297,374</u>       | <u>\$ 419</u>   |
| Excess of revenue over (under) expenditures                                      | <u>\$ (109,500)</u>   | <u>\$ (1,718,000)</u> | <u>\$ (1,822,988)</u>     | <u>\$ (104,988)</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                       |                       |                           |   |
| Bond proceeds  |                       | \$ 1,655,000          | \$ 1,655,000              |   |
| Total other financing sources (uses)   | <u>\$ ...</u>         | <u>\$ 1,655,000</u>   | <u>\$ 1,655,000</u>       | <u>\$ ...</u>   |
| Excess of revenues and other sources<br>over (under) expenditures and other uses | \$ (109,500)          | \$ (63,000)           | \$ (167,988)              | \$ (104,988)  |
| Fund balances - beginning of year  | <u>2,690,751</u>      | <u>2,690,751</u>      | <u>2,690,751</u>          |   |
| Fund balances - end of year  | <u>\$ 2,581,251</u>   | <u>\$ 2,627,751</u>   | <u>\$ 2,522,763</u>       | <u>\$ (104,988)</u>   |

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

**DAGGETT COUNTY**  
**RDA DAGGETT COUNTY REDEVELOPMENT AGENCY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | <u>BUDGET AMOUNTS</u>    |                          | <u>ACTUAL<br/>AMOUNTS</u> | <u>VARIANCE WITH<br/>FINAL BUDGET<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
|--|--------------------------|--------------------------|---------------------------|---|
|  | <u>ORIGINAL</u>          | <u>FINAL</u>             |                           |   |
| <b>REVENUES</b>  |                          |                          |                           |   |
| Charges for services   |                          |                          | \$ 27,000                 | \$ 27,000   |
| Interest income  |                          |                          | 4,818                     | 4,818   |
| Miscellaneous  | \$ 60,000                | \$ 60,000                |                           | (60,000)  |
| Total revenues   | <u>\$ 60,000</u>         | <u>\$ 60,000</u>         | <u>\$ 31,818</u>          | <u>\$ (28,182)</u>  |
| <b>EXPENDITURES</b>  |                          |                          |                           |   |
| Community and economic development   | \$ 29,000                | \$ 29,000                | \$ 8,991                  | \$ 20,009   |
| Total expenditures   | <u>\$ 29,000</u>         | <u>\$ 29,000</u>         | <u>\$ 8,991</u>           | <u>\$ 20,009</u>  |
| Excess of revenue over (under) expenditures                                      | <u>\$ 31,000</u>         | <u>\$ 31,000</u>         | <u>\$ 22,827</u>          | <u>\$ (8,173)</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                          |                          |                           |   |
| Transfers in (out)   |                          |                          |                           |   |
| Total other financing sources (uses)   | <u>\$ ...</u>            | <u>\$ ...</u>            | <u>\$ ...</u>             | <u>\$ ...</u>   |
| Excess of revenues and other sources<br>over (under) expenditures and other uses | \$ 31,000                | \$ 31,000                | \$ 22,827                 | \$ (8,173)  |
| Fund balances - beginning of year  | 687,003                  | 687,003                  | 687,003                   |   |
|  |                          |                          | (2,474)                   | (2,474)   |
| Fund balances - end of year  | <u><u>\$ 718,003</u></u> | <u><u>\$ 718,003</u></u> | <u><u>\$ 707,356</u></u>  | <u><u>\$ (10,647)</u></u>   |

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

**DAGGETT COUNTY**  
**CLASS "B" ROAD FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | <u>BUDGET AMOUNTS</u>    |                          | <u>ACTUAL<br/>AMOUNTS</u> | <u>VARIANCE WITH<br/>FINAL BUDGET<br/>FAVORABLE<br/>(UNFAVORABLE)</u> |
|--|--------------------------|--------------------------|---------------------------|---|
|  | <u>ORIGINAL</u>          | <u>FINAL</u>             |                           |   |
| <b>REVENUES</b>  |                          |                          |                           |   |
| Licenses and permits   |                          |                          | \$ 200                    | \$ 200  |
| Intergovernmental  | \$ 345,000               | \$ 345,000               | 430,841                   | 85,841  |
| Miscellaneous income   |                          |                          | 4,760                     | 4,760   |
| Total revenues   | <u>\$ 345,000</u>        | <u>\$ 345,000</u>        | <u>\$ 435,801</u>         | <u>\$ 90,801</u>  |
| <b>EXPENDITURES</b>  |                          |                          |                           |   |
| Highways and public improvements   | \$ 449,128               | \$ 449,128               | \$ 314,653                | \$ 134,475  |
| Total expenditures   | <u>\$ 449,128</u>        | <u>\$ 449,128</u>        | <u>\$ 314,653</u>         | <u>\$ 134,475</u>   |
| Excess of revenue over (under) expenditures                                      | <u>\$ (104,128)</u>      | <u>\$ (104,128)</u>      | <u>\$ 121,148</u>         | <u>\$ 225,276</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                          |                          |                           |   |
| Sale of capital assets   |                          |                          | \$ 5,500                  | \$ 5,500  |
| Total other financing sources (uses)   | <u>\$ ...</u>            | <u>\$ ...</u>            | <u>\$ 5,500</u>           | <u>\$ 5,500</u>   |
| Excess of revenues and other sources<br>over (under) expenditures and other uses | \$ (104,128)             | \$ (104,128)             | \$ 126,648                | \$ 230,776  |
| Fund balances - beginning of year  | <u>207,272</u>           | <u>207,272</u>           | <u>207,272</u>            |   |
| Fund balances - end of year  | <u><u>\$ 103,144</u></u> | <u><u>\$ 103,144</u></u> | <u><u>\$ 333,920</u></u>  | <u><u>\$ 230,776</u></u>  |

