

**DAGGETT COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**DAGGETT COUNTY  
 BASIC FINANCIAL STATEMENTS  
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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Daggett County  
Manila, Utah 84046

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Daggett County, Utah (the County) as of and for the year ended December 31, 2018, 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, 2018, 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 59 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other information

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Daggett County's internal control over financial reporting and compliance.

SMUIN, RICH & MARSING



Price, Utah

July 29, 2019

## **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 FY2018**

- During the year, Flaming Gorge Roads & Transportation Special Service District, a component unit of Daggett County, paid off \$1,655,000 of Mineral Lease Revenue Bonds, Series 2017 which was used for the purpose of making improvements to a portion of Brown's Park Road.
- The government-wide assets and deferred outflows of resources of Daggett County exceeded its liabilities and deferred inflows of resources by \$28,898,682 reflecting a change in net position from operations from the prior period increasing the total by \$2,226,504.
- The County's governmental funds reported combined ending fund balances of \$6,824,849, an increase of \$742,602 from operations over the prior year.
- Daggett County had total overall governmental fund revenues and other financing sources of \$5,958,147 which were more than total expenditures and transfers of \$5,215,545 by \$742,602.
- The County's government-wide long-term bond and capital lease debt decreased \$1,878,951 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. As mentioned above the Flaming Gorge Road & Transportation Special Service District paid off \$1,655,000 of revenue bonds. The County entered into no new capital lease agreements during the year ended December 31, 2018.

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

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

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

## **Government-Wide Financial Statements**

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

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

## **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 government-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 FY2018 by \$28,898,682. 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 \$2,822,029 and represents resources that are subject to restrictions on how they may be used.

**Table 1  
Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>
Current and other assets	\$ 6,503,129	\$ 7,110,486	\$ 439,260	\$ 265,898	\$ 6,942,389	\$ 7,376,384
Capital assets	19,460,837	18,991,734	5,639,577	5,552,839	25,100,414	24,544,573
Deferred outflows of resources	566,523	328,064	2,367	3,902	568,890	331,966
<b>Total assets &amp; deferred outflows of resources</b>	<b>\$ 26,530,489</b>	<b>\$ 26,430,284</b>	<b>\$ 6,081,204</b>	<b>\$ 5,822,639</b>	<b>\$ 32,611,693</b>	<b>\$ 32,252,923</b>
Current and other liabilities	\$ 441,726	\$ 287,721	\$ 230,680	\$ 36,998	\$ 672,406	\$ 324,719
Long-term liabilities	4,386,126	1,977,479	598,000	577,000	4,984,126	2,554,479
Deferred inflows of resources	281,806	469,459	1,177	5,584	282,983	475,043
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>\$ 5,109,658</b>	<b>\$ 2,734,659</b>	<b>\$ 829,857</b>	<b>\$ 619,582</b>	<b>\$ 5,939,515</b>	<b>\$ 3,354,241</b>
Net position:						
Net investment in capital assets	\$ 16,105,967	\$ 17,517,621	\$ 5,041,577	\$ 4,975,839	\$ 21,147,544	\$ 22,493,460
Restricted	4,825,467	2,816,002	5,885	6,027	4,831,352	2,822,029
Unrestricted	489,397	3,362,002	203,885	221,191	693,282	3,583,193
<b>Total net position</b>	<b>\$ 21,420,831</b>	<b>\$ 23,695,625</b>	<b>\$ 5,251,347</b>	<b>\$ 5,203,057</b>	<b>\$ 26,672,178</b>	<b>\$ 28,898,682</b>

## Changes in Net Position

Daggett County's combined ending net position total is \$28,898,682, an overall increase from operations of \$2,274,794 as compared with last year's ending net position balances.

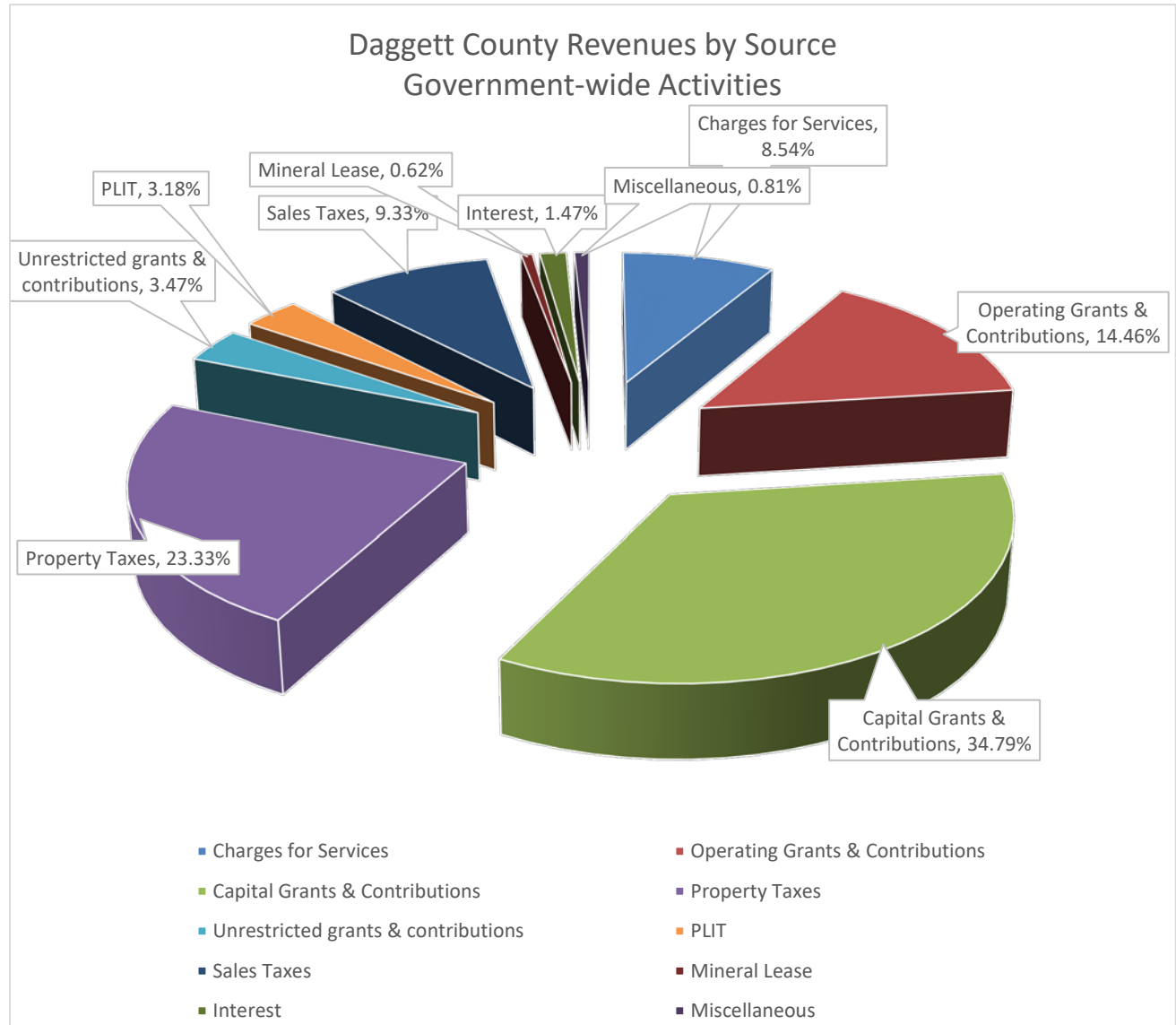
The cost of capital assets are allocated over their estimated useful lives and reported as depreciation expense. The County reported depreciation expense over the past year of \$604,081 in governmental activities. The following table summarizes the changes in Daggett County's net position:

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2018	2017	2018	2017	2018
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 555,583	\$ 282,365	\$ 214,981	\$ 247,592	\$ 770,564	\$ 529,957
Operating grants and contrib.	955,685	897,603			955,685	897,603
Capital grants and contrib.	9,809	2,158,973	20,000		29,809	2,158,973
General Revenues:						
Property taxes	1,138,167	1,447,784			1,138,167	1,447,784
Sales taxes	556,746	579,059			556,746	579,059
Assessing & collecting	242,180				242,180	
PILT	138,513	197,476			138,513	197,476
Grants & contributions not restricted		215,262				215,262
Mineral lease revenue	227,549	38,690			227,549	38,690
Gains/(loss) on sale of assets	3,009	(26,990)			3,009	(26,990)
Interest	47,776	90,897	217	142	47,993	91,039
Miscellaneous	138,089	50,038			138,089	50,038
Total revenues	\$ 4,013,106	\$ 5,931,157	\$ 235,198	\$ 247,734	\$ 4,248,304	\$ 6,178,891
<b>Program expenses</b>						
General government	\$ 1,301,079	\$ 1,213,329			\$ 1,301,079	\$ 1,213,329
Public safety	1,506,267	887,711			1,506,267	887,711
Public health	239,774	155,177			239,774	155,177
Highways and public improv.	810,863	844,352			810,863	844,352
Parks and recreation	111,829	83,666			111,829	83,666
Economic development	129,733	166,689			129,733	166,689
Capital outlay		232,523				232,523
Interest on long-term debt	55,516	72,916			55,516	72,916
Dutch John			\$ 292,237	\$ 284,625	292,237	284,625
Low income housing			11,399	11,399	11,399	11,399
Total expenses	\$ 4,155,061	\$ 3,656,363	\$ 303,636	\$ 296,024	\$ 4,458,697	\$ 3,952,387
Excess (deficiency) before transfers	\$ (141,955)	\$ 2,274,794	\$ (68,438)	\$ (48,290)	\$ (210,393)	\$ 2,226,504
Transfers	200,000		(200,000)			
Change in net position	\$ 58,045	\$ 2,274,794	\$ (268,438)	\$ (48,290)	\$ (210,393)	\$ 2,226,504
Net position - beginning	\$ 21,316,111	\$ 21,420,831	\$ 5,727,775	\$ 5,251,347	\$ 27,043,886	\$ 26,672,178
Prior period adjustment	46,675		(207,990)		(161,315)	
Net position - ending	21,420,831	23,695,625	5,251,347	5,203,057	26,672,178	28,898,682
Change in net position	\$ 58,045	\$ 2,274,794	\$ (268,438)	\$ (48,290)	\$ (210,393)	\$ 2,226,504

