

UINTAH COUNTY

Financial Statements **With Independent Auditor's Report**

December 31, 2020

**UINTAH COUNTY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2020**

	Beginning on <u>Page</u>
Financial statements	
Independent Auditor's Report	1
Management's discussion and analysis	4
Financial statements	13
Notes to the financial statements	23
Required supplementary information	64
Supplementary information	71
Federal award programs and other required reports	
Schedule of Expenditures of Federal Awards	81
Notes to the Schedule of Expenditures of Federal Awards	83
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 <i>Government Auditing Standards</i>	84
Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the <i>State Compliance Audit Guide</i>	86
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the <i>Uniform Guidance</i>	88
Summary of Finding and Questioned Costs	90



INDEPENDENT AUDITOR'S REPORT

Honorable County Commission
Uintah County
Vernal, Utah 84078

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Uintah County, Utah (the County) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Uintah Basin Tri-County Mental Health & Substance Abuse Authority, Uintah Recreation Special Service District, Uintah Transportation Special Service District, Uintah Animal Control and Shelter Special Service District, Uintah Health Care Special Service District, Uintah Impact Mitigation Special Service District, and Uintah Fire Suppression Special Service District. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for those component units, is based solely on the report of such other auditors. 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental activities	Qualified
Business-type activities	Unmodified
Governmental funds	Unmodified
Enterprise funds	Unmodified
Aggregately presented component units	Unmodified
Aggregate remaining fund information	Unmodified

Basis for Qualified Opinion on the Governmental Activities

We were unable to obtain sufficient appropriate audit evidence for the valuation of capital assets in the government-wide financial statements of the County. Beginning balances of the capital assets did not tie to amounts reported in previously issued statements, and there was a lack of evidence as to which balances were accurately reported. Therefore, we could not obtain an appropriate starting balance for reported asset values in the financial records. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinions

In our opinion, based on our audit and the report of other auditors, except for the possible effects of the matters described in the Basis for Qualified Opinion on the Governmental Activities paragraph as noted above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental activities of Uintah County as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Uintah County, Utah, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle

As described in Note 1 to the financial statements, in 2020, the County was not eligible to use the modified approach for reporting infrastructure due to noncompliance with the compliance requirements required under the modified approach for infrastructure reporting. This change in accounting principle was applied during 2020 as instructed in guidance. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Uintah County's basic financial statements. The combining and individual nonmajor fund financial statements, the statement of cash receipts and disbursement – tax collection agency, the statement on current taxes levied, collected, and treasurers' relief are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the statement of cash receipts and disbursement – tax collection agency, the statement on current taxes levied, collected, and treasurers' relief –and the schedule of expenditures of federal awards 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 and individual nonmajor fund financial statements, the statement of cash receipts and disbursement – tax collection agency, the statement on current taxes levied, collected, and treasurers' relief – and the schedule of expenditures of federal awards 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 October 1, 2021 on our consideration of Uintah 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 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 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 Uintah County's internal control over financial reporting and compliance.

Larson & Company, PC

Larson & Company, PC
Spanish Fork, Utah
October 1, 2021

This discussion of Uintah County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2020. This report is in conjunction with the County's financial statements. All amounts, unless otherwise indicated, are expressed in **thousands of dollars**.

The purpose of the County is to provide general services to its residents, which includes general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