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

**DAGGETT COUNTY**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**AS OF DECEMBER 31, 2017**

|  | Year ended<br>December 30, | Proportion of<br>the net pension<br>liability (asset) | Proportionate share<br>of the net pension<br>liability (asset) | Covered-<br>employee<br>payroll | Proportionate share<br>of the net pension<br>liability (asset) as a<br>percentage of its<br>covered-employee<br>payroll | Plan fiduciary net<br>position as a<br>percentage of the<br>total pension<br>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%  |
| 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%  |
| 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%  |
| Tier 2 Public Safety and Firefighters<br>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%   |

\* 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, 2017**

|   | As of fiscal<br>year ended<br>December 31, | Actuarial<br>determined<br>contributions | Contributions in<br>relation to the<br>contractually<br>required<br>contribution | Contribution<br>deficiency<br>(excess) | Covered<br>payroll | Contributions as<br>a percentage of<br>covered<br>employee<br>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%  |
| 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%  |
| 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%  |
| Tier 2 Public Safety and<br>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%  |
| Tier 2 Public Employees DC<br>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%   |
| Tier 2 Public Safety and Firefighter<br>DC Only System* | 2014                                       | \$ -                                     | \$ -   | \$ -                                   | \$ -               | 0.00%   |
|   | 2015                                       | 108                                      | 108  | -                                      | 914                | 11.83%  |
|   | 2016                                       | -  | -  | -                                      | -                  | 0.00%   |
|   | 2017                                       | -  | -  | -                                      | -                  | 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 issues.

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

**DAGGETT COUNTY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**CHANGES IN ASSUMPTIONS:**

The following assumption changes were adopted January 1, 2016. The assumed investment return assumption was decreased from 7.50% to 7.20% and the assumed inflation rate was decreased from 2.75% to 2.60%. With the decrease in the assumed inflation rate, both the payroll growth and wage inflation assumptions were decreased by 0.15% from the prior year's assumption.

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

**DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

SPECIAL REVENUE FUNDS

|  | FOREST<br>SERVICE<br>ROADS | DAM<br>SECURITY | CAPITAL<br>LEASES | VAWA            | VOCA            | STATE<br>BEER TAX | DUTCH<br>JOHN<br>FIRE DEPT. | ECONOMIC<br>DEVELOPMT. | TRANSIENT<br>ROOM TAX | MUSEUM           |
|--|----------------------------|-----------------|-------------------|-----------------|-----------------|-------------------|-----------------------------|------------------------|-----------------------|------------------|
| <u>ASSETS</u>                              |                            |                 |                   |                 |                 |                   |                             |                        |                       |                  |
| Cash and cash equivalents                  |                            | \$ 4,617        | \$ 337            |                 |                 |                   | \$ 3,667                    | \$ 11,180              |                       | \$ 13,437        |
| Restricted cash and cash equivalents       | \$ 287,881                 |                 |                   | \$ 3,727        | \$ 4,231        | \$ 17,850         |                             |                        | \$ 147,128            |                  |
| Accounts receivable (net)                  |                            |                 |                   |                 |                 |                   |                             |                        |                       |                  |
| Property taxes receivable                  |                            |                 |                   |                 |                 |                   |                             |                        |                       |                  |
| Due from other governmental units          | 14,312                     |                 |                   | 1,287           | 1,469           |                   |                             | 258                    | 5,264                 |                  |
| <b>Total assets</b>                        | <u>\$ 302,193</u>          | <u>\$ 4,617</u> | <u>\$ 337</u>     | <u>\$ 5,014</u> | <u>\$ 5,700</u> | <u>\$ 17,850</u>  | <u>\$ 3,667</u>             | <u>\$ 11,438</u>       | <u>\$ 152,392</u>     | <u>\$ 13,437</u> |
| <u>LIABILITIES AND FUND BALANCES</u>       |                            |                 |                   |                 |                 |                   |                             |                        |                       |                  |
| Liabilities:                               |                            |                 |                   |                 |                 |                   |                             |                        |                       |                  |
| Accounts payable                           |                            |                 |                   | \$ 16           | \$ 17           |                   |                             |                        | \$ 12,127             |                  |
| <b>Total liabilities</b>                   | <u>\$ ...</u>              | <u>\$ ...</u>   | <u>\$ ...</u>     | <u>\$ 16</u>    | <u>\$ 17</u>    | <u>\$ ...</u>     | <u>\$ ...</u>               | <u>\$ ...</u>          | <u>\$ 12,127</u>      | <u>\$ ...</u>    |
| Fund Balances:                             |                            |                 |                   |                 |                 |                   |                             |                        |                       |                  |
| Restricted for:                            |                            |                 |                   |                 |                 |                   |                             |                        |                       |                  |
| Special revenue fund                       | \$ 302,193                 |                 |                   | \$ 4,998        | \$ 5,683        | \$ 17,850         |                             |                        | \$ 140,265            |                  |
| Assigned for:                              |                            |                 |                   |                 |                 |                   |                             |                        |                       |                  |
| Special revenue                            |                            | \$ 4,617        | \$ 337            |                 |                 |                   | \$ 3,667                    | \$ 11,438              |                       | \$ 13,437        |
| Capital projects                           |                            |                 |                   |                 |                 |                   |                             |                        |                       |                  |
| <b>Total fund balances</b>                 | <u>\$ 302,193</u>          | <u>\$ 4,617</u> | <u>\$ 337</u>     | <u>\$ 4,998</u> | <u>\$ 5,683</u> | <u>\$ 17,850</u>  | <u>\$ 3,667</u>             | <u>\$ 11,438</u>       | <u>\$ 140,265</u>     | <u>\$ 13,437</u> |
| <b>Total liabilities and fund balances</b> | <u>\$ 302,193</u>          | <u>\$ 4,617</u> | <u>\$ 337</u>     | <u>\$ 5,014</u> | <u>\$ 5,700</u> | <u>\$ 17,850</u>  | <u>\$ 3,667</u>             | <u>\$ 11,438</u>       | <u>\$ 152,392</u>     | <u>\$ 13,437</u> |

**DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

SPECIAL REVENUE FUNDS

|                                      | RURAL<br>HOSPITAL<br>TAX | HOMELAND<br>SECURITY | COMMISSARY       | RODEO         | ASSESSING<br>AND<br>COLLECTING | SHOOTING<br>RANGE | TRAILS        | C.E.R.T.      | PRCA<br>RODEO    |
|--------------------------------------|--------------------------|----------------------|------------------|---------------|--------------------------------|-------------------|---------------|---------------|------------------|
| <u>ASSETS</u>                        |                          |                      |                  |               |                                |                   |               |               |                  |
| Cash and cash equivalents            |                          |                      | \$ 12,905        | \$ 150        |                                | \$ 401            |               | \$ 400        | \$ 21,498        |
| Restricted cash and cash equivalents | \$ 484,686               | \$ 2,360             |                  |               | \$ 199,337                     |                   | \$ 64         |               |                  |
| Accounts receivable (net)            |                          |                      |                  | 100           |                                |                   |               |               |                  |
| Property taxes receivable            |                          |                      |                  |               | 12,921                         |                   |               |               |                  |
| Due from other governmental units    | 14,648                   |                      |                  |               |                                |                   |               |               |                  |
| Total assets                         | <u>\$ 499,334</u>        | <u>\$ 2,360</u>      | <u>\$ 12,905</u> | <u>\$ 250</u> | <u>\$ 212,258</u>              | <u>\$ 401</u>     | <u>\$ 64</u>  | <u>\$ 400</u> | <u>\$ 21,498</u> |
| <u>LIABILITIES AND FUND BALANCES</u> |                          |                      |                  |               |                                |                   |               |               |                  |
| Liabilities:                         |                          |                      |                  |               |                                |                   |               |               |                  |
| Accounts payable                     | \$ 51,753                |                      | \$ 2,350         |               | \$ 678                         |                   |               |               |                  |
| Total liabilities                    | <u>\$ 51,753</u>         | <u>\$ ...</u>        | <u>\$ 2,350</u>  | <u>\$ ...</u> | <u>\$ 678</u>                  | <u>\$ ...</u>     | <u>\$ ...</u> | <u>\$ ...</u> | <u>\$ ...</u>    |
| Fund Balances:                       |                          |                      |                  |               |                                |                   |               |               |                  |
| Restricted for:                      |                          |                      |                  |               |                                |                   |               |               |                  |
| Special revenue fund                 | \$ 447,581               | \$ 2,360             |                  |               | \$ 211,580                     |                   | \$ 64         |               |                  |
| Assigned for:                        |                          |                      |                  |               |                                |                   |               |               |                  |
| Special revenue                      |                          |                      | \$ 10,555        | \$ 250        |                                | \$ 401            |               | \$ 400        | \$ 21,498        |
| Capital projects                     |                          |                      |                  |               |                                |                   |               |               |                  |
| Total fund balances                  | <u>\$ 447,581</u>        | <u>\$ 2,360</u>      | <u>\$ 10,555</u> | <u>\$ 250</u> | <u>\$ 211,580</u>              | <u>\$ 401</u>     | <u>\$ 64</u>  | <u>\$ 400</u> | <u>\$ 21,498</u> |
| Total liabilities and fund balances  | <u>\$ 499,334</u>        | <u>\$ 2,360</u>      | <u>\$ 12,905</u> | <u>\$ 250</u> | <u>\$ 212,258</u>              | <u>\$ 401</u>     | <u>\$ 64</u>  | <u>\$ 400</u> | <u>\$ 21,498</u> |

**DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

|                                      | <u>SPECIAL REVENUE FUNDS</u> |                         |                       |                       | <u>CAPITAL PROJECT FUNDS</u> |                 |                  |                  |                 |                   | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|--------------------------------------|------------------------------|-------------------------|-----------------------|-----------------------|------------------------------|-----------------|------------------|------------------|-----------------|-------------------|--|
|                                      | RESTAURANT<br>TAX<br>PARK    | SEARCH<br>AND<br>RESCUE | GEO<br>INFO<br>SYSTEM | DUTCH<br>JOHN<br>TOWN | AMBULANCE                    | ELECTION        | COMPUTER         | BUILDING         | JAIL            | SHOOTING<br>RANGE |  |
| <u>ASSETS</u>                        |                              |                         |                       |                       |                              |                 |                  |                  |                 |                   |  |
| Cash and cash equivalents            |                              | \$ 34,289               | \$ 1,110              | \$ 98,982             | \$ 1,310                     | \$ 9,175        | \$ 12,145        | \$ 35,610        | \$ 3,945        | \$ 2,364          | \$ 267,522                                 |
| Restricted cash and cash equivalents | \$ 40,474                    |                         |                       |                       |                              |                 |                  |                  |                 |                   | 1,187,738                                  |
| Accounts receivable (net)            | 1,153                        |                         |                       | 1,314                 |                              |                 |                  |                  |                 |                   | 2,567                                      |
| Property taxes receivable            |                              |                         |                       |                       |                              |                 |                  |                  |                 |                   | 12,921                                     |
| Due from other governmental units    |                              |                         |                       |                       |                              |                 |                  |                  |                 |                   | 37,238                                     |
| Total assets                         | <u>\$ 41,627</u>             | <u>\$ 34,289</u>        | <u>\$ 1,110</u>       | <u>\$ 100,296</u>     | <u>\$ 1,310</u>              | <u>\$ 9,175</u> | <u>\$ 12,145</u> | <u>\$ 35,610</u> | <u>\$ 3,945</u> | <u>\$ 2,364</u>   | <u>\$ 1,507,986</u>                        |
| <u>LIABILITIES AND FUND BALANCES</u> |                              |                         |                       |                       |                              |                 |                  |                  |                 |                   |  |
| Liabilities:                         |                              |                         |                       |                       |                              |                 |                  |                  |                 |                   |  |
| Accounts payable                     | \$ 349                       | \$ 1,837                |                       | \$ 2,697              |                              |                 |                  |                  |                 |                   | \$ 71,824                                  |
| Total liabilities                    | <u>\$ 349</u>                | <u>\$ 1,837</u>         | <u>\$ ...</u>         | <u>\$ 2,697</u>       | <u>\$ ...</u>                | <u>\$ ...</u>   | <u>\$ ...</u>    | <u>\$ ...</u>    | <u>\$ ...</u>   | <u>\$ ...</u>     | <u>\$ 71,824</u>                           |
| Fund Balances:                       |                              |                         |                       |                       |                              |                 |                  |                  |                 |                   |  |
| Restricted for:                      |                              |                         |                       |                       |                              |                 |                  |                  |                 |                   |  |
| Special revenue fund                 | \$ 41,278                    |                         |                       |                       |                              |                 |                  |                  |                 |                   | \$ 1,173,852                               |
| Assigned for:                        |                              |                         |                       |                       |                              |                 |                  |                  |                 |                   |  |
| Special revenue                      |                              | \$ 32,452               | \$ 1,110              | \$ 97,599             |                              |                 |                  |                  |                 |                   | 197,761                                    |
| Capital projects                     |                              |                         |                       |                       | \$ 1,310                     | \$ 9,175        | \$ 12,145        | \$ 35,610        | \$ 3,945        | \$ 2,364          | 64,549                                     |
| Total fund balances                  | <u>\$ 41,278</u>             | <u>\$ 32,452</u>        | <u>\$ 1,110</u>       | <u>\$ 97,599</u>      | <u>\$ 1,310</u>              | <u>\$ 9,175</u> | <u>\$ 12,145</u> | <u>\$ 35,610</u> | <u>\$ 3,945</u> | <u>\$ 2,364</u>   | <u>\$ 1,436,162</u>                        |
| Total liabilities and fund balances  | <u>\$ 41,627</u>             | <u>\$ 34,289</u>        | <u>\$ 1,110</u>       | <u>\$ 100,296</u>     | <u>\$ 1,310</u>              | <u>\$ 9,175</u> | <u>\$ 12,145</u> | <u>\$ 35,610</u> | <u>\$ 3,945</u> | <u>\$ 2,364</u>   | <u>\$ 1,507,986</u>                        |

**DAGGETT COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|  | SPECIAL REVENUE FUNDS      |                 |                     |                  |                  |                   |                             |                        |                       |                   |
|--|----------------------------|-----------------|---------------------|------------------|------------------|-------------------|-----------------------------|------------------------|-----------------------|-------------------|
|  | FOREST<br>SERVICE<br>ROADS | DAM<br>SECURITY | CAPITAL<br>LEASES   | VAWA             | VOCA             | STATE<br>BEER TAX | DUTCH<br>JOHN<br>FIRE DEPT. | ECONOMIC<br>DEVELOPMT. | TRANSIENT<br>ROOM TAX | MUSEUM            |
| <b>REVENUES:</b>   |                            |                 |                     |                  |                  |                   |                             |                        |                       |                   |
| Taxes  |                            |                 |                     |                  |                  |                   |                             |                        | \$ 136,020            |                   |
| Intergovernmental  | \$ 99,049                  |                 |                     | \$ 16,775        | \$ 16,904        | \$ 4,577          |                             | \$ 21,878              | 7,121                 |                   |
| Charges for services   |                            |                 |                     |                  |                  |                   |                             | 500                    |                       |                   |
| Interest Income  |                            |                 |                     |                  |                  |                   |                             |                        |                       |                   |
| Miscellaneous  |                            |                 |                     |                  |                  |                   |                             | 3,648                  |                       | \$ 780            |
| <b>Total revenues</b>  | <b>\$ 99,049</b>           | <b>\$ ...</b>   | <b>\$ ...</b>       | <b>\$ 16,775</b> | <b>\$ 16,904</b> | <b>\$ 4,577</b>   | <b>\$ ...</b>               | <b>\$ 26,026</b>       | <b>\$ 143,141</b>     | <b>\$ 780</b>     |
| <b>EXPENDITURES:</b>   |                            |                 |                     |                  |                  |                   |                             |                        |                       |                   |
| General government   |                            |                 |                     |                  |                  |                   |                             |                        |                       |                   |
| Public safety  |                            |                 | \$ 41,450           | \$ 17,742        | \$ 15,211        |                   |                             |                        |                       |                   |
| Public health  |                            |                 |                     |                  |                  |                   |                             |                        |                       |                   |
| Highways and public improvements   | \$ 18,512                  |                 |                     |                  |                  |                   |                             |                        |                       |                   |
| Parks, recreation and public property  |                            |                 |                     |                  |                  |                   |                             |                        |                       | \$ 5,538          |
| Community and economic development   |                            |                 |                     |                  |                  |                   |                             | \$ 22,468              | \$ 98,274             |                   |
| <b>Debt service:</b>   |                            |                 |                     |                  |                  |                   |                             |                        |                       |                   |
| Principal retirement   |                            |                 | 85,400              |                  |                  |                   |                             |                        |                       |                   |
| Interest expense   |                            |                 | 3,804               |                  |                  |                   |                             |                        |                       |                   |
| <b>Total expenditures</b>  | <b>\$ 18,512</b>           | <b>\$ ...</b>   | <b>\$ 130,654</b>   | <b>\$ 17,742</b> | <b>\$ 15,211</b> | <b>\$ ...</b>     | <b>\$ ...</b>               | <b>\$ 22,468</b>       | <b>\$ 98,274</b>      | <b>\$ 5,538</b>   |
| <b>Excess of revenues over (under) expenditures</b>                                  | <b>\$ 80,537</b>           | <b>\$ ...</b>   | <b>\$ (130,654)</b> | <b>\$ (967)</b>  | <b>\$ 1,693</b>  | <b>\$ 4,577</b>   | <b>\$ ...</b>               | <b>\$ 3,558</b>        | <b>\$ 44,867</b>      | <b>\$ (4,758)</b> |
| <b>Other financing sources (uses):</b>   |                            |                 |                     |                  |                  |                   |                             |                        |                       |                   |
| Sale of capital assets   |                            |                 | \$ 22,522           |                  |                  |                   |                             |                        |                       |                   |
| Capital lease financing  |                            |                 | 41,469              |                  |                  |                   |                             |                        |                       |                   |
| Transfers in (out)   |                            |                 | 67,000              | \$ 5,965         | \$ 3,990         | \$ 13,273         |                             |                        | \$ (42,000)           |                   |
| <b>Total other financing sources (uses)</b>  | <b>\$ ...</b>              | <b>\$ ...</b>   | <b>\$ 130,991</b>   | <b>\$ 5,965</b>  | <b>\$ 3,990</b>  | <b>\$ 13,273</b>  | <b>\$ ...</b>               | <b>\$ ...</b>          | <b>\$ (42,000)</b>    | <b>\$ ...</b>     |
| <b>Excess of revenues and other sources over (under) expenditures and other uses</b> | <b>\$ 80,537</b>           |                 | <b>\$ 337</b>       | <b>\$ 4,998</b>  | <b>\$ 5,683</b>  | <b>\$ 17,850</b>  |                             | <b>\$ 3,558</b>        | <b>\$ 2,867</b>       | <b>\$ (4,758)</b> |
| Fund Balances - Beginning of year  | 221,656                    | \$ 4,617        |                     |                  |                  |                   | \$ 3,667                    | 7,880                  | 135,319               | 18,195            |
| Prior period adjustment  |                            |                 |                     |                  |                  |                   |                             |                        | 2,079                 |                   |
| <b>Fund Balances - End of year</b>   | <b>\$ 302,193</b>          | <b>\$ 4,617</b> | <b>\$ 337</b>       | <b>\$ 4,998</b>  | <b>\$ 5,683</b>  | <b>\$ 17,850</b>  | <b>\$ 3,667</b>             | <b>\$ 11,438</b>       | <b>\$ 140,265</b>     | <b>\$ 13,437</b>  |