## Government Wide Activities

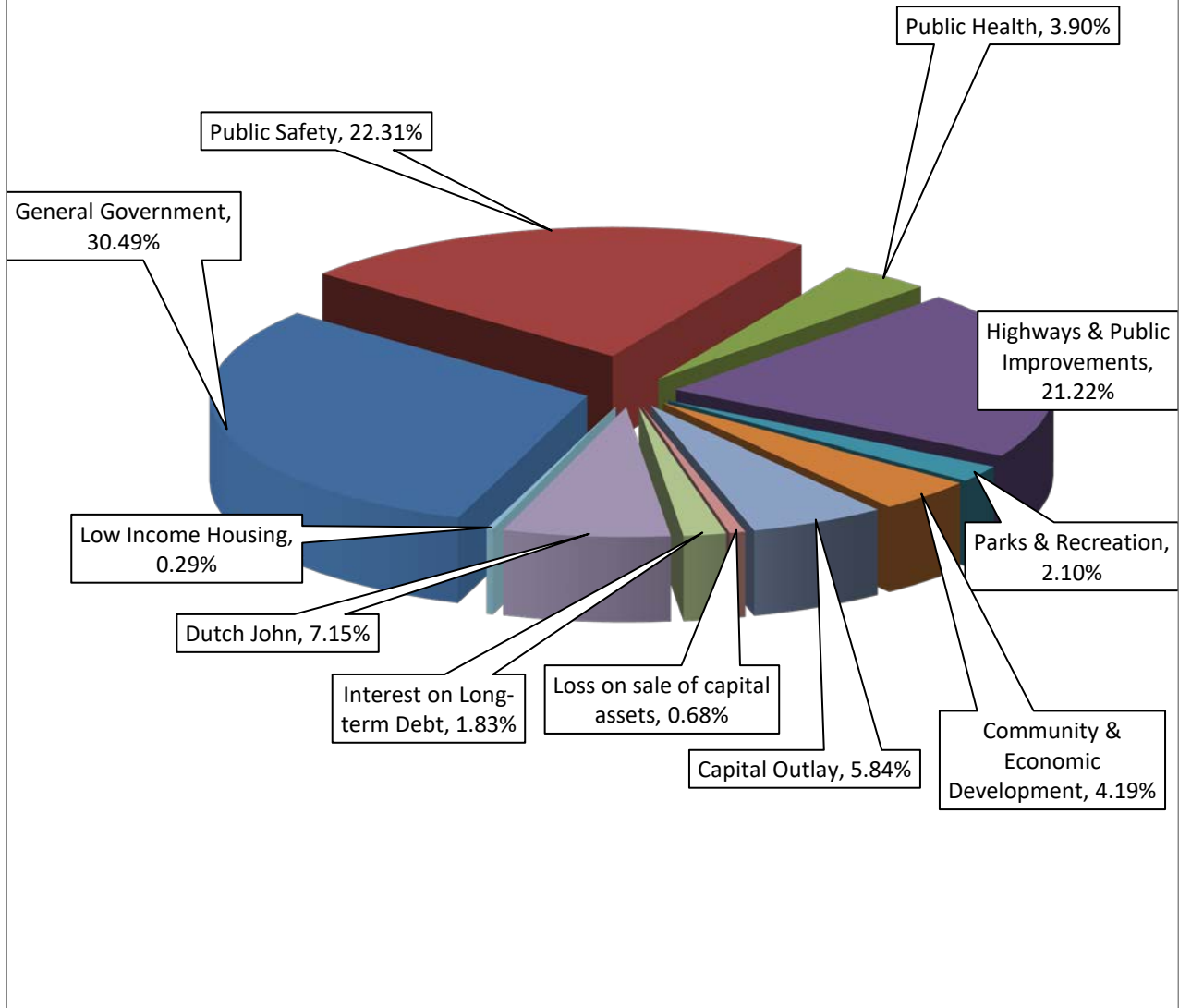
Sources of revenues for the County’s government-wide activities are comprised of the items listed below and total \$6,205,881.



Capital grants and contributions constitute the largest source of Daggett County revenues at 34.79%. Property taxes are the second largest source of revenues at 23.33%. Charges for services represent 8.54%, Sales tax represent 9.33%, Unrestricted grants and contributions represent 3.47%, mineral lease revenue represents .62% Miscellaneous represent .81% and PLIT, Interest and operating grants represent 3.18%, 1.47%, and 14.46% respectfully of the total revenue for the year.

The cost of all activities for FY2018 was \$3,979,377. 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 \$17,288 can be briefly summarized as follows:

- \$ 95,102 increase in general government
- \$ 27,346 increase in public safety
- \$ 700 increase in public health
- \$ 114,860 decrease in highways and public improvements
- \$ 5,000 increase in parks and recreations
- \$ 4,000 increase in transfers out

## Capital Asset and Debt Administration

### Capital Assets

Daggett County's investment in capital assets for all activities as of December 31, 2018 amounted to \$24,544,573. 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 Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</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	2,308,030	8,270	7,338	2,445,751	2,315,368
Improvements other than buildings	2,059,979	1,975,207	2,339,783	2,248,758	4,399,762	4,223,965
Equipment	1,062,885	925,237	28,724	23,941	1,091,609	949,178
Infrastructure	2,050,130	1,905,741	296,766	284,335	2,346,896	2,190,076
Work in process	2,240,359	2,267,516	1,212,106	1,234,539	3,452,465	3,502,055
<b>Total</b>	<b>\$ 19,460,837</b>	<b>\$ 18,991,734</b>	<b>\$ 5,639,577</b>	<b>\$ 5,552,839</b>	<b>\$ 25,100,414</b>	<b>\$ 24,544,573</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 \$1,109,000.

During the 2018 year, the component unit Flaming Gorge Roads & Transportation Special Service District paid off Series 2017 mineral lease revenue bonds in the amount of \$1,655,000. The District still has two bond issues outstanding of mineral lease revenue bonds in the amount of \$286,000.

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, 2018, their outstanding balance was \$577,000. The County also has several capital leases outstanding at December 31, 2018.

**Long-Term Debt (Continued)**

The following table is a summary of Daggett County’s gross outstanding long-term debt as of December 31, 2018.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
Compensated absences	\$ 72,575	\$ 41,337	\$ 1,346	\$ 748
Net pension liability	981,487	462,029	4,100	5,495
Capital lease payable	119,064	79,113		
GO Bond, Series 1998B	29,000	20,000		
GO Bond, Series 2015	1,197,000	1,089,000		
Revenue Bond, Series 2008A	236,000	203,000		
Revenue Bond, Series 2008B	96,000	83,000		
Revenue Bond, Series 2016			598,000	577,000
Revenue Bond, Series 2017	<u>1,655,000</u>			
 Total outstanding debt	 <u>\$ 4,386,126</u>	 <u>\$ 1,977,479</u>	 <u>\$ 603,446</u>	 <u>\$ 583,243</u>

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

**Business-Type Activities**

Enterprise Funds are used to report the functions presented as *business-type activities* shown in the above charts and in the government-wide statements. The activity of the Enterprise Funds experienced a decrease in net position during the year due to a 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**

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

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

**Contacting the County’s Financial Management**

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

**DAGGETT COUNTY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

	PRIMARY GOVERNMENT		
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Cash and cash equivalents	\$ 3,697,831	\$ 201,803	\$ 3,899,634
Investments in stock	505		505
Accounts receivable - net	14,445	12,420	26,865
Property taxes receivable	113,467		113,467
Due from other governmental units	429,204		429,204
Prepaid expenses	66,081		66,081
Inventory	59,752		59,752
Loan receivable - current		3,445	3,445
Loan subsidy receivable - current		8,549	8,549
Cash and cash equivalents - restricted	2,728,683	6,027	2,734,710
Loan receivable		25,098	25,098
Loan subsidy receivable		8,550	8,550
Net pension asset	518	6	524
Capital assets (net of accumulated depreciation):			
Land	8,723,541	1,753,928	10,477,469
Water rights	886,462		886,462
Infrastructure	1,905,741	284,335	2,190,076
Buildings	2,308,030	7,338	2,315,368
Improvements other than buildings	1,975,207	2,248,758	4,223,965
Machinery and Equipment	925,237	23,941	949,178
Work in progress	2,267,516	1,234,539	3,502,055
Total assets	<u>\$ 26,102,220</u>	<u>\$ 5,818,737</u>	<u>\$ 31,920,957</u>
Deferred outflows of resources related to pensions	<u>\$ 328,064</u>	<u>\$ 3,902</u>	<u>\$ 331,966</u>
Total assets and deferred outflows of resources	<u>\$ 26,430,284</u>	<u>\$ 5,822,639</u>	<u>\$ 32,252,923</u>

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

**DAGGETT COUNTY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2018**

	PRIMARY GOVERNMENT		
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Accounts payable	\$ 199,412	\$ 30,755	\$ 230,167
Accrued liabilities	77,032		77,032
Bond interest payable	2,602		2,602
Unearned revenue	8,675		8,675
Capital lease - current	38,737		38,737
G.O. Bonds payable - current	120,000		120,000
Revenue Bonds payable - current	46,000	21,000	67,000
Capital lease - noncurrent	40,376		40,376
G.O. Bonds payable - noncurrent	989,000		989,000
Revenue Bonds payable - noncurrent	240,000	556,000	796,000
Compensated absences	41,337	748	42,085
Net pension liability	462,029	5,495	467,524
	\$ 2,265,200	\$ 613,998	\$ 2,879,198
Deferred inflows of resources related to pensions	\$ 469,459	\$ 5,584	\$ 475,043
	\$ 2,734,659	\$ 619,582	\$ 3,354,241
<b><u>NET POSITION</u></b>			
Net Investment in capital assets	\$ 17,517,621	\$ 4,975,839	\$ 22,493,460
Restricted for:			
Class "B" roads	307,462		307,462
SRS roads	213,910		213,910
RDA	715,497		715,497
Flaming Gorge Roads & Transportation S.S.D.	48,000		48,000
Forest Reserve	379,776		379,776
VAWA	2,363		2,363
VOCA	2,870		2,870
State Beer Tax	21,173		21,173
Transient Room Tax	174,930		174,930
Rural Hospital Tax	508,957		508,957
Homeland Security	2,360		2,360
Assessing and Collecting	237,180		237,180
Trail Fund	64		64
Noxious weed	13,116		13,116
Restaurant Tax	34,866		34,866
Jail Tax	153,478		153,478
Debt Reserve		6,027	6,027
Unrestricted	3,362,002	221,191	3,583,193
	\$ 23,695,625	\$ 5,203,057	\$ 28,898,682

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



**DAGGETT COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Function/Programs</b>							
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 1,213,329	\$ 139,757	\$ 26,771	\$ 104,309	\$ (942,492)	\$ (942,492)	\$ (942,492)
Public safety	887,711	106,896	172,507	46,436	(561,872)	(561,872)	(561,872)
Public health	155,177				(155,177)	(155,177)	(155,177)
Highways and public improvements	844,352	17,123	666,196	2,008,228	1,847,195	1,847,195	1,847,195
Parks, recreation and public property	83,666	15,255	25,000		(43,411)	(43,411)	(43,411)
Community and economic development	166,689	3,334	7,129		(156,226)	(156,226)	(156,226)
Capital outlay	232,523				(232,523)	(232,523)	(232,523)
Interest on long-term debt	72,916				(72,916)	(72,916)	(72,916)
Total governmental activities	\$ 3,656,363	\$ 282,365	\$ 897,603	\$ 2,158,973	\$ (317,422)	\$ (317,422)	\$ (317,422)
<b>Business-type activities:</b>							
Enterprise - Dutch John	\$ 284,625	\$ 246,208			\$ (38,417)	\$ (38,417)	\$ (38,417)
Enterprise - Low income housing	11,399	1,384			(10,015)	(10,015)	(10,015)
Total business-type activities	\$ 296,024	\$ 247,592	\$ .....	\$ .....	\$ (48,432)	\$ (48,432)	\$ (48,432)
Total primary government	\$ 3,952,387	\$ 529,957	\$ 897,603	\$ 2,158,973	\$ (317,422)	\$ (48,432)	\$ (365,854)
<b>General revenues:</b>							
Property taxes					\$ 1,447,784	\$ 1,447,784	\$ 1,447,784
Sales and use taxes					111,521	111,521	111,521
County option and Medical Service sales taxes					74,511	74,511	74,511
Restaurant tax revenue					23,020	23,020	23,020
Transient room taxes					156,599	156,599	156,599
Rural hospital taxes					206,878	206,878	206,878
Payment in lieu of taxes					197,476	197,476	197,476
Motor fuel tax					6,530	6,530	6,530
Grants and contributions not restricted to use					215,262	215,262	215,262
Mineral lease revenue					38,690	38,690	38,690
Unrestricted investment earnings					90,897	\$ 142	91,039
Miscellaneous					50,038	50,038	50,038
Gain/(loss) on sale of capital assets					(26,990)	(26,990)	(26,990)
Total general revenues					\$ 2,592,216	\$ 142	\$ 2,592,358
Change in net position					\$ 2,274,794	\$ (48,290)	\$ 2,226,504
Net position - beginning					21,420,831	5,251,347	26,672,178
Net position - ending					\$ 23,695,625	\$ 5,203,057	\$ 28,898,682