Financial Highlights

- The assets and deferred outflows of resources of Uintah County exceeded its liabilities and deferred inflows of resources as of December 31, 2020 by \$432,143 (*net position*). Of this amount, \$38,964 (*unrestricted net position*) may be used to meet the governments' ongoing obligations to citizens and creditors.
- The primary government's total net position increased due to operations by \$296. The revenues and expenditures were less than the adopted budgeted amounts.
- At the close of the current year, the Uintah County governmental funds reported combined ending fund balances of \$75,509, a decrease of \$4,860 in comparison with the prior year. Approximately 16.6 percent of this total amount, \$12,506 is available for spending at the government's discretion (*unrestricted fund balance*).
- A blended component unit of the county (the Municipal Building Authority) acquired no additional new debt this year. The MBA also paid off the 2008B and 2011C bond both with an interest rate of 2.5%. The Municipal Building Authority has decreased its total debt by \$9,563. Leaving a Total MBA Debt at Year-end of \$8,907.
- At the end of the current year, unreserved fund balance for the General Fund was \$12,506, or 59.8 percent of total General Fund expenditures and transfers.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Uintah County's basic financial statements. Uintah County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of Uintah County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Uintah County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Uintah County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Uintah County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Uintah County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. The business-type activities of Uintah County are Uintah Care Center, Western Park, Tele-Communication, and Landfill.

The government-wide financial statements include not only Uintah County itself (known as the primary government), but also seven legally separate special service district; for highways and bridges, Recreation, Mental Health, Health Care, Animal Control and Shelter, Impact Mitigation District, and Fire Suppression for which Uintah County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The business type activities for all practical purposes function as departments of Uintah County, and therefore have been included as an integral part of the primary government.

Refer to the table of contents for the location of the government-wide financial statement.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Uintah County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Uintah County can be divided into three categories: governmental funds, enterprise funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Uintah County maintains 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Tri-County Health Fund, B-Road Fund, Municipal Services Fund, Debt Service and Capital Projects Fund all of which are considered to be major funds. Data from the other 13 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Uintah County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the General Fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary funds

Uintah County maintains 2 types of proprietary funds comprised of an internal service fund and enterprise funds, which are used to report the same functions presented as business-type activities in the government-wide financial statements. Uintah County uses an enterprise fund to account for its Care Center, Western Park, Tele-Communications and Landfill operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Care Center, Western Park, Tele-Communication, and Landfill.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Uintah County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

Component Units

The County reports seven component units. The component units have been separately audited, reviewed or compiled. Separately issued financial statements can be viewed or copied at their administrative offices in Vernal, Utah.

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.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Uintah County, which consists of pension disclosures, infrastructure assets and budget to actual comparisons.

The combining statements referred to earlier in connection with component units, non-major governmental funds and the enterprise fund are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Uintah County, assets exceeded liabilities by \$432,143 at the close of the most recent fiscal year.

By far the largest portion of Uintah County's net position (77 percent) reflects its investment in capital assets (e.g. land, building, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Uintah County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Uintah County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of Uintah County's net position (14 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$38,964, may be used to meet the government's on-going obligations to citizens and creditors.

At the end of the year, Uintah County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Table 1
Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 84,169,659	\$ 87,941,074	\$ 24,098,551	\$ 24,136,603	\$ 108,268,210	\$ 112,077,677
Capital assets	362,163,967	370,196,196	9,146,850	9,177,174	371,310,817	379,373,370
Deferred outflows	7,064,835	10,172,705	199,756	355,046		
Total assets	453,398,461	468,309,975	33,445,157	33,668,823	479,579,027	491,451,047
Current and other liabilities	5,766,348	14,639,613	271,704	268,855	6,038,052	14,908,468
Long-term liabilities	44,811,526	51,009,801	430,878	744,409	45,242,404	51,754,210
Deferred inflows	3,080,701	763,080	140,149	40,930		
Total liabilities	53,658,575	66,412,494	842,731	1,054,194	51,280,456	66,662,678
Net position:						
Net investment in capital asset	324,542,510	324,138,847	9,146,850	9,177,174	333,689,360	333,316,021
Restricted	38,792,372	43,713,172	20,696,342	20,889,617	59,488,714	64,602,789
Unrestricted	36,405,004	34,045,462	2,559,478	2,547,838	38,964,482	36,593,300
Total net position	399,739,886	401,897,481	32,402,670	32,614,629	432,142,556	434,512,110
Total liabilities and net position	453,398,461	468,309,975	33,245,401	33,668,823	483,423,012	501,174,788