**DAGGETT COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|   | SPECIAL REVENUE FUNDS    |                      |                  |                  |                                |                   |               |               |                  |
|---|--------------------------|----------------------|------------------|------------------|--------------------------------|-------------------|---------------|---------------|------------------|
|   | RURAL<br>HOSPITAL<br>TAX | HOMELAND<br>SECURITY | COMMISSARY       | RODEO            | ASSESSING<br>AND<br>COLLECTING | SHOOTING<br>RANGE | TRAILS        | C.E.R.T.      | PRCA<br>RODEO    |
| <b>REVENUES:</b>  |                          |                      |                  |                  |                                |                   |               |               |                  |
| Taxes   | \$ 198,236               |                      |                  |                  | \$ 242,180                     |                   |               |               |                  |
| Intergovernmental   |                          | \$ 9,809             |                  |                  |                                |                   |               |               |                  |
| Charges for services  |                          |                      | \$ 10,738        | \$ 4,500         |                                |                   |               |               | \$ 24,641        |
| Interest Income   |                          |                      |                  |                  |                                |                   |               |               |                  |
| Miscellaneous   |                          |                      |                  |                  | 5,179                          |                   |               |               | 3,319            |
| <b>Total revenues</b>   | <b>\$ 198,236</b>        | <b>\$ 9,809</b>      | <b>\$ 10,738</b> | <b>\$ 4,500</b>  | <b>\$ 247,359</b>              | <b>\$ ...</b>     | <b>\$ ...</b> | <b>\$ ...</b> | <b>\$ 27,960</b> |
| <b>EXPENDITURES:</b>  |                          |                      |                  |                  |                                |                   |               |               |                  |
| General government  |                          |                      |                  |                  | \$ 227,500                     |                   |               |               |                  |
| Public safety   |                          | \$ 9,809             | \$ 18,688        |                  |                                |                   |               |               |                  |
| Public health   | \$ 213,215               |                      |                  |                  |                                |                   |               |               |                  |
| Highways and public improvements  |                          |                      |                  |                  |                                |                   |               |               |                  |
| Parks, recreation and public property   |                          |                      |                  | \$ 14,941        |                                |                   |               |               | \$ 58,262        |
| Community and economic development  |                          |                      |                  |                  |                                |                   |               |               |                  |
| Debt service:   |                          |                      |                  |                  |                                |                   |               |               |                  |
| Principal retirement  |                          |                      |                  |                  |                                |                   |               |               |                  |
| Interest expense  |                          |                      |                  |                  |                                |                   |               |               |                  |
| <b>Total expenditures</b>   | <b>\$ 213,215</b>        | <b>\$ 9,809</b>      | <b>\$ 18,688</b> | <b>\$ 14,941</b> | <b>\$ 227,500</b>              | <b>\$ ...</b>     | <b>\$ ...</b> | <b>\$ ...</b> | <b>\$ 58,262</b> |
| Excess of revenues over<br>(under) expenditures                                     | \$ (14,979)              | \$ ...               | \$ (7,950)       | \$ (10,441)      | \$ 19,859                      | \$ ...            | \$ ...        | \$ ...        | \$ (30,302)      |
| <b>Other financing sources (uses):</b>  |                          |                      |                  |                  |                                |                   |               |               |                  |
| Sale of capital assets  |                          |                      |                  |                  |                                |                   |               |               |                  |
| Capital lease financing   |                          |                      |                  |                  |                                |                   |               |               |                  |
| Transfers in (out)  |                          |                      |                  |                  |                                |                   |               |               | \$ 51,800        |
| <b>Total other financing sources (uses)</b>   | <b>\$ ...</b>            | <b>\$ ...</b>        | <b>\$ ...</b>    | <b>\$ ...</b>    | <b>\$ ...</b>                  | <b>\$ ...</b>     | <b>\$ ...</b> | <b>\$ ...</b> | <b>\$ 51,800</b> |
| Excess of revenues and other sources<br>over (under) expenditures and<br>other uses | \$ (14,979)              |                      | \$ (7,950)       | \$ (10,441)      | \$ 19,859                      |                   |               |               | \$ 21,498        |
| Fund Balances - Beginning of year   | 455,725                  | \$ 2,360             | 18,505           | 10,691           | 191,721                        | \$ 401            | \$ 64         | \$ 400        |                  |
| Prior period adjustment   | 6,835                    |                      |                  |                  |                                |                   |               |               |                  |
| <b>Fund Balances - End of year</b>  | <b>\$ 447,581</b>        | <b>\$ 2,360</b>      | <b>\$ 10,555</b> | <b>\$ 250</b>    | <b>\$ 211,580</b>              | <b>\$ 401</b>     | <b>\$ 64</b>  | <b>\$ 400</b> | <b>\$ 21,498</b> |