"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, 2018**

	GENERAL FUND	FLAMING GORGE ROADS AND TRANSPORTATION SPECIAL SERVICE DISTRICT	DAGGETT COUNTY REDEVELOPMENT AGENCY	CLASS "B" ROAD	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,061,152	\$ 2,529,766			\$ 141,457	\$ 3,732,375
Restricted cash and cash equivalents	147	48,000	\$ 725,663	\$ 251,326	1,703,547	2,728,683
Investments in stock	505					505
Account receivable (net)	13,172				1,273	14,445
Property taxes receivable	83,797				29,670	113,467
Due from other governments	158,215	51,840		87,780	131,369	429,204
Inventory		59,752				59,752
Prepaid expenses	66,081					66,081
<b>Total assets</b>	<b>\$ 1,383,069</b>	<b>\$ 2,689,358</b>	<b>\$ 725,663</b>	<b>\$ 339,106</b>	<b>\$ 2,007,316</b>	<b>\$ 7,144,512</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Cash deficit					\$ 34,544	\$ 34,544
Accounts payable	\$ 72,320		\$ 1,491	\$ 31,644	93,957	199,412
Accrued liabilities	77,032					77,032
Unearned revenue			8,675			8,675
<b>Total liabilities</b>	<b>\$ 149,352</b>	<b>\$ ...</b>	<b>\$ 10,166</b>	<b>\$ 31,644</b>	<b>\$ 128,501</b>	<b>\$ 319,663</b>
Fund balances:						
Nonspendable:						
Inventory		\$ 59,752				\$ 59,752
Prepays	\$ 66,081					66,081
Restricted for:						
Class "B" Road				\$ 307,462		307,462
Flaming Gorge Roads & Transportation S.S.D.		48,000				48,000
Redevelopment Agency			\$ 715,497			715,497
Forest Reserve					\$ 379,776	379,776
Noxious weed					13,116	13,116
SRS roads					213,910	213,910
VAWA					2,363	2,363
VOCA					2,870	2,870
Beer Tax					21,173	21,173
Transient Room Tax					174,930	174,930
Rural Hospital Tax					508,957	508,957
Homeland Security					2,360	2,360
Assessing and Collecting					237,180	237,180
Trails fund					64	64
Restaurant Tax					34,866	34,866
Jail Fund					153,478	153,478
Assigned for:						
Special Revenue		34,988			78,634	113,622
Debt Service		275,065				275,065
Capital Projects		2,271,553			55,138	2,326,691
Unassigned	1,167,636					1,167,636
<b>Total fund balances</b>	<b>\$ 1,233,717</b>	<b>\$ 2,689,358</b>	<b>\$ 715,497</b>	<b>\$ 307,462</b>	<b>\$ 1,878,815</b>	<b>\$ 6,824,849</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,383,069</b>	<b>\$ 2,689,358</b>	<b>\$ 725,663</b>	<b>\$ 339,106</b>	<b>\$ 2,007,316</b>	<b>\$ 7,144,512</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, 2018**

Total fund balances - governmental fund types: \$ 6,824,849

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		1,905,741	
Buildings		2,308,030	
Improvements other than buildings		1,975,207	
Equipment		925,237	
Work in progress		<u>2,267,516</u>	
Total			18,991,734

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	\$	(2,602)	
Capital lease - current portion		(38,737)	
Capital lease - due in more than one year		(40,376)	
G.O. bonds payable - current portion		(120,000)	
G.O. bonds payable - due in more than one year		(989,000)	
Revenue bonds payable - current portion		(46,000)	
Revenue bonds payable - due in more than one year		(240,000)	
Net pension liability		(462,029)	
Deferred inflows of resources related to pensions		(469,459)	
Deferred outflows of resources related to pensions		328,064	
Compensated absences		<u>(41,337)</u>	
Total			(2,121,476)

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

518

Net position of government activities

\$ 23,695,625

"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, 2018**

	GENERAL FUND	FLAMING GORGE ROADS AND TRANSPORTATION SPECIAL SERVICE DISTRICT	DAGGETT COUNTY REDEVELOPMENT AGENCY	CLASS "B" ROAD	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>						
Taxes	\$ 1,207,365				\$ 818,996	\$ 2,026,361
Licenses and permits	30,696					30,696
Intergovernmental revenues	422,298	\$ 2,162,824		\$ 434,563	457,582	3,477,267
Charges for services	151,393		\$ 29,951	17,123	37,927	236,394
Fines and forfeitures	17,746					17,746
Interest income	39,542	42,945	8,410		482	91,379
Miscellaneous revenues	49,963				28,341	78,304
<b>Total revenues</b>	<b>\$ 1,919,003</b>	<b>\$ 2,205,769</b>	<b>\$ 38,361</b>	<b>\$ 451,686</b>	<b>\$ 1,343,328</b>	<b>\$ 5,958,147</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government	\$ 985,769				\$ 298,943	\$ 1,284,712
Public safety	628,896				117,925	746,821
Public health	9,675				145,502	155,177
Highways and public improvements	47,984	\$ 18,341		\$ 327,583	184,380	578,288
Parks, recreation, and public property	618				72,489	73,107
Community and economic development			\$ 30,220		136,469	166,689
Capital outlay		259,680				259,680
<b>Debt service:</b>						
Principal retirement		1,701,000			156,951	1,857,951
Interest and fiscal charges		60,153			32,967	93,120
<b>Total expenditures</b>	<b>\$ 1,672,942</b>	<b>\$ 2,039,174</b>	<b>\$ 30,220</b>	<b>\$ 327,583</b>	<b>\$ 1,145,626</b>	<b>\$ 5,215,545</b>
Excess revenues over (under) expenditures	\$ 246,061	\$ 166,595	\$ 8,141	\$ 124,103	\$ 197,702	\$ 742,602
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	\$ 97,599				\$ 97,623	\$ 195,222
Transfers out	(44,661)			\$ (150,561)		(195,222)
<b>Total other financing sources (uses)</b>	<b>\$ 52,938</b>	<b>\$ ...</b>	<b>\$ ...</b>	<b>\$ (150,561)</b>	<b>\$ 97,623</b>	<b>\$ ...</b>
Excess of revenues and other sources over (under) expenditures and other uses	\$ 298,999	\$ 166,595	\$ 8,141	\$ (26,458)	\$ 295,325	\$ 742,602
<b>FUND BALANCES - beginning of year</b>	<b>934,718</b>	<b>2,522,763</b>	<b>707,356</b>	<b>333,920</b>	<b>1,583,490</b>	<b>6,082,247</b>
<b>FUND BALANCES - end of year</b>	<b>\$ 1,233,717</b>	<b>\$ 2,689,358</b>	<b>\$ 715,497</b>	<b>\$ 307,462</b>	<b>\$ 1,878,815</b>	<b>\$ 6,824,849</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, 2018**

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

Net changes in fund balances - total governmental funds	\$	742,602
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense (\$604,081) exceeds capital outlay (\$161,968) in the period.		(442,113)
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.		(26,990)
Governmental funds report bond proceeds as an other financing source, while repayment of the bond principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due, but in the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. The following amounts are the net effect of these differences in the treatment of the long-term debt and related items.		
Change in interest payable	\$	20,204
Retirement of long-term debt		<u>1,857,951</u>
Total		1,878,155
As net pension assets, liabilities and deferred inflows and outflows change during the year it has the affect of increasing or decreases net position in the government wide financial statement but has no effect on fund statements. This is the amount of the net changes in pension related accounts.		91,902
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)		<u>31,238</u>
Change in net position of governmental activities	\$	<u><u>2,274,794</u></u>

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

**DAGGETT COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2018**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	DUTCH JOHN ENTERPRISE	NON-MAJOR LOW INCOME HOUSING	TOTAL BTAs
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Current assets:			
Cash and cash equivalents	\$ 176,487	\$ 25,316	\$ 201,803
Accounts receivable (net of allowance \$14,504)	12,420		12,420
Loan receivable - current		3,445	3,445
Loan subsidy receivable - current		8,549	8,549
Total current assets	\$ 188,907	\$ 37,310	\$ 226,217
Noncurrent assets:			
Loan receivable		\$ 25,098	\$ 25,098
Loan subsidy receivable		8,550	8,550
Net pension asset	\$ 6		6
Restricted cash and cash equivalents	6,027		6,027
Capital Assets:			
Land	1,753,928		1,753,928
Infrastructure	372,927		372,927
Buildings	13,978		13,978
Improvements	2,975,332		2,975,332
Machinery and equipment	65,971		65,971
Work in progress	1,234,539		1,234,539
Less accumulated depreciation	(863,836)		(863,836)
Total noncurrent assets	\$ 5,558,872	\$ 33,648	\$ 5,592,520
Total assets	\$ 5,747,779	\$ 70,958	\$ 5,818,737
Deferred outflows of resources:			
Deferred outflows - related to pensions	\$ 3,902		\$ 3,902
Total deferred outflows of resources	\$ 3,902	\$ ...	\$ 3,902
Total assets and deferred outflows of resources	\$ 5,751,681	\$ 70,958	\$ 5,822,639

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

DAGGETT COUNTY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	DUTCH JOHN ENTERPRISE	NON-MAJOR LOW INCOME HOUSING	TOTAL BTAs
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
Current Liabilities:			
Accounts payable	\$ 30,755		\$ 30,755
Current portion - long-term debt	21,000		21,000
Total current liabilities	\$ 51,755	\$ ...	\$ 51,755
Noncurrent Liabilities:			
Compensated absences	\$ 748		\$ 748
Net pension liability	5,495		5,495
Revenue bonds payable	556,000		556,000
Total noncurrent liabilities	\$ 562,243	\$ ...	\$ 562,243
Total liabilities	\$ 613,998	\$ ...	\$ 613,998
Deferred inflows of resources:			
Deferred inflows- related to pensions	\$ 5,584		\$ 5,584
Total deferred inflows of resources	\$ 5,584	\$ ...	\$ 5,584
Total liabilities and deferred inflows of resources	\$ 619,582	\$ ...	\$ 619,582
<u>NET POSITION</u>			
Net Position			
Net Investment in capital assets	\$ 4,975,839		\$ 4,975,839
Restricted	6,027		6,027
Unrestricted	150,233	\$ 70,958	221,191
Total net position	\$ 5,132,099	\$ 70,958	\$ 5,203,057