Governmental Activities

Governmental activities decreased Uintah County's net position by \$2,370. Key elements of this decrease are as follows:

Table 2
Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 6,890,476	\$ 10,546,505	\$ 1,125,158	\$ 1,234,469	\$ 8,015,634	\$ 11,780,974
Operating grants and contributions	10,474,403	13,118,795	-	-	10,474,403	13,118,795
Capital grants and contributions	7,040,089	675,330	-	-	7,040,089	675,330
General revenues:						
Property taxes	19,395,852	15,226,479	-	-	19,395,852	15,226,479
Sales taxes	3,354,270	6,483,731	718,420	792,550	4,072,690	7,276,281
Grants & contr.-not restricted	3,873,628	871,508	20,025	9,025	3,893,653	880,533
Gain (loss) on sale of assets	115,235	(169,028)	-	-	115,235	(169,028)
Miscellaneous	1,023,256	2,510,326	439,637	748,999	1,462,893	3,259,325
Total revenues	<u>52,167,209</u>	<u>49,263,646</u>	<u>2,303,240</u>	<u>2,785,043</u>	<u>54,470,449</u>	<u>52,048,689</u>
Expenses:						
General government	14,818,086	10,604,339	-	-	14,818,086	10,604,339
Public safety	13,703,155	14,191,483	-	-	13,703,155	14,191,483
Public health	4,477,826	4,969,017	-	-	4,477,826	4,969,017
Highways and public improvements	9,592,537	5,788,392	-	-	9,592,537	5,788,392
Parks, recreation, and public property	2,515,480	6,746,158	-	-	2,515,480	6,746,158
Conservation and economic development	7,876,898	2,467,771	-	-	7,876,898	2,467,771
Interest on long-term debt	1,189,997	1,624,666	-	-	1,189,997	1,624,666
Care Center	-	-	600,000	200,000	600,000	200,000
Western Park	-	-	1,548,696	1,943,019	1,548,696	1,943,019
Landfill	-	-	750,083	909,004	750,083	909,004
Telecommunications	-	-	183,624	163,012	183,624	163,012
Total expenses	<u>54,173,979</u>	<u>46,391,826</u>	<u>3,082,403</u>	<u>3,215,035</u>	<u>54,173,979</u>	<u>49,606,861</u>
Increase in net assets before transfers	(2,006,770)	2,871,820	(779,163)	(429,992)	296,470	2,441,828
Transfers	(567,204)	(650,000)	567,204	650,000	-	-
Change in net position	<u>(2,573,974)</u>	<u>2,221,820</u>	<u>(211,959)</u>	<u>220,008</u>	<u>296,470</u>	<u>2,441,828</u>
Net position - beginning	<u>401,897,481</u>	<u>400,450,661</u>	<u>32,614,629</u>	<u>32,479,621</u>	<u>434,512,110</u>	<u>432,930,282</u>
Prior period adjustment	<u>416,379</u>	<u>(775,000)</u>	<u>-</u>	<u>(85,000)</u>	<u>416,379</u>	<u>(860,000)</u>
Net position - ending	<u>\$ 399,739,886</u>	<u>\$ 401,897,481</u>	<u>\$ 32,402,670</u>	<u>\$ 32,614,629</u>	<u>\$ 432,142,556</u>	<u>\$ 434,512,110</u>

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services, a few of the more significant changes are listed below:

- Capital grants and contributions increased by \$6,365
- Operating grants and contributions decreased by \$2,644
- Property taxes increased by \$4,169
- Sales tax decreased by \$3,129
- Non restricted grants and contributions increased by \$3,002

Business-type activities

Business-type activities decreased Uintah County's net assets by \$212. Key elements of this increase are shown in Table 2 Change in Net Position.