**DAGGETT COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

|   | SPECIAL REVENUE FUNDS     |                         |                       |                       | CAPITAL PROJECTS FUNDS |                 |                  |                  |                 |                   | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|---|---------------------------|-------------------------|-----------------------|-----------------------|------------------------|-----------------|------------------|------------------|-----------------|-------------------|--|
|   | RESTAURANT<br>TAX<br>PARK | SEARCH<br>AND<br>RESCUE | GEO<br>INFO<br>SYSTEM | DUTCH<br>JOHN<br>TOWN | AMBULANCE              | ELECTION        | COMPUTER         | BUILDING         | JAIL            | SHOOTING<br>RANGE |  |
| <b>REVENUES:</b>  |                           |                         |                       |                       |                        |                 |                  |                  |                 |                   |  |
| Taxes   | \$ 18,442                 |                         |                       |                       |                        |                 |                  |                  |                 |                   | \$ 594,878                                 |
| Intergovernmental   |                           |                         |                       |                       |                        | \$ 10,010       |                  |                  |                 |                   | 186,123                                    |
| Charges for services  |                           |                         |                       | \$ 8,988              |                        |                 |                  |                  |                 |                   | 49,367                                     |
| Interest Income   |                           |                         |                       | 1,746                 |                        |                 |                  |                  |                 |                   | 1,746                                      |
| Miscellaneous   | 5,000                     | \$ 18,815               |                       | 1,108                 |                        | 439             |                  |                  |                 |                   | 38,288                                     |
| <b>Total revenues</b>   | <b>\$ 23,442</b>          | <b>\$ 18,815</b>        | <b>\$ ...</b>         | <b>\$ 11,842</b>      | <b>\$ ...</b>          | <b>\$ ...</b>   | <b>\$ 10,449</b> | <b>\$ ...</b>    | <b>\$ ...</b>   | <b>\$ ...</b>     | <b>\$ 870,402</b>                          |
| <b>EXPENDITURES:</b>  |                           |                         |                       |                       |                        |                 |                  |                  |                 |                   |  |
| General government  |                           |                         | \$ 3,311              | \$ 51,523             |                        | \$ 28,913       | \$ 4,830         |                  |                 |                   | \$ 316,077                                 |
| Public safety   |                           | \$ 18,624               |                       |                       |                        |                 |                  |                  |                 |                   | 121,524                                    |
| Public health   |                           |                         |                       |                       |                        |                 |                  |                  |                 |                   | 213,215                                    |
| Highways and public improvements  |                           |                         |                       | 19,863                |                        |                 |                  |                  |                 |                   | 38,375                                     |
| Parks, recreation and public property   | \$ 38,357                 |                         |                       |                       |                        |                 |                  |                  |                 |                   | 117,098                                    |
| Community and economic development  |                           |                         |                       |                       |                        |                 |                  |                  |                 |                   | 120,742                                    |
| Debt service:   |                           |                         |                       |                       |                        |                 |                  |                  |                 |                   |  |
| Principal retirement  |                           |                         |                       |                       |                        |                 |                  |                  |                 |                   | 85,400                                     |
| Interest expense  |                           |                         |                       |                       |                        |                 |                  |                  |                 |                   | 3,804                                      |
| <b>Total expenditures</b>   | <b>\$ 38,357</b>          | <b>\$ 18,624</b>        | <b>\$ 3,311</b>       | <b>\$ 71,386</b>      | <b>\$ ...</b>          | <b>\$ ...</b>   | <b>\$ 28,913</b> | <b>\$ 4,830</b>  | <b>\$ ...</b>   | <b>\$ ...</b>     | <b>\$ 1,016,235</b>                        |
| Excess of revenues over<br>(under) expenditures                                     | \$ (14,915)               | \$ 191                  | \$ (3,311)            | \$ (59,544)           | \$ ...                 | \$ ...          | \$ (18,464)      | \$ (4,830)       | \$ ...          | \$ ...            | \$ (145,833)                               |
| <b>Other financing sources (uses):</b>  |                           |                         |                       |                       |                        |                 |                  |                  |                 |                   |  |
| Sale of capital assets  |                           |                         |                       |                       |                        |                 |                  |                  |                 |                   | \$ 22,522                                  |
| Capital lease financing   |                           |                         |                       |                       |                        |                 |                  |                  |                 |                   | 41,469                                     |
| Transfers in (out)  | \$ (9,800)                |                         |                       |                       |                        | \$ 1,000        | \$ 20,000        |                  | \$ 2,000        |                   | 113,228                                    |
| <b>Total other financing sources (uses)</b>   | <b>\$ (9,800)</b>         | <b>\$ ...</b>           | <b>\$ ...</b>         | <b>\$ ...</b>         | <b>\$ ...</b>          | <b>\$ 1,000</b> | <b>\$ 20,000</b> | <b>\$ ...</b>    | <b>\$ ...</b>   | <b>\$ 2,000</b>   | <b>\$ 177,219</b>                          |
| Excess of revenues and other sources<br>over (under) expenditures and<br>other uses | \$ (24,715)               | \$ 191                  | \$ (3,311)            | \$ (59,544)           |                        | \$ 1,000        | \$ 1,536         | \$ (4,830)       |                 | \$ 2,000          | \$ 31,386                                  |
| Fund Balances - Beginning of year   | 65,852                    | 32,261                  | 4,421                 | 157,143               | \$ 1,310               | 8,175           | 10,609           | 40,440           | \$ 3,945        | 364               | 1,395,721                                  |
| Prior period adjustment   | 141                       |                         |                       |                       |                        |                 |                  |                  |                 |                   | 9,055                                      |
| <b>Fund Balances - End of year</b>  | <b>\$ 41,278</b>          | <b>\$ 32,452</b>        | <b>\$ 1,110</b>       | <b>\$ 97,599</b>      | <b>\$ 1,310</b>        | <b>\$ 9,175</b> | <b>\$ 12,145</b> | <b>\$ 35,610</b> | <b>\$ 3,945</b> | <b>\$ 2,364</b>   | <b>\$ 1,436,162</b>                        |