"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, 2018**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS		
	DUTCH JOHN ENTERPRISE	NON-MAJOR LOW INCOME HOUSING	TOTAL BTAs
Operating Revenues:			
Charges for services	\$ 244,637	\$ 1,384	\$ 246,021
Fines and penalties	1,571		1,571
	<u>246,208</u>	<u>1,384</u>	<u>247,592</u>
Total operating revenues	\$ 246,208	\$ 1,384	\$ 247,592
Operating Expenses:			
Salaries, wages and benefits	\$ 76,360		\$ 76,360
Administration costs	7,650		7,650
Insurance	11,193		11,193
Repairs & Maintenance	1,439		1,439
Supplies	1,580		1,580
Contractual services	700		700
Utilities	28,227		28,227
Travel	2,934		2,934
Fuel	2,352		2,352
Water Treatment & Distribution	23,931		23,931
Sewer Treatment & Collection	19,088		19,088
Amortization		\$ 11,399	11,399
Depreciation	109,171		109,171
	<u>284,625</u>	<u>11,399</u>	<u>296,024</u>
Total operating expenses	\$ 284,625	\$ 11,399	\$ 296,024
Operating income (loss)	\$ (38,417)	\$ (10,015)	\$ (48,432)
Nonoperating Revenues (Expenses):			
Interest income	\$ 142		\$ 142
	<u>142</u>	<u>...</u>	<u>142</u>
Total nonoperating revenues (expenses)	\$ 142	\$ ...	\$ 142
Change in net position	\$ (38,275)	\$ (10,015)	\$ (48,290)
Total net position - beginning	5,170,374	80,973	5,251,347
Total net position - ending	<u>\$ 5,132,099</u>	<u>\$ 70,958</u>	<u>\$ 5,203,057</u>

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



**DAGGETT COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	DUTCH JOHN ENTERPRISE	NON-MAJOR LOW INCOME HOUSING	TOTAL BTA's
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Cash Flows From Operating Activities:</b>			
Cash receipts from customers	\$ 248,149	\$ 4,399	\$ 252,548
Cash payments to suppliers	(292,825)		(292,825)
Cash payments to employees	(73,437)		(73,437)
Net cash provided (used) by operating activities	<u>\$ (118,113)</u>	<u>\$ 4,399</u>	<u>\$ (113,714)</u>
<b>Cash Flows From Noncapital Financing Activities:</b>			
Transfers out			
Net cash provided (used) by noncapital financing activities	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition of capital assets	\$ (22,433)		\$ (22,433)
Principal paid on revenue bonds	(21,000)		(21,000)
Net cash provided (used) by capital and related financing activities	<u>\$ (43,433)</u>	<u>\$ ...</u>	<u>\$ (43,433)</u>
<b>Cash Flows From Investing Activities:</b>			
Interest and dividends received	\$ 142		\$ 142
Net cash provided (used) by investing activities	<u>\$ 142</u>	<u>\$ ...</u>	<u>\$ 142</u>
Net increase (decrease) in cash and cash equivalents	\$ (161,404)	\$ 4,399	\$ (157,005)
Cash and cash equivalents, January 1	<u>343,918</u>	<u>20,917</u>	<u>364,835</u>
Cash and cash equivalents, December 31	<u>\$ 182,514</u>	<u>\$ 25,316</u>	<u>\$ 207,830</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	<u>\$ (38,417)</u>	<u>\$ (10,015)</u>	<u>\$ (48,432)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 109,171		\$ 109,171
Amortization		\$ 11,399	11,399
(Increase) Decrease in accounts receivable	1,941		1,941
(Increase) Decrease in notes receivable		3,015	3,015
(Increase) Decrease in net pension assets	2		2
(Increase) Decrease in deferred outflows of resources	(1,535)		(1,535)
Increase (Decrease) in accounts payable	(193,731)		(193,731)
Increase (Decrease) in compensated absences	(1,346)		(1,346)
Increase (Decrease) in net pension liabilities	1,395		1,395
Increase (Decrease) in deferred inflows of resources	4,407		4,407
Total adjustments	<u>\$ (79,696)</u>	<u>\$ 14,414</u>	<u>\$ (65,282)</u>
Net cash provided (used) by operating activities	<u>\$ (118,113)</u>	<u>\$ 4,399</u>	<u>\$ (113,714)</u>

**Noncash Investing, Capital and Financing Activities:**

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, 2018**

	<u>EMT FUNDRAISING</u>	<u>COURT FINES</u>	<u>BAIL</u>	<u>TOTAL TRUST FUND</u>	<u>AGENCY FUND</u>
<b><u>ASSETS</u></b>					
Cash & cash equivalents	\$ 1,200	\$ 11,044	\$ 9,088	\$ 21,332	\$ 424,459
Total assets	<u>\$ 1,200</u>	<u>\$ 11,044</u>	<u>\$ 9,088</u>	<u>\$ 21,332</u>	<u>\$ 424,459</u>
<b><u>LIABILITIES</u></b>					
Accounts payable		\$ 2,388		\$ 2,388	
Due taxing units					\$ 424,459
Total liabilities	<u>\$ ...</u>	<u>\$ 2,388</u>	<u>\$ ...</u>	<u>\$ 2,388</u>	<u>\$ 424,459</u>
<b><u>NET POSITION</u></b>					
Restricted	<u>\$ 1,200</u>	<u>\$ 8,656</u>	<u>\$ 9,088</u>	<u>\$ 18,944</u>	
Total net position	<u><u>\$ 1,200</u></u>	<u><u>\$ 8,656</u></u>	<u><u>\$ 9,088</u></u>	<u><u>\$ 18,944</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, 2018**

	<u>EMT FUNDRAISING</u>	<u>COURT FINES</u>	<u>BAIL</u>	<u>TOTAL TRUST FUND</u>
Additions:				
Charges for services		\$ 6,359		\$ 6,359
Fines and fees		15,820	\$ 759	16,579
Other revenues		179		179
Total operating revenues	\$ ...	\$ 22,358	\$ 759	\$ 23,117
Deductions:				
Public safety		\$ 22,508	\$ 759	\$ 23,267
Total operating expenses	\$ ...	\$ 22,508	\$ 759	\$ 23,267
Change in net position		\$ (150)		\$ (150)
Total net position - beginning	\$ 1,200	8,806	\$ 9,088	19,094
Total net position - ending	\$ 1,200	\$ 8,656	\$ 9,088	\$ 18,944

"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, 2018**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

For financial reporting purposes, Daggett County has included all funds, organizations, account groups, agencies, boards and commissions. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific burdens on the County, or the County has fiscal responsibility.

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

**Blended Component Units**

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

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

A. **Reporting Entity (Continued)**

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

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

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

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

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

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The remaining governmental and enterprise funds are combined into a single column and reported as other (non-major) funds.

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

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

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

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

Governmental Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include accumulated unpaid compensated absences and principal and interest on general long-term debt which are recognized when due.

The County reports the following major governmental funds:

- General Fund – The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is taxes.
- Flaming Gorge Road and Transportation Special Service District, a special revenue fund of the County – The District was created for the purpose of receiving mineral lease money and using these funds to construct, improve and repair County roads for the benefit for the citizens of the County.
- Daggett County Redevelopment Agency Fund - The Redevelopment Agency Fund, is a special revenue fund that is used to account for revenues and expenses used to promote tourism and improvement of related facilities.
- Class "B" Road Fund – The Class "B" Road Fund is used to receive funding from the state of Utah and other sources to be used for the repair, maintenance and improvement of Class "B" roads in the County.

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

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

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

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

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

The County reports the following major proprietary funds:

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

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

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

- Agency Funds – Agency Funds are used to account for assets held by the County as an agent for other governments, private organizations, or individuals. Agency Funds include Treasurer's Tax Collection fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.
- Trust Funds – The County has the following trust funds, EMT Fundraising, Court Fines, and Bail Fund, which it manages in a trustee capacity.

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

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

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

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

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

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

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

D. **Budgetary Data**

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

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



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

**D. Budgetary Data (Continued)**

5. The County Commission can transfer budgeted amounts between line items or departments by resolution, but any action that increases the total general fund budget must be approved by resolution only after a public hearing. (The budgets of other funds may be increased after giving public notice.)

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

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

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

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

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

**F. Compensated Absences**

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

Accrued unpaid vacation pay and other employee benefit amounts, which vest to the employee in the government-wide financial statements for governmental activities total \$41,337 and for proprietary funds total \$748.

**G. Long-Term Obligations**

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

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

**H. Capital Assets**

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

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

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

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

**I. Net Position/Fund Balances**

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

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

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

**J. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) 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, 2018 was as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
<b>Primary Government</b>				
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 8,723,541			\$ 8,723,541
Rights of Way	886,462			886,462
Work in Progress	<u>2,240,359</u>	\$ 27,157		<u>2,267,516</u>
Total capital assets not being depreciated	<u>\$ 11,850,362</u>	<u>\$ 27,157</u>	\$ ...	<u>\$ 11,877,519</u>
Capital assets being depreciated:				
Buildings	\$ 5,019,663			\$ 5,019,663
Improvements other than buildings	2,736,910	\$ 9,029		2,745,939
Machinery and equipment	3,830,245	125,782	\$ 357,504	3,598,523
Infrastructure	<u>6,618,776</u>			<u>6,618,776</u>
Total capital assets being depreciated	<u>\$ 18,205,594</u>	<u>\$ 134,811</u>	<u>\$ 357,504</u>	<u>\$ 17,982,901</u>
Less accumulated depreciation for:				
Buildings	\$ 2,582,182	\$ 129,451		\$ 2,711,633
Improvements other than buildings	676,931	93,801		770,732
Machinery and equipment	2,767,360	236,440	\$ 330,514	2,673,286
Infrastructure	<u>4,568,646</u>	<u>144,389</u>		<u>4,713,035</u>
Total accumulated depreciation	<u>\$ 10,595,119</u>	<u>\$ 604,081</u>	<u>\$ 330,514</u>	<u>\$ 10,868,686</u>
Total capital assets, being depreciated, net	<u>\$ 7,610,475</u>	<u>\$ (469,270)</u>	<u>\$ 26,990</u>	<u>\$ 7,114,215</u>
Governmental activities capital assets, net	<u>\$ 19,460,837</u>	<u>\$ (442,113)</u>	<u>\$ 26,990</u>	<u>\$ 18,991,734</u>

2. **CAPITAL ASSETS (Continued)**

	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,753,928			\$ 1,753,928
Construction in progress	<u>1,212,106</u>	<u>\$ 22,433</u>		<u>1,234,539</u>
Total capital assets not being depreciated	<u>\$ 2,966,034</u>	<u>\$ 22,433</u>	<u>\$ ...</u>	<u>\$ 2,988,467</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	\$ 5,708	\$ 932		\$ 6,640
Improvements other than buildings	635,548	91,025		726,573
Machinery and equipment	37,248	4,783		42,031
Infrastructure	<u>76,161</u>	<u>12,431</u>		<u>88,592</u>
Total accumulated depreciation	<u>\$ 754,665</u>	<u>\$ 109,171</u>	<u>\$ ...</u>	<u>\$ 863,836</u>
Total capital assets, being depreciated, net	<u>\$ 2,673,543</u>	<u>\$ (109,171)</u>	<u>\$ ...</u>	<u>\$ 2,564,372</u>
Business-type activities capital assets, net	<u>\$ 5,639,577</u>	<u>\$ (86,738)</u>	<u>\$ ...</u>	<u>\$ 5,552,839</u>
Depreciation expense was charged to functions/programs of the primary government as follows:				
Governmental activities:				
General government			\$ 47,550	
Public safety			225,354	
Highways and public improvements			320,618	
Parks and recreation			<u>10,559</u>	
Total depreciation expense - governmental activities			<u>\$ 604,081</u>	
Business-type activities:				
Enterprise - Dutch John			<u>\$ 109,171</u>	
Total depreciation expense - Business-Type Activities			<u>\$ 109,171</u>	
Total depreciation expense			<u><u>\$ 713,252</u></u>	

**3. LONG-TERM DEBT**

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

Year Ending December 31,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 166,000	\$ 26,736	\$ 192,736	\$ 21,000		\$ 21,000
2020	170,000	24,222	194,222	21,000		21,000
2021	162,000	21,372	183,372	21,000		21,000
2022	801,000	18,461	819,461	21,000		21,000
2023	48,000	15,224	63,224	21,000		21,000
2024-2028	48,000	28,018	76,018	106,000		106,000
2029-2033			-	108,000		108,000
2034-2038				107,000		107,000
2039-2043				108,000		108,000
2044-2045				43,000		43,000
	<u>\$ 1,395,000</u>	<u>\$ 134,033</u>	<u>\$ 1,529,033</u>	<u>\$ 577,000</u>	<u>\$ ...</u>	<u>\$ 577,000</u>

**General Obligation Bonds** – General Obligation Bonds payable at December 31, 2018, with their outstanding balances, are comprised of the following individual issues:

Governmental Activities:

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

\$1,089,000

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%.