Financial Analysis of the Government's Funds

As noted earlier, Uintah County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of Uintah County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Uintah County's financing requirements. In particular *unassigned* fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Uintah County's governmental funds reported combined ending fund balances of \$80,369, an increase of \$4,860 in comparison with the prior year. Approximately 40 percent of this amount (\$30,494) constitutes *unassigned and assigned fund balances*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted and committed* to indicate that it is not available for new spending. The General Fund is the chief operating fund of Uintah County. At the end of the current year, unassigned fund balance of the General Fund was \$12,506. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 59.8 percent of total General Fund expenditures and transfers.

Enterprise funds

Uintah County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total unrestricted net position of the enterprise funds at the end of the year amounted to \$2,560.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget expenditures of \$4,353 can be briefly summarized as follows:

- \$742 increase in general government
- \$374 decrease in public safety
- \$215 increase in public health
- \$440 decrease in highways and public improvements
- \$292 decrease in parks, recreation and public property
- \$5,453 increase in conservation and economic development
- \$1,000 decrease in transfers
- \$50 increase in capital outlay

The increase of \$4,353 was funded by general property taxes, sales tax, grants and use of unrestricted fund balance. During the year, however, actual revenues were less than budgeted revenues by \$10,094 and actual expenditures were less than budgeted expenditures by \$9,569. The overall operating decrease in the general fund, fund balance was \$525.

Capital Assets

Uintah County's investment in capital assets for its government-wide activities as of December 31, 2020, amounts to \$371,311 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure, highways, bridges and construction in progress (CIP). The total decrease in Uintah County's investment in government-wide capital assets for the current year was \$8,063.

Major capital asset events during the current year included the following:

- Equipment purchases of \$4,586. and dispositions of \$1,652.
- Land donation of \$470

Also, the county has elected to use the modified approach to account for its infrastructure assets, such as roads. That information can be found in the required supplemental information following the notes to the financial statements. There have been no changes in the system the County utilizes to assess the condition of infrastructure assets as compared with prior years. The assessed condition of assets has not changed as compared to last year. There have been no significant differences from the estimated annual amount to maintain and preserve infrastructure assets compared with the actual amount spent during the current period.

The following table summarizes capital assets, net of accumulated depreciation, as of December 31, 2020:

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

	Government Activities		Business-type Activities		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 15,148,886	\$ 14,678,886	\$ 6,315,656	\$ 6,315,656	\$ 21,464,542	\$ 20,994,542
Water rights	282,780	280,995	-	-	282,780	280,995
Rights of way	3,050,400	3,050,400	-	-	3,050,400	3,050,400
Artifacts and collections	-	-	35,405	35,405	35,405	35,405
Construction in Progress	-	72,849	-	-	-	72,849
Buildings	78,574,958	81,793,169	1,735,148	1,875,539	80,310,106	83,668,708
Improv. other than buildings	25,068,836	26,848,086	769,470	830,244	25,838,306	27,678,330
Machinery and equipment	4,551,941	4,375,127	291,169	120,330	4,843,110	4,495,457
Infrastructure (bridges)	3,185,866	839,966	-	-	3,185,866	839,966
Infrastructure (roads)	232,300,300	238,256,718	-	-	232,300,300	238,256,718
Total	<u>\$ 362,163,967</u>	<u>\$ 370,196,196</u>	<u>\$ 9,146,848</u>	<u>\$ 9,177,174</u>	<u>\$ 371,310,815</u>	<u>\$ 379,373,370</u>

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

Long-term debt

At the end of the current year, Uintah County had total bonded debt outstanding of \$35,972. The debt represents revenue bonds secured by specified revenue sources and general obligation (G.O.) bonds backed by the full faith of the County. Total long-term debt as of December 31, 2020 was \$47,289.