**DAGGETT COUNTY  
SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF  
FOR THE 2017 PROPERTY TAX YEAR**

| TAX UNITS                                   | TOTAL REAL AND CENTRALLY ASSESSED VALUE | CURRENT YEAR REAL/CENTRAL PROPERTY TAX RATE | TOTAL PERSONAL PROPERTY VALUE | PRIOR YEAR PERSONAL PROPERTY TAX RATE | TOTAL REAL AND CENTRALLY ASSESSED TAXES CHARGED | PERSONAL PROPERTY TAXES CHARGED | TOTAL TAXES LEVIED  | TREASURER'S RELIEF |                  |                  | TOTAL RELIEF      | NET TAXES COLLECTED | PERCENT | OTHER COLLECTIONS |                  | DELINQUENT INTEREST AND PENALTY |                 |
|---|---|---|-------------------------------|---------------------------------------|---|---------------------------------|---------------------|--------------------|------------------|------------------|-------------------|---------------------|---------|-------------------|------------------|---------------------------------|-----------------|
|   |   |   |                               |                                       |   |                                 |                     | UNPAID TAXES       | ABATEMENTS       | OTHER            |                   |                     |         | FEE IN LIEU       | MISC. COLLECTION | TAXES                           |                 |
| Daggett County - General                    | \$ 288,445,964                          | 0.003231                                    | \$ 2,648,541                  | 0.003239                              | \$ 931,969                                      | \$ 8,579                        | \$ 940,548          | \$ 33,742          | \$ 3,124         | \$ 6,289         | \$ 43,155         | \$ 897,393          | 95.41%  | \$ 46,647         |                  | \$ 27,998                       | \$ 6,044        |
| Daggett County - Bond                       | 288,445,964                             | 0.000523                                    | 2,648,541                     | 0.000533                              | 150,857   | 1,412                           | 152,269             | 5,462              | 506              | 892              | 6,860             | 145,409             | 95.49%  | 7,676             |                  | 4,603                           | 181             |
| Daggett County State Assessing & Collection | 288,445,964                             | 0.000010                                    | 2,648,541                     | 0.000011                              | 2,884   | 29                              | 2,914               | 104                | 10               | 4                | 118               | 2,796               | 95.93%  | 158               |                  | 129                             | 9               |
| Daggett County Co. Assessing & Collection   | 288,445,964                             | 0.000690                                    | 2,648,541                     | 0.000692                              | 199,028   | 1,833                           | 200,861             | 7,206              | 667              | 1,352            | 9,225             | 191,636             | 95.41%  | 9,966             |                  | 5,907                           | 226             |
| Daggett County School District - General    | 288,445,964                             | 0.003126                                    | 2,648,541                     | 0.003056                              | 901,682   | 8,094                           | 909,776             | 32,646             | 3,023            | 5,714            | 41,383            | 868,393             | 94.24%  | 45,366            |                  | 26,890                          | 1,033           |
| Daggett County School District - Basic      | 288,445,964                             | 0.001568                                    | 2,648,541                     | 0.001675                              | 452,283   | 4,436                           | 456,720             | 16,375             | 1,516            | 3,121            | 21,012            | 435,708             | 95.40%  | 22,769            |                  | 13,496                          | 519             |
| Manila Town                                 | 52,787,838                              | 0.001647                                    | 623,955                       | 0.001629                              | 86,942  | 1,016                           | 87,958              | 4,587              | 870              | 806              | 6,263             | 81,695              | 92.88%  | 6,457             |                  | 5,855                           | 171             |
| Daggett Water & Sewer District              | 45,375,294                              | 0.000447                                    | 135,750                       | 0.000447                              | 20,283  | 61                              | 20,343              | 1,368              | 191              | (29)             | 1,530             | 18,813              | 92.48%  | 2,327             |                  | 885                             | 37              |
| Daggett County Mosquito District            | 102,325,380                             | 0.000400                                    | 764,660                       | 0.000400                              | 40,930  | 306                             | 41,236              | 2,413              | 382              | 171              | 2,966             | 38,270              | 92.81%  | 3,843             |                  | 2,173                           | 71              |
| Daggett County Service Area                 | 5,890,175                               | 0.000745                                    | 5,820                         | 0.000726                              | 4,388   | 4                               | 4,392               | 108                |                  | 27               | 135               | 4,257               | 100.00% | 351               |                  | 214                             | 2               |
| Total                                       |   |   |                               |                                       |   |                                 | <u>\$ 2,817,016</u> | <u>\$ 104,011</u>  | <u>\$ 10,289</u> | <u>\$ 18,347</u> | <u>\$ 132,647</u> | <u>\$ 2,684,369</u> |         | <u>\$ 145,560</u> | <u>\$ .....</u>  | <u>\$ 88,150</u>                | <u>\$ 8,293</u> |

# SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

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TRACY LUDINGTON, C.P.A.

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

Board of County Commissioners  
Daggett County  
Manila, Utah 84046

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

## Report on Compliance

We have audited Daggett County's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor for the year ended December 31, 2017.

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

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

## Management's Responsibility

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

## Auditor's Responsibility

Our responsibility is to express an opinion on the County's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## **Opinion on Compliance**

In our opinion, Daggett County complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2017.

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying schedule of findings and responses as item 2017-1. Our opinion on compliance is not modified with respect to this matter.

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and response as item 2017-1 that we consider to be a significant deficiency.

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

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

SMUIN, RICH & MARSING

A handwritten signature in cursive script that reads "Smuin, Rich & Marsing". The signature is written in black ink and is positioned below the firm's name.

Price, Utah

November 4, 2018

# SMUIN, RICH & MARSING

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Board of County Commissioners  
Daggett County  
Manila, Utah 84046

RE: Independent Auditor's Report on Internal Control  
Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With  
*Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Daggett County as of and for the year ended December 31, 2017, 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 4, 2018.

## **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we considered to be a significant deficiency as item 2017-1.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as item 2017-1.

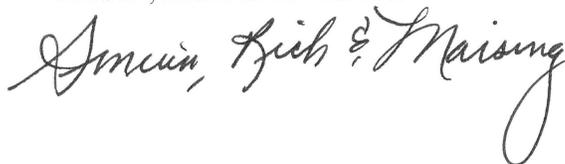
### **County's Response to Findings**

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

### **Purpose of this Report**

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

SMUIN, RICH & MARSING



Price, Utah

November 4, 2018

**DAGGETT COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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

**Criteria:**

On December 22, 2015, the County adopted a Bond Resolution authorizing the issuance of \$640,000 of Taxable Water Revenue Bonds, Series 2016. As part of the Series 2016 Bond documents, the County is required to setup a Reserve Fund by making 120 monthly installments of \$178, beginning November 1, 2016, until an amount equal to the Reserve Fund Requirement, which is \$21,333, is on deposit in the Reserve Fund. In addition, after payments are made into the reserve and revenue fund, the County is required to establish a Capital Facilities Replacement Reserve Account for the bonds (the “2015 Replacement Account”). The County (Issuer) will deposit monthly, on the 10<sup>th</sup> day of each month beginning with the first month following the issuance of the Bonds, an amount equal to 1/12 of 5% of the County’s annual operating budget for the System (Water System), including debt service and depreciation, for the County’s then current fiscal year. The County shall continue to fund the 2015 Replacement Account until the Bonds have been paid in full. Generally accepted accounting principles require the County to adopt and implement internal control procedures to make sure the County complies with compliance requirements.

**Statement of Condition:**

As of December 31, 2017, the County has not setup and funded the necessary reserve and replacement accounts. It also appears that internal controls have not been adopted and implemented to make sure the County complies with these requirements.

**Cause of Condition:**

It appears that County officials were not aware of some of the reserve or replacement account requirements stipulated in the bond documents. Also, funding may be an issue due to the County’s loss of federal grants and the loss of all State inmates at the Jail Complex.

**Effect or Possible Effect of Condition:**

Failure on the County’s part to fund the above mentioned reserve accounts make the County in default of those provisions of the Bond documents.

**Recommendation:**

We recommend the County adopt and implement internal controls which provide for the payment of reserve and replacement accounts. We also recommend County Officials review bond documents so they understand the reserve and replacement requirements. By so doing they can better plan on how the accounts will be funded in the future.

**County's Response:**

The Clerk/Treasurer's Office will put this on the County Commission agenda for review and discussion by the Commissioners. The Commissioners, with input from other elected officials, are currently reviewing the utility rates to ensure that sufficient revenues are available to cover the operational and other expenses of the water and sewer system. The Clerk/Treasurer's Office will implement controls to ensure that the required amounts are set aside as noted in the bond documents.

**DAGGETT COUNTY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**Finding 2016-1 RECONCILIATION OF SIGNIFICANT ACCOUNTS (Significant Deficiency and Material Weakness)**

**Finding** - The County failed to perform reconciliations on significant accounts.

**Criteria** - The County is required to reconcile accounts to the general ledger but failed to do so

**Effect**- Unless accounts are accrued accurately and reconciled to the general ledger, financial statements may be misstated and may not be prepared in accordance with generally accepted accounting principles.

**Follow-up** – Reconciliation of accounts corrected; no additional follow up.

**Finding 2016-2 EXPENDITURES IN EXCESS OF BUDGET**

**Finding** - The County overspent their Jail Fund.

**Criteria** - The County is required to spend within its annual budget that which has be approved in the required public hearing.

**Effect**- Expenditures exceeding what the County Commission have approved.

**Follow-up** – Expenditure in excess of budget corrected; no additional follow up.