\$ 20,000

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

**Mineral Lease Revenue Bonds** – Mineral Lease Revenue Bonds payable at December 31, 2018, 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. \$ 203,000

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. \$ 83,000

Business-Type Activities:

**Water Revenue Bonds** – Water Revenue Bonds payable at December 31, 2018, 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. \$ 577,000

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

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 1,226,000		\$ (117,000)	\$ 1,109,000	\$ 120,000
Revenue bonds	1,987,000		(1,701,000)	286,000	46,000
Capital leases	119,064		(39,951)	79,113	38,737
Compensated absences	72,575		(31,238)	41,337	
Net pension liability	981,487		(519,458)	462,029	
				<u>462,029</u>	
Governmental activities long-term liabilities	<u>\$ 4,386,126</u>	<u>\$ ...</u>	<u>\$ (2,408,647)</u>	<u>\$ 1,977,479</u>	<u>\$ 204,737</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 598,000		\$ (21,000)	\$ 577,000	\$ 21,000
Compensated absences	1,346		(598)	748	
Net pension liability	4,100	\$ 1,395		5,495	
				<u>5,495</u>	
Business-type activities long-term liabilities	<u>\$ 603,446</u>	<u>\$ 1,395</u>	<u>\$ (21,598)</u>	<u>\$ 583,243</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:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
July 1, 2019	\$ 10,000	\$ 600	\$ 10,600
July 1, 2020	10,000	300	10,300
Total	<u>\$ 20,000</u>	<u>\$ 900</u>	<u>\$ 20,900</u>



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

**Governmental Activity Debt (Continued)**

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

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 15, 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>\$ 1,089,000</u>	<u>\$ 133,134</u>	<u>\$ 1,222,134</u>

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

**Governmental Activity Debt (Continued)**

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

Principal Payment Date	Principal	Interest	Total
April 1, 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>\$ 203,000</u>	<u>\$ ...</u>	<u>\$ 203,000</u>

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

Principal Payment Date	Principal	Interest	Total
April 1, 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>\$ 83,000</u>	<u>\$ ...</u>	<u>\$ 83,000</u>

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

**Business-Type Activity Debt**

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

<u>Principal Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
November 1, 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>\$ 577,000</u>	<u>\$ ...</u>	<u>\$ 577,000</u>

4. **CAPITAL LEASES**

Primary Government

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

	<u>Governmental Activities</u>
Equipment	\$ 248,777
Less: Accumulated Depreciation	<u>(133,726)</u>
Net assets	<u>\$ 115,051</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018 were as follows:

<u>Years Ending December 31,</u>	<u>Governmental Activities</u>
2019	\$ 40,781
2020	33,288
2021	<u>8,413</u>
Total minimum lease payments	\$ 82,482
Less: amount representing interest	<u>(3,369)</u>
Present value of minimum lease payments	<u><u>\$ 79,113</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, 2018, the County's bank balance of cash on deposit was \$11,713 of this amount all was insured but uncollateralized.

### **Investments**

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

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

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

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

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

**5. DEPOSITS AND INVESTMENTS**

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

*Fair Value of Investments*

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

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

At December 31, 2018, the County had the following recurring fair value measurements:

<u>Investment by Fair Value Level</u>	<u>Fair Value Measurements Using</u>			
	<u>12/31/18</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity Securities				
Money Market Mutual Funds	\$ 3,639,807		\$ 3,639,807	
Water Stock	505		505	
State of Utah Public				
Treasurer's Investment Fund	<u>3,015,869</u>		<u>3,015,869</u>	
	<u>\$ 6,656,181</u>	<u>\$ ...</u>	<u>\$ 6,656,181</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, 2018 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, 2018, 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, 2018, 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 1
Money Market Mutual Funds	\$ 3,639,807	\$ 3,639,807			
Water Stock	505	505			
State of Utah Public Treasurer's Investment Fund	3,015,869	3,015,869			
<b>Total Investments</b>	<b>\$ 6,656,181</b>	<b>\$ 6,656,181</b>	<b>\$ ...</b>	<b>\$ ...</b>	<b>\$ ...</b>

*Credit Risk*

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

At December 31, 2018, the County had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Money Market Mutual Funds	\$ 3,639,807				\$ 3,639,807
Water Stock	505				505
State of Utah Public Treasurer's Investment Fund	3,015,869				3,015,869
<b>Total Investments</b>	<b>\$ 6,656,181</b>	<b>\$ ...</b>	<b>\$ ...</b>	<b>\$ ...</b>	<b>\$ 6,656,181</b>

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

*Concentration of Credit Risk*

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

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. As of December 31, 2018, the County had \$3,015,869 invested in the Public Treasurer's Investment Fund and was held by them. The County also had \$3,639,807 invested in Money Market Mutual Funds.

6. **PENSION PLANS**

*General Information about the Pension Plan*

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

**Defined Benefit Plans**

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



**6. PENSION PLANS (Continued)**

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

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

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

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 Benefits	Benefit Percentage per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 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 20 years age 60* 10 years age 62* 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, 2018 are as follows:

**Utah Retirement Systems**

	Employee	Employer	Employer 401(k)
<b>Contributory System</b>			
111 Local Government Div - Tier 2	N/A	15.54	1.15
<b>Noncontributory System</b>			
15 Local Governmental Div - Tier 1	N/A	18.47	N/A
<b>Public Safety System</b>			
<b>Contributory</b>			
122 Tier 2 DB Hybrid Public Safety	N/A	23.09	0.74
<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, 2018, the employer and employee contributions to the Systems were as follows:

<b>System</b>	Employer Contributions	Employee Contributions
Noncontributory System	\$ 77,822	N/A
Public Safety System	37,091	-
Tier 2 Public Employees System	29,733	-
Tier 2 Public Safety and Firefighter	1,173	-
Tier 2 DC Only System	1,655	N/A
Total Contributions	\$ 147,474	\$ -

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

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

At December 31, 2018, we reported a net pension asset of \$524 and a net pension liability of \$467,524.

	(Measurement Date): December 31, 2017			Proportionate Share December 31, 2016	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
	Noncontributory System		\$ 255,387		
Public Safety System		211,207	0.1346416%	0.2496528%	(0.1150112)%
Tier 2 Public Employees System		930	0.0105481%	0.0117530%	(0.0012049)%
Tier 2 Public Safety and Firefighter	\$ 524		0.0453132%	0.2269697%	(0.1816565)%
	\$ 524	\$ 467,524			

The net pension asset and liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 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, 2018, we recognized pension expense of \$59,647.

6. **PENSION PLANS (Continued)**

At December 31, 2018 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,006	\$ 47,479
Changes in assumptions	171,908	9,016
Net difference between projected and actual earnings on pension plan investments		150,706
Changes in proportion and differences between contributions and proportionate share of contributions	6,578	267,842
Contributions subsequent to the measurement date	147,474	
	<hr/>	
Total	\$ 331,966	\$ 475,043

\$147,474 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, 2017.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$ (101,510)
2019	(62,386)
2020	(78,320)
2021	(52,876)
2022	(79)
Thereafter	4,621

6. **PENSION PLANS (Continued)**

**Actuarial Assumptions**

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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

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

6. **PENSION PLANS (Continued)**

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

Discount rate: The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95 percent from 7.20 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 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

<b>System</b>	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 690,687	\$ 255,387	\$ (106,543)
Public Safety System	532,146	211,207	(48,911)
Tier 2 Public Employees System	10,950	930	(6,797)
Tier 2 Public Safety and Firefighter	4,643	(524)	(4,472)
Total	\$ 1,238,426	\$ 467,000	\$ (166,723)

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:

	2018	2017	2016
<b>401(k) Plan</b>			
Employer Contributions	\$ 9,612	\$ 19,172	\$ 41,561
Employee Contributions	12,202	16,805	47,571
<b>457 Plan</b>			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	28	-	-
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 3,700	\$ 4,160	\$ 3,720
<b>Traditional IRA</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ -	\$ -	\$ 180

7. **CONTINGENT LIABILITIES**

Litigation

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

Closure and Post-Closure Cost Landfills

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

8. **PROPERTY TAX CALENDAR**

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

9. **RISK MANAGEMENT**

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



**10. RECEIVABLES**

Receivables as of December 31, 2018, for Daggett County's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Classs "B" Road	Flaming Gorge Roads and Transportation SS District	Dutch John Proprietary Fund	Nonmajor Govt Funds	Total
Receivables:						
Taxes	\$ 83,797				\$ 29,670	\$ 113,467
Accounts	13,172			\$ 26,924	1,273	41,369
Due from other governments	158,215	\$ 87,780	\$ 51,840		131,369	429,204
Gross receivables	\$ 255,184	\$ 87,780	\$ 51,840	\$ 26,924	\$ 162,312	\$ 584,040
Less: Allowance for uncollectible accounts				(14,504)		(14,504)
Net receivables	<u>\$ 255,184</u>	<u>\$ 87,780</u>	<u>\$ 51,840</u>	<u>\$ 12,420</u>	<u>\$ 162,312</u>	<u>\$ 569,536</u>

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

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

\$13,116 has been restricted in the Noxious Weed Fund for the purpose of covering the costs of spraying and controlling noxious weeds in the Daggett County.

\$213,910 has been restricted in the SRS Fund for the purpose of maintaining, improving, repairing or replacing roads in Daggett County.

\$307,462 has been reserved in the "B" Road Fund for the purpose of maintaining, improving, repairing or replacement of "B" roads in Daggett County.

\$715,497 has been reserved in the Redevelopment Agency for the purpose of offering financial incentives to encourage the construction of owner-occupied housing in Dutch John.

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

\$2,363 has been restricted for victims advocate (VAWA). These funds have been received through a grant to provide advocate for victims.

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

\$2,870 has been restricted through a grant for Victims of Crimes (VOCA) and to be used for support for staff to help with victims of crimes.

\$21,173 this is fund received through the State of Utah Liquor Fund Allotment to be used by law enforcement departments in policing alcohol related offences.

\$379,776 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.

\$174,930 has been restricted in the Transient Room Tax Fund to be used for the purpose of promoting tourism and improvement of related facilities.

\$508,957 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.

\$237,180 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.

\$34,866 has been restricted in the Restaurant Tax Fund. These funds are restricted to special uses as outlined by the type of tax imposed.

\$153,478 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.