Table 4
Outstanding Debt at Year-end

	Government Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
G.O. bonds	\$ 27,065,000	\$ 28,445,000	\$ -	\$ -	\$ 27,065,000	\$ 28,445,000
Bond premium	2,372,205	2,541,648	-	-	2,372,205	2,541,648
Revenue bonds	8,906,852	18,469,352	-	-	8,906,852	18,469,352
Compensated abs.	1,861,600	1,967,714	150,833	231,700	2,012,433	2,199,414
Termination benefits	1,102,698	1,068,025	-	-	1,102,698	1,068,025
NPL	5,237,970	9,044,960	279,234	485,151	5,517,204	9,530,111
Tax refund	311,701	415,602	-	-	311,701	415,602
Closure liability	-	-	811	27,558	811	27,558
Total	<u>\$46,858,026</u>	<u>\$61,952,301</u>	<u>\$ 430,878</u>	<u>\$ 744,409</u>	<u>\$47,288,904</u>	<u>\$62,696,710</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to two percent of its total fair market value of taxable property in the county. The current debt limitation for Uintah County is \$76,297. On December 31, 2020 Uintah County had \$27,065 general obligation debt.

Additional information on Uintah County's long-term debt can be found in the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates:

- The Seven County Infrastructure Coalition is in the design stage for completing a railway that will connect the Uinta Basin with the national rail network. The railway will provide the long-understood need for a cost-effective solution for additional transportation infrastructure in the Uinta Basin. The Uinta Basin Railway will impact the local community in a myriad of ways. The Uinta Basin Railway will provide economic stability through the creation of well-paying jobs. The Uinta Basin Railway will also increase opportunities for the Basin's main industries, such as mining, oil and gas, and agriculture and livestock, this will help diversify the economy, provide road safety, and increase revenues for the local economies and governments.
- Due largely to effects from the COVID-19 pandemic Uintah County saw their unemployment rate peak in April 2020 at 15.9%. Uintah County has been slower to recover than much of the rest of the state. The unemployment rate continues to be amongst the highest in the state. The unemployment rate is improving, and Uintah County ended the year with an 8.6% unemployment rate. While most industries were able to remain fairly stable, 2 of the larger employment industries, namely mining and government, saw substantial jobs loss. 2021 should see improvements in the unemployment rate.

- Building Permits:

Building Permits	Residential	Commercial	Non-residential
2019	48	13	\$4,706,444
2020	67	13	\$4,244,275
	+19	-	-462,169

- The unemployment rates:

Unemployment Rates	Uintah County	State of Utah	National Average
2019	4.5%	2.4%	3.5%
2020	8.6%	3.3%	6.7%
Change	+4.1%	+0.9%	+3.2%

- Uintah County paid off two long-term debts during 2020. The first was the principal payment of the Library in the amount of \$2,547,125. The second payoff was the CIB Loan for the Public Service Complex which totaled \$6,481,000. The combined total for the payoffs of these loans was \$9,028,125.

Requests for Information

This financial report is designed to provide a general overview of Uintah County's finances for all those with an interest in the government's finances. As disclosed in the notes to the financial statements, separate issued financial statements of component units may be requested from the individual component units' administrative office in Vernal, Utah. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Uintah County Clerk-Auditor, 147 East Main, Vernal, Utah, 84078.

Uintah County
Government-Wide Statement of Net Position
For the Year Ended December 31, 2020