\$6,027 of net position has been restricted in the Dutch John operating fund as a debt reserve account to be accumulated and used for the retirement of debt.

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

**12. USE OF ESTIMATES**

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

**13. BUDGET VARIANCE**

During the year ended December 31, 2018, the County had no unfavorable variance when comparing their budget to actual. See Schedules 1 through 4 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 Governmental Funds	General Fund	Total Out
Transfer Out:			
General Fund	\$ 44,661		\$ 44,661
Class "B" road	150,561		150,561
Dutch John Town		\$ 97,599	97,599
Total in	\$ 195,222	\$ 97,599	\$ 292,821

There were several transfers of funds during the year. The Dutch John Fund transferred \$97,599 to the general fund. The General Fund transferred \$44,661 to two funds. Of this amount, \$42,661 went to the capital lease fund to help make debt payments and \$2,000 went to the Noxious Weed Fund to help cover expenses. Also \$150,561 was transferred from the "B" Road Fund to the SRS Fund to help to cover costs associated with this fund.

16. **RESTRICTED CASH AND CASH EQUIVALENTS**

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

Cash and cash equivalents – restricted           \$2,734,710

The restricted cash and cash equivalents represent \$147 of sheriff funds held in the general fund, \$48,000 of money restricted held in the Flaming Gorge Fund restricted for a debt reserve. The County has also restricted \$251,326 in “B” Road Fund to be used for the maintenance and improvement of qualified “B” roads. They have restricted \$725,663 in the Dutch John Redevelopment Agency to be used for allowable expenditures within the Agency’s boundaries. There has been \$6,027 restricted in the Dutch John Enterprise fund as a debt service reserve. 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 \$1,703,547 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 \$1,110,000 at December 31, 2018.

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

Daggett County has restricted \$6,027 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 2018, there was \$6,027 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.

# **DAGGETT COUNTY**

## **Required Supplementary Information**

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

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

SCHEDULE 3 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual – (RDA) Daggett County Redevelopment Agency  
Fund

SCHEDULE 4 Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Class “B” Road Fund

SCHEDULE 5 Schedule of Proportionate Share of the Net Pension Liability

SCHEDULE 6 Schedule of Contributions

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, 2018**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>				
Taxes:				
Property taxes - current	\$ 980,000	\$ 980,000	\$ 915,689	\$ (64,311)
Property taxes - delinquent	32,000	32,000	39,986	7,986
Fees-in-lieu of personal property tax	58,000	58,000	59,128	1,128
Sales and use taxes	95,000	95,000	111,521	16,521
County option sales tax	72,000	72,000	74,511	2,511
Motor fuel tax reimbursement			6,530	6,530
Med service tax	1,500	1,500		(1,500)
	<u>\$ 1,238,500</u>	<u>\$ 1,238,500</u>	<u>\$ 1,207,365</u>	<u>\$ (31,135)</u>
Total taxes				
Licenses and permits:				
Business licenses and permits	\$ 10,000	\$ 10,000	\$ 9,020	\$ (980)
OHV out of state permit fees	1,000	1,000	780	(220)
Building, structures, and equipment licenses	18,000	18,000	20,508	2,508
Marriage licenses	150	150	288	138
Planning and zoning			100	100
	<u>\$ 29,150</u>	<u>\$ 29,150</u>	<u>\$ 30,696</u>	<u>\$ 1,546</u>
Total licenses and permits				
Intergovernmental:				
Federal PILT	\$ 130,000	\$ 130,000	\$ 192,793	\$ 62,793
Mineral Lease SITLA land exchange	10,000	10,000	38,690	28,690
Secure Rural Schools - Title III	6,000	6,000	9,655	3,655
Wild life Reserve PILT	4,600	4,600	4,683	83
State and miscellaneous grants	106,460	107,500	104,309	(3,191)
CEM/FEMA	33,000	33,000	33,747	747
Court security/Sheriff's grants		2,900	5,436	2,536
Airport grant	610,000	610,000	32,400	(577,600)
DUI fees on fines	450	450	585	135
	<u>\$ 900,510</u>	<u>\$ 904,450</u>	<u>\$ 422,298</u>	<u>\$ (482,152)</u>
Total intergovernmental revenue				
Charges for services:				
Administration costs	\$ 21,200	\$ 32,000	\$ 24,900	\$ (7,100)
District court contract	37,000	37,000	42,724	5,724
Recording legal documents	6,000	6,000	6,280	280
Motor vehicle contract	4,500	4,500	5,206	706
SISK	43,000	43,000	28,034	(14,966)
Sheriff's Office service charges	200	200	1,275	1,075
Sheriff's Office - report request	100	100	149	49
Sheriff's Office donations			160	160
Bailiff contract	600	600	290	(310)
Ambulance	35,000	35,000	36,845	1,845
Cemetery charges	5,200	5,200	5,530	330
	<u>\$ 152,800</u>	<u>\$ 163,600</u>	<u>\$ 151,393</u>	<u>\$ (12,207)</u>
Total charges for services				

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

**DAGGETT COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
Fines and forfeitures:				
Court fines	\$ 10,900	\$ 10,900	\$ 15,913	\$ 5,013
Security surcharge	1,400	1,400	1,833	433
Total fines and forfeitures	<u>\$ 12,300</u>	<u>\$ 12,300</u>	<u>\$ 17,746</u>	<u>\$ 5,446</u>
Miscellaneous:				
Interest income	\$ 12,000	\$ 12,000	\$ 39,542	\$ 27,542
Office/Home rental	10,200	6,000	12,140	6,140
Admin costs - tax sale	1,000	1,000	2,400	1,400
Sundry revenue	4,100	4,100	4,917	817
Postage reimbursement	200	200	263	63
Centennial item sales	1,200	1,200	874	(326)
Filling fees/elections	2,000	2,000	1,477	(523)
GIS subscription/tax roll	220	220	1,252	1,032
Scale charges	400	400	707	307
Food Pantry reimbursement	1,000	1,000	2,990	1,990
Insurance reimbursement	4,000	4,000	944	(3,056)
Passport fees	300	300	110	(190)
Rodeo arena/lights			14	14
Weed & mosquito spraying	29,700	14,700	19,545	4,845
Zions credit card rebate	1,500	1,500	1,840	340
Newsletter advertisements	1,200	1,200	490	(710)
Total miscellaneous	<u>\$ 69,020</u>	<u>\$ 49,820</u>	<u>\$ 89,505</u>	<u>\$ 39,685</u>
Total revenues	<u>\$ 2,402,280</u>	<u>\$ 2,397,820</u>	<u>\$ 1,919,003</u>	<u>\$ (478,817)</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, 2018**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>EXPENDITURES</b>				
General government:				
Commission	\$ 152,870	\$ 152,870	\$ 133,710	\$ 19,160
Justice court - Manila	53,575	56,475	42,121	14,354
Auditor/recorder	100,680	123,380	95,874	27,506
Clerk/treasurer	102,350	113,150	111,943	1,207
Attorney	108,860	158,860	131,738	27,122
Assessor	46,850	46,850	33,547	13,303
Indigent attorney/capital defendant	6,550	6,550	4,579	1,971
IT/GIS	95,500	95,500	90,235	5,265
Non-departmental	161,500	161,500	134,476	27,024
Building and grounds	196,570	205,272	165,116	40,156
Litigation	5,000	5,000		5,000
Elections	39,000	39,000	11,949	27,051
Planning commission	35,850	35,850	30,481	5,369
	<u>\$ 1,105,155</u>	<u>\$ 1,200,257</u>	<u>\$ 985,769</u>	<u>\$ 214,488</u>
Total general government				
Public safety:				
Sheriff	\$ 583,900	\$ 611,246	\$ 500,082	\$ 111,164
Fire control	6,225	6,225	6,361	(136)
Ambulance	60,550	60,550	60,289	261
Emergency management	66,000	66,000	62,130	3,870
Local Emergency Planning Committee	4,000	4,000	34	3,966
	<u>\$ 720,675</u>	<u>\$ 748,021</u>	<u>\$ 628,896</u>	<u>\$ 119,125</u>
Total public safety				
Public health:				
Health Department	\$ 9,600	\$ 10,300	\$ 9,675	\$ 625
	<u>\$ 9,600</u>	<u>\$ 10,300</u>	<u>\$ 9,675</u>	<u>\$ 625</u>
Total public health				
Highways and public improvements:				
Airport	\$ 682,628	\$ 683,728	\$ 40,232	\$ 643,496
Mosquito	129,960	14,000	7,752	6,248
	<u>\$ 812,588</u>	<u>\$ 697,728</u>	<u>\$ 47,984</u>	<u>\$ 649,744</u>
Total highways and public improvements				
Parks, recreation and public property				
Television	\$ 5,500	\$ 10,500	\$ 618	\$ 9,882
	<u>\$ 5,500</u>	<u>\$ 10,500</u>	<u>\$ 618</u>	<u>\$ 9,882</u>
Total parks, recreation and public property				
Total expenditures	<u>\$ 2,653,518</u>	<u>\$ 2,666,806</u>	<u>\$ 1,672,942</u>	<u>\$ 993,864</u>
Excess of revenue over (under) expenditures	<u>\$ (251,238)</u>	<u>\$ (268,986)</u>	<u>\$ 246,061</u>	<u>\$ 515,047</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, 2018**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 412,106	\$ 433,344	\$ 97,599	\$ (335,745)
Transfers (out)	(76,000)	(80,000)	(44,661)	35,339
Total other financing sources (uses)	<u>\$ 336,106</u>	<u>\$ 353,344</u>	<u>\$ 52,938</u>	<u>\$ (300,406)</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$ 84,868	\$ 84,358	\$ 298,999	\$ 214,641
Fund balances - beginning of year	<u>934,718</u>	<u>934,718</u>	<u>934,718</u>	
Fund balances - end of year	<u><u>\$ 1,019,586</u></u>	<u><u>\$ 1,019,076</u></u>	<u><u>\$ 1,233,717</u></u>	<u><u>\$ 214,641</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, 2018**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 225,000	\$ 2,200,828	\$ 2,162,824	\$ (38,004)
Interest income	19,500	41,700	42,945	1,245
Total revenues	<u>\$ 244,500</u>	<u>\$ 2,242,528</u>	<u>\$ 2,205,769</u>	<u>\$ (36,759)</u>
<b>EXPENDITURES</b>				
Highways and public improvements	\$ 21,000	\$ 21,000	\$ 18,341	\$ 2,659
Capital outlay	269,634	269,634	259,680	9,954
Debt Service:				
Principal retirement	11,375	1,721,375	1,701,000	20,375
Interest and other charges	46,000	46,000	60,153	(14,153)
Total expenditures	<u>\$ 348,009</u>	<u>\$ 2,058,009</u>	<u>\$ 2,039,174</u>	<u>\$ 18,835</u>
Excess of revenue over (under) expenditures	<u>\$ (103,509)</u>	<u>\$ 184,519</u>	<u>\$ 166,595</u>	<u>\$ (17,924)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds				
Total other financing sources (uses)	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (103,509)</u>	<u>\$ 184,519</u>	<u>\$ 166,595</u>	<u>\$ (17,924)</u>
Fund balances - beginning of year	<u>2,522,763</u>	<u>2,522,763</u>	<u>2,522,763</u>	
Fund balances - end of year	<u><u>\$ 2,419,254</u></u>	<u><u>\$ 2,707,282</u></u>	<u><u>\$ 2,689,358</u></u>	<u><u>\$ (17,924)</u></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, 2018**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Charges for services	\$ 60,000		\$ 29,951	\$ 29,951
Interest income			8,410	8,410
Total revenues	<u>\$ 60,000</u>	<u>\$ ...</u>	<u>\$ 38,361</u>	<u>\$ 38,361</u>
<b>EXPENDITURES</b>				
Community and economic development	\$ 29,000	\$ 50,000	\$ 30,220	\$ 19,780
Total expenditures	<u>\$ 29,000</u>	<u>\$ 50,000</u>	<u>\$ 30,220</u>	<u>\$ 19,780</u>
Excess of revenue over (under) expenditures	<u>\$ 31,000</u>	<u>\$ (50,000)</u>	<u>\$ 8,141</u>	<u>\$ 58,141</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 332,106	\$ 413,106		\$ (413,106)
Transfers (out)	<u>(363,106)</u>	<u>(363,106)</u>		<u>363,106</u>
Total other financing sources (uses)	<u>\$ (31,000)</u>	<u>\$ 50,000</u>	<u>\$ ...</u>	<u>\$ (50,000)</u>
Excess of revenues and other sources over (under) expenditures and other uses			\$ 8,141	\$ 8,141
Fund balances - beginning of year	\$ 707,356	\$ 707,356	707,356	
Fund balances - end of year	<u><u>\$ 707,356</u></u>	<u><u>\$ 707,356</u></u>	<u><u>\$ 715,497</u></u>	<u><u>\$ 8,141</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, 2018**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 380,000	\$ 330,000	\$ 434,563	\$ 104,563
Charges for services			17,123	17,123
Total revenues	<u>\$ 380,000</u>	<u>\$ 330,000</u>	<u>\$ 451,686</u>	<u>\$ 121,686</u>
<b>EXPENDITURES</b>				
Highways and public improvements	\$ 430,000	\$ 327,759	\$ 327,583	\$ 176
Total expenditures	<u>\$ 430,000</u>	<u>\$ 327,759</u>	<u>\$ 327,583</u>	<u>\$ 176</u>
Excess of revenue over (under) expenditures	<u>\$ (50,000)</u>	<u>\$ 2,241</u>	<u>\$ 124,103</u>	<u>\$ 121,862</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer (out)		\$ (150,561)	\$ (150,561)	
Total other financing sources (uses)	<u>\$ ...</u>	<u>\$ (150,561)</u>	<u>\$ (150,561)</u>	<u>\$ ...</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$ (50,000)	\$ (148,320)	\$ (26,458)	\$ 121,862
Fund balances - beginning of year	<u>333,920</u>	<u>333,920</u>	<u>333,920</u>	
Fund balances - end of year	<u><u>\$ 283,920</u></u>	<u><u>\$ 185,600</u></u>	<u><u>\$ 307,462</u></u>	<u><u>\$ 121,862</u></u>