	Primary Government			
	Governmental	Business-type		Component
	Activities	Activities	Totals	Units
ASSETS AND DEFERRED OUTFLOWS				
OF RESOURCES:				
ASSETS:				
Cash and cash equivalents	\$ 66,199,863	\$ 3,019,829	\$ 69,219,692	\$ 20,405,508
Investments	-	-	-	6,729,555
Accounts receivable, net	581,857	31,668	613,525	2,992,937
Taxes receivable	3,630,601	135,017	3,765,618	-
Due from other governments	1,372,491	-	1,372,491	344,278
Inventory	-	15,939	15,939	99,206
Prepaid expenses	-	-	-	459,712
Restricted cash and investments	9,686,454	20,696,342	30,382,796	3,864,842
Capital lease receivable form component units:				
Current portion	193,391	-	193,391	-
Noncurrent portion	2,505,002	-	2,505,002	-
Other investments	-	-	-	322,909
Capital Assets:				
Non-depreciable	18,482,066	6,351,060	24,833,126	2,501,635
Depreciable, net of accumulated depreciaiton	343,681,901	2,795,790	346,477,691	43,753,340
Net pension asset	-	-	-	49,621
Total capital assets, net	362,163,967	9,146,850	371,310,817	46,304,596
Total assets	446,333,626	33,045,645	479,379,271	81,523,543
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - refunding bonds	3,316,482	-	3,316,482	-
Deferred outflows - pensions	3,748,353	199,756	3,948,109	1,598,217
Total deferred outflows of resources	\$ 7,064,835	\$ 199,756	\$ 7,264,591	\$ 1,598,217
LIABILITIES AND DEFERRED INFLOWS				
OF RESOURCES:				
LIABILITIES:				
Warrants outstanding	\$ 2,185,115	\$ 56,221	\$ 2,241,336	\$ -
Accounts payable	999,427	202,564	1,201,991	1,548,602
Salaries Payable	41,423	7,757	49,180	419,586
Accrued liabilities	339,160	5,162	344,322	443,420
Client trust payable	-	-	-	86,513
Deposit payable	-	-	-	750
Unearned revenue	-	-	-	304,040
Accrued interest payable	154,723	-	154,723	27,079
Revenue and G.O. bonds payable:				
Due within one year	2,046,500	-	2,046,500	2,953,328
Due in more than one year	36,297,557	-	36,297,557	10,355,379
Tax refund liability	311,701	-	311,701	-
Termination benefits liability	1,102,698	-	1,102,698	-
Closure and post closure costs payable	-	811	811	-
Compensated absences	1,861,600	150,833	2,012,433	292,188
Net pension liability	5,237,970	279,234	5,517,204	2,223,303
Total Liabilities	50,577,874	702,582	51,280,456	18,654,188
Deferred inflows of resources - grants	483,267	-	483,267	23,077
Deferred inflows of resources - pensions	2,597,434	140,149	2,737,583	1,477,454
Total liabilities and deferred inflows of resources	3,080,701	140,149	3,220,850	1,500,531
NET POSITION				
Net investment in capital assets	324,542,510	9,146,850	333,689,360	40,358,800
Restricted for:				
Assessing and collecting	1,684,685	-	1,684,685	-
Flood control	1,895,364	-	1,895,364	-
Library	2,554,798	-	2,554,798	-
Tri-county health	2,204,270	-	2,204,270	-
Transient room	487,821	-	487,821	-
Food service	479,545	-	479,545	-
Class "B" roads	10,835,492	-	10,835,492	-
Municipal building authority	8,018,608	-	8,018,608	-
Tort liability	1,191,275	-	1,191,275	-
Debt service	1,323,900	-	1,323,900	2,732,434
Permanent funds	8,116,614	-	8,116,614	-
Uintah care center	-	20,456,995	20,456,995	-
Landfill post closure reserve	-	239,347	239,347	-
Client trust	-	-	-	18,500
Unrestricted	36,405,004	2,559,478	38,964,482	19,857,307
Total net position	\$ 399,739,886	\$ 32,402,670	\$ 432,142,556	\$ 62,967,041

Uintah County Government-wide Statement of Activities For the Year Ended December 31, 2020