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

**DAGGETT COUNTY**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**MEASUREMENT DATE OF DECEMBER 31, 2017**  
**DECEMBER 31, 2018**

	Year ended December 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
Noncontributory Retirement System	2014	0.0869202%	\$ 377,428	\$ 754,527	50.00%	90.2%
	2015	0.0789024%	446,468	697,498	64.01%	87.8%
	2016	0.0743880%	477,662	693,254	68.90%	87.3%
	2017	0.0582903%	255,387	527,322	48.43%	91.9%
Public Safety System	2014	0.3470621%	\$ 436,459	\$ 672,303	64.90%	90.5%
	2015	0.2936244%	525,955	536,347	98.06%	87.1%
	2016	0.2496528%	506,614	445,420	113.74%	86.5%
	2017	0.1346416%	211,207	254,264	83.07%	90.2%
Tier 2 Public Employees Retirement System	2014	0.0256455%	\$ (777)	\$ 125,936	-0.60%	103.5%
	2015	0.0232503%	(51)	150,181	-0.03%	100.2%
	2016	0.0117530%	1,311	96,383	1.36%	95.1%
	2017	0.0105481%	930	103,099	0.90%	97.4%
Tier 2 Public Safety and Firefighters Retirement System	2014	0.0555378%	\$ (822)	\$ 23,008	-3.60%	120.5%
	2015	0.2524283%	(3,688)	150,300	2.45%	110.7%
	2016	0.2269697%	(1,970)	187,526	-1.05%	103.6%
	2017	0.0453132%	(524)	47,997	-1.09%	103.0%

\* 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, 2018**

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

\* 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, 2018**

**CHANGES IN ASSUMPTIONS:**

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



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

DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	SPECIAL REVENUE FUNDS									
	FOREST SERVICE ROADS	DAM SECURITY	CAPITAL LEASES	VAWA	VOCA	STATE BEER TAX	DUTCH JOHN FIRE DEPT.	ECONOMIC DEVELOPMT.	TRANSIENT ROOM TAX	MUSEUM
Cash and cash equivalents		\$ 4,617					\$ 3,667	\$ 8,330	\$ 187,064	\$ 11,812
Restricted cash and cash equivalents	\$ 361,882			\$ 2,381	\$ 2,889	\$ 20,958				
Accounts receivable (net)										
Property taxes receivable										
Due from other governmental units	17,894					215			7,779	
Total assets	\$ 379,776	\$ 4,617	\$ ...	\$ 2,381	\$ 2,889	\$ 21,173	\$ 3,667	\$ 8,330	\$ 194,843	\$ 11,812
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable				\$ 18	\$ 19			\$ 964	\$ 19,913	
Total liabilities	\$ ...	\$ ...	\$ ...	\$ 18	\$ 19	\$ ...	\$ ...	\$ 964	\$ 19,913	\$ ...
Fund Balances:										
Restricted for:										
Special revenue fund	\$ 379,776			\$ 2,363	\$ 2,870	\$ 21,173			\$ 174,930	
Assigned for:										
Special revenue Capital projects		\$ 4,617					\$ 3,667	\$ 7,366		\$ 11,812
Total fund balances	\$ 379,776	\$ 4,617	\$ ...	\$ 2,363	\$ 2,870	\$ 21,173	\$ 3,667	\$ 7,366	\$ 174,930	\$ 11,812
Total liabilities and fund balances	\$ 379,776	\$ 4,617	\$ ...	\$ 2,381	\$ 2,889	\$ 21,173	\$ 3,667	\$ 8,330	\$ 194,843	\$ 11,812

DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

SPECIAL REVENUE FUNDS

	RURAL HOSPITAL TAX	HOMELAND SECURITY	COMMISSARY	RODEO	ASSESSING AND COLLECTING	SHOOTING RANGE	TRAILS	C.E.R.T.	PRCA RODEO
Cash and cash equivalents	\$ 533,318	\$ 2,360	\$ 626	\$ 1,661	\$ 202,915	\$ 401	\$ 64	\$ 400	\$ 20,489
Restricted cash and cash equivalents									
Accounts receivable (net)	16,570	4,671			16,981				
Property taxes receivable					25,513				
Due from other governmental units									
Total assets	\$ 549,888	\$ 7,031	\$ 626	\$ 1,661	\$ 245,409	\$ 401	\$ 64	\$ 400	\$ 20,489
<u>LIABILITIES AND FUND BALANCES</u>									
Liabilities:									
Accounts payable	\$ 40,931	\$ 4,671			\$ 8,229				\$ 150
Total liabilities	\$ 40,931	\$ 4,671	\$ ...	\$ ...	\$ 8,229	\$ ...	\$ ...	\$ ...	\$ 150
Fund Balances:									
Restricted for:									
Special revenue fund	\$ 508,957	\$ 2,360			\$ 237,180		\$ 64		
Assigned for:									
Special revenue			\$ 626	\$ 1,661		\$ 401		\$ 400	\$ 20,339
Capital projects									
Total fund balances	\$ 508,957	\$ 2,360	\$ 626	\$ 1,661	\$ 237,180	\$ 401	\$ 64	\$ 400	\$ 20,339
Total liabilities and fund balances	\$ 549,888	\$ 7,031	\$ 626	\$ 1,661	\$ 245,409	\$ 401	\$ 64	\$ 400	\$ 20,489

SCHEDULE 7  
(Continued)

DAGGETT COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	SPECIAL REVENUE FUNDS						CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	RESTAURANT TAX PARK	SEARCH AND RESCUE	GEO INFO SYSTEM	NOXIOUS WEED PROGRAM	SRS FUND	JAIL		
Cash and cash equivalents	\$ 35,017	\$ 33,627	\$ 648		\$ 213,910	\$ 140,789	\$ 55,179	\$ 141,457
Restricted cash and cash equivalents				\$ 1,273				1,703,547
Accounts receivable (net)						12,689		1,273
Property taxes receivable	1,832			56,895				29,670
Due from other governmental units								131,369
Total assets	\$ 36,849	\$ 33,627	\$ 648	\$ 58,168	\$ 213,910	\$ 153,478	\$ 55,179	\$ 2,007,316
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Cash deficit	\$ 1,983	\$ 6,530		\$ 34,544			\$ 41	\$ 34,544
Accounts payable				10,508				93,957
Total liabilities	\$ 1,983	\$ 6,530	\$ ...	\$ 45,052	\$ ...	\$ ...	\$ 41	\$ 128,501
Fund Balances:								
Restricted for:								
Special revenue fund	\$ 34,866			\$ 13,116	\$ 213,910	\$ 153,478		\$ 1,745,043
Assigned for:								
Special revenue		\$ 27,097	\$ 648				\$ 55,138	78,634
Capital projects								55,138
Total fund balances	\$ 34,866	\$ 27,097	\$ 648	\$ 13,116	\$ 213,910	\$ 153,478	\$ 55,138	\$ 1,878,815
Total liabilities and fund balances	\$ 36,849	\$ 33,627	\$ 648	\$ 58,168	\$ 213,910	\$ 153,478	\$ 55,179	\$ 2,007,316

**DAGGETT COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	SPECIAL REVENUE FUNDS									
	FOREST SERVICE ROADS	DAM SECURITY	CAPITAL LEASES	VAWA	VOCA	STATE BEER TAX	DUTCH JOHN FIRE DEPT.	ECONOMIC DEVELOPMT.	TRANSIENT ROOM TAX	MUSEUM
<b>REVENUES:</b>										
Taxes									\$ 156,599	
Intergovernmental	\$ 102,250			\$ 12,588	\$ 13,094	\$ 3,323		\$ 7,129		
Charges for services								3,334		
Interest Income										
Miscellaneous										\$ 788
Total revenues	\$ 102,250	\$ ...	\$ ...	\$ 12,588	\$ 13,094	\$ 3,323	\$ ...	\$ 10,463	\$ 156,599	\$ 788
<b>EXPENDITURES:</b>										
General government										
Public safety				\$ 15,223	\$ 15,907					
Public health	\$ 24,667									
Highways and public improvements										
Parks, recreation and public property								\$ 14,535	\$ 121,934	\$ 2,413
Community and economic development										
Debt service:										
Principal retirement			\$ 39,951							
Interest expense			3,047							
Total expenditures	\$ 24,667	\$ ...	\$ 42,998	\$ 15,223	\$ 15,907	\$ ...	\$ ...	\$ 14,535	\$ 121,934	\$ 2,413
Excess of revenues over (under) expenditures	\$ 77,583	\$ ...	\$ (42,998)	\$ (2,635)	\$ (2,813)	\$ 3,323	\$ ...	\$ (4,072)	\$ 34,665	\$ (1,625)
Other financing sources (uses):										
Transfers in (out)			\$ 42,661							
Total other financing sources (uses)	\$ ...	\$ ...	\$ 42,661	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses	\$ 77,583	\$ (337)	\$ (2,635)	\$ (2,635)	\$ (2,813)	\$ 3,323	\$ ...	\$ (4,072)	\$ 34,665	\$ (1,625)
Fund Balances - Beginning of year	302,193	\$ 4,617	337	4,998	5,683	17,850	3,667	11,438	140,265	13,437
Fund Balances - End of year	\$ 379,776	\$ 4,617	\$ ...	\$ 2,363	\$ 2,870	\$ 21,173	\$ 3,667	\$ 7,366	\$ 174,930	\$ 11,812

**DAGGETT COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	SPECIAL REVENUE FUNDS								
	RURAL HOSPITAL TAX	HOMELAND SECURITY	COMMISSARY	RODEO	ASSESSING AND COLLECTING	SHOOTING RANGE	TRAILS	C.E.R.T.	PRCA RODEO
<b>REVENUES:</b>									
Taxes	\$ 206,878				\$ 271,485				
Intergovernmental		\$ 46,436							
Charges for services			\$ 122	\$ 3,925					\$ 5,800
Interest Income					482				
Miscellaneous									22,028
Total revenues	\$ 206,878	\$ 46,436	\$ 122	\$ 3,925	\$ 271,967	\$ ...	\$ ...	\$ ...	\$ 27,828
<b>EXPENDITURES:</b>									
General government					\$ 246,367				
Public safety	\$ 145,502	\$ 46,436	\$ 10,051						\$ 28,987
Public health									
Highways and public improvements				\$ 2,514					
Parks, recreation and public property									
Community and economic development									
Debt service:									
Principal retirement									
Interest expense									
Total expenditures	\$ 145,502	\$ 46,436	\$ 10,051	\$ 2,514	\$ 246,367	\$ ...	\$ ...	\$ ...	\$ 28,987
Excess of revenues over (under) expenditures	\$ 61,376	\$ ...	\$ (9,929)	\$ 1,411	\$ 25,600	\$ ...	\$ ...	\$ ...	\$ (1,159)
Other financing sources (uses):									
Transfers in (out)									
Total other financing sources (uses)	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses	\$ 61,376	\$ (9,929)	\$ 1,411	\$ 25,600					\$ (1,159)
Fund Balances - Beginning of year	447,581	2,360	10,555	250	211,580	401	64	400	21,498
Fund Balances - End of year	\$ 508,957	\$ 2,360	\$ 626	\$ 1,661	\$ 237,180	\$ 401	\$ 64	\$ 400	\$ 20,339

SCHEDULE 8  
(Continued)

DAGGETT COUNTY  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	SPECIAL REVENUE FUNDS							CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	RESTAURANT TAX PARK	SEARCH AND RESCUE	GEO INFO SYSTEM	DUTCH JOHN TOWN	NOXIOUS WEED PROG	SRS FUNDS	JAIL		
REVENUES:									
Taxes	\$ 23,020	\$ 8,503			\$ 92,760	\$ 119,728	\$ 161,014	\$ 51,771	\$ 818,996
Intergovernmental Charges for services					21,690		3,056		457,582
Interest Income		5,450						75	37,927
Miscellaneous									482
									28,341
Total revenues	\$ 23,020	\$ 13,953	\$ ...	\$ ...	\$ 114,450	\$ 119,728	\$ 164,070	\$ 51,846	\$ 1,343,328
EXPENDITURES:									
General government			\$ 462					\$ 52,114	\$ 298,943
Public safety	\$ 19,308					\$ 11,000			117,925
Public health					\$ 103,334	\$ 56,379		9,143	145,502
Highways and public improvements	\$ 29,432								184,380
Parks, recreation and public property									72,489
Community and economic development									136,469
Debt service:							117,000		156,951
Principal retirement							29,920		32,967
Interest expense									
Total expenditures	\$ 29,432	\$ 19,308	\$ 462	\$ ...	\$ 103,334	\$ 56,379	\$ 157,920	\$ 61,257	\$ 1,145,626
Excess of revenues over (under) expenditures	\$ (6,412)	\$ (5,355)	\$ (462)	\$ ...	\$ 11,116	\$ 63,349	\$ 6,150	\$ (9,411)	\$ 197,702
Other financing sources (uses):									
Transfers in (out)				\$ (97,599)	\$ 2,000	\$ 150,561			\$ 97,623
Total other financing sources (uses)	\$ ...	\$ ...	\$ ...	\$ (97,599)	\$ 2,000	\$ 150,561	\$ ...	\$ ...	\$ 97,623
Excess of revenues and other sources over (under) expenditures and other uses	\$ (6,412)	\$ (5,355)	\$ (462)	\$ (97,599)	\$ 13,116	\$ 213,910	\$ 6,150	\$ (9,411)	\$ 295,325
Fund Balances - Beginning of year	41,278	32,452	1,110	97,599			147,328	64,549	1,583,490
Fund Balances - End of year	\$ 34,866	\$ 27,097	\$ 648	\$ ...	\$ 13,116	\$ 213,910	\$ 153,478	\$ 55,138	\$ 1,878,815

**DAGGETT COUNTY**  
**SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF**  
**FOR THE 2018 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 OF COLLECTION	MISC COLLECTION	TAXES	INTEREST AND PENALTY
<b>COUNTY FUNDS:</b>																
Daggett County - General	\$ 298,587,559	0.003213	\$2,360,778	0.003231	\$ 959,362	\$ 7,628	\$ 966,990	\$ 40,778	\$ 2,477	\$ 1,587	\$ 44,842	95.366%	\$ 51,503	\$ 1,486	\$ 39,985	\$ 12,154
Daggett County - Bond	298,587,559	0.000507	2,360,778	0.000523	151,384	1,235	152,619	6,434	391	23	6,848	95.511%	8,337	232	6,632	358
Daggett County State Assessing & Collector	298,587,559	0.000009	2,360,778	0.000010	2,687	24	2,711	114	7	1	122	95.500%	159	4	189	15
Daggett County Co. Assessing & Collection	298,587,559	0.000686	2,360,778	0.000690	204,831	1,629	206,460	8,706	529	323	9,558	95.371%	10,999	317	8,547	451
<b>SCHOOL DISTRICTS:</b>																
Basic School Levy	298,587,559	0.001666	2,360,778	0.001568	497,447	3,702	501,149	21,148	1,284	2,607	25,039	95.000%	24,994	755	19,765	1,051
GO Bond Payments	298,587,559	0.000800	2,360,778	0.000943	238,870	2,226	241,096	10,153	617	517	11,287	95.320%	12,711	372	9,738	508
Capital Local Levy	298,587,559	0.000780	2,360,778	0.000713	232,898	1,683	234,582	9,900	601	504	11,005	95.311%	12,394	363	9,495	495
Board Local Levy	298,587,559	0.001554	2,360,778	0.001468	464,005	3,466	467,471	19,723	1,198	1,003	21,924	95.311%	24,692	723	18,916	987
Charter School Levy	298,587,559	0.000000	2,360,778	0.000002	-	5	5	-	-	-	5	98.311%	32	-	16	-
<b>CITIES AND TOWNS:</b>																
Manila Town	56,300,199	0.001579	477,760	0.001647	88,898	787	89,685	6,886	723	283	7,892	91.200%	7,510	96	5,903	319
<b>OTHER DISTRICTS:</b>																
Daggett Water & Sewer District	46,011,169	0.000455	146,066	0.000447	20,935	65	21,000	1,204	114	118	14,336	93.160%	2,344	73	1,763	90
Daggett County Mosquito District	106,460,377	0.000395	633,351	0.000400	42,052	253	42,305	2,830	279	180	3,289	92.220%	4,073	98	2,921	146
Daggett County Service Area	5,921,189	0.000774	7,540	0.000745	4,583	6	4,589	110	-	82	192	95.820%	501	6	1	1
<b>Total</b>							\$2,930,660	\$ 127,986	\$ 8,220	\$ 7,228	\$ 143,434		\$ 160,249	\$ 4,525	\$ 123,871	\$ 16,575



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MEMBERS  
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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 that could have a direct and material effect on the County for the year ended December 31, 2018.

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, 2018.

## Report On Internal Control Over Compliance.

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

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

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

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

SMUIN, RICH & MARSING



Price, Utah

July 29, 2019

# SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of County Commissioners  
Daggett County  
Manila, Utah 84046

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Daggett County as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Daggett County's basic financial statements and have issued our report thereon dated July 29, 2019.

## **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 significant deficiencies as item 2018-1 and 2018-2.

### **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 2018-1.

### **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

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

Price, Utah

July 29, 2019

**DAGGETT COUNTY  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

**FINDING 2018-1 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, 2018, 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 funding 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. In the future it may be harder to secure funding through bonds if the County is not in compliance with current bonding covenants.

**Recommendation:**

We recommend the County adopt and implement internal controls which provide for the payment of reserve and replacement account amounts. 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 three required reserve fund accounts have been set up as PTIF accounts and have been funded as required from November 2015 through the present. Monthly payments are being added as required. The bond and water and sewer revenues and expenses were all reviewed by the Commission and rates were adjusted to provide the needed funds for operations, reserves and replacement.*

**FINDING 2018-2 UNAPPORTIONED TAXES**

**Criteria:**

Utah statutes establish the process by which taxes are levied and collected. The County Assessor is required to assess real property as of January 1, and complete the tax rolls by May 15 of each year. By July 21, the County Auditor is to mail assessed value and tax notices to property owners. Tax notices are mailed with a due date of November 30. Real property taxes are collected by the County Treasurer. The County Treasurer deposits these taxes into a treasurer's tax trust account and then apportions tax revenues according to certificate tax rates adopted by taxing entities within the County. The County disburses tax revenues periodically through the year.

**Statement of Condition:**

As of December 31, 2018, it appears the County Treasurer has excess funds in the treasurer's trust account that have not been apportioned and disbursed to taxing entities.

**Cause of Condition:**

It appears that reconciliations between the receipt of funds and the treasurer's trust accounting system is not being completed to make sure that all funds collected are included in the amounts that need to be apportioned to taxing entities.

**Effect or Possible Effect of Condition:**

Not all tax revenue will be distributed to the taxing entities.

**Recommendation:**

We recommend the County Treasurer review the receipting process and the recording of funds collected in the treasurer's trust accounting system and make sure that reconciliations of funds received are accounted for and apportioned according to certified tax rates of the respective taxing districts and taxing entities.

**County's Response:**

*The Treasurer, with assistance of an accounting service, has reviewed the receipting process and the reconciliation of funds. Changes have been made to ensure that the funds received are properly accounted for and apportioned to the respective taxing districts and entities. A tally of funds being held in trust for future payments has been prepared and will be kept up to date for use during the monthly reconciliation process. During the review process, it was discovered that there were receipted taxes in the treasury accounting system. These recorded receipts had not been dispersed, but have now been documented and dispersed to the respective taxing districts and entities.*

**DAGGETT COUNTY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

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

**Criteria** - The County is required to setup and fund the necessary reserve and capital facilities replacement reserve fund each year as outlined in the bond documents of the Taxable Water Revenue Bonds, Series 2016.

**Effect-** Failure on the County’s part to fund the above mentioned reserve accounts makes the County in default of those provisions of the Bond documents. It is possible that securing additional funding through bonds may be harder due to the default on provisions of the bond documents.

**Follow-up** – The County has the same finding in the December 31, 2018 year audit. Additional follow-up will be necessary.