	Net (Expense) Revenue and Changes in Net Position						
	Program Revenues			Primary Government			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
PRIMARY GOVERNMENT:							
Governmental activities:							
General government	\$ 14,818,086	\$ 2,168,568	\$ 460,521	\$ -	\$ (12,188,997)	\$ -	\$ (12,188,997)
Public safety	13,703,155	1,274,701	1,663,720	94,836	(10,669,898)	-	(10,669,898)
Public health	4,477,826	63,179	3,654,787	5,036,426	4,276,566	-	4,276,566
Highways and public improvements	9,592,537	677,961	4,247,664	1,469,250	(3,197,662)	-	(3,197,662)
Parks, recreation, and public property	2,515,480	-	46,071	-	(2,469,409)	-	(2,469,409)
Community and economic development	7,876,898	2,706,067	401,640	439,577	(4,329,614)	-	(4,329,614)
Interest and fiscal charges	1,189,997	-	-	-	(1,189,997)	-	(1,189,997)
Total Governmental Activities	\$ 54,173,979	\$ 6,890,476	\$ 10,474,403	\$ 7,040,089	(29,769,011)	-	(29,769,011)
Business-type activities:							
Care Center	-	-	-	-	-	-	-
Western Park	1,548,696	170,731	-	-	(1,377,965)	-	(1,377,965)
Landfill	750,083	772,591	-	-	22,508	-	22,508
Telecommunications	183,624	181,836	-	-	(1,788)	-	(1,788)
Total Business-type Activities	2,482,403	1,125,158	-	-	(1,357,245)	-	(1,357,245)
Total Primary Government	\$ 56,656,382	\$ 8,015,634	\$ 10,474,403	\$ 7,040,089	(29,769,011)	(1,357,245)	(31,126,256)
COMPONENT UNITS:							
Uintah Transportation Special Service District	10,513,457	63,124	257,576	8,106,218	-	-	(2,086,539)
Tri-County Mental Health & Sub. Abuse	7,903,128	5,686,823	2,618,826	854,300	-	-	1,256,821
Utah Recreation District	5,398,659	1,425,408	-	-	-	-	(3,973,251)
Utah Health Care Special Service District	7,899,448	5,426,981	783,732	444,037	-	-	(1,244,698)
Animal Control Special Service District	994,490	72,418	173,745	-	-	-	(748,327)
Utah Impact Mitigation Special Service Dist.	2,143,651	-	65,000	-	-	-	(2,078,651)
Fire Suppression Special Service District	1,882,640	148,205	387,087	-	-	-	(1,347,348)
Total component units	\$ 36,735,473	\$ 12,822,959	\$ 4,285,966	\$ 9,404,555	-	-	(10,221,993)
General Revenues:							
Property Taxes					18,785,435	-	18,785,435
Delinquent taxes					610,417	-	610,417
Sales taxes					3,354,270	718,420	4,072,690
Payment in lieu of tax					3,873,628	-	3,873,628
Intergovernmental					-	20,025	20,025
Mineral lease revenue					-	-	-
Contribution to other governments					-	(600,000)	9,367,257
Earnings on investments					840,632	433,889	811,900
Gain (loss) on sale of assets					115,235	-	1,274,521
Miscellaneous					182,624	5,748	115,235
Transfers in(out)					(567,204)	567,204	49,652
Total general revenues and special items					27,195,037	1,145,286	188,372
Change in Net Position					(2,573,974)	(211,959)	203,596
Net Position - Beginning					401,897,481	32,614,629	-
Prior Period Adjustment					416,379	-	-
Net Position - Ending					\$ 399,739,886	\$ 32,402,670	\$ 62,967,041

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

Uintah County
Balance Sheet – Governmental Funds
As of December 31, 2020

	Major Governmental Funds						
	Special Revenue Funds					Other	Total
	General Fund	Municipal Service Funds	Class "B" Roads Fund	Municipal Building Authority	Capital Projects	Governmental Funds	Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 12,946,138	\$ 4,066,709	\$ 10,013,038	\$ 6,795,705	\$ 17,644,856	\$ 12,919,379	\$ 64,385,825
Accounts receivable, net	170,807	53,777	-	157,500	-	199,773	581,857
Taxes receivable	1,890,405	200,206	157,553	-	-	1,382,437	3,630,601
Due from other governments	734,483	-	664,901	-	784,929	-	2,184,313
Restricted cash and investments	-	-	-	1,065,403	-	8,521,051	9,586,454
Total Assets	\$ 15,741,833	\$ 4,320,692	\$ 10,835,492	\$ 8,018,608	\$ 18,429,785	\$ 23,022,640	\$ 80,369,050
LIABILITIES							
Warrants outstanding	1,796,611	56,375	-	-	207,095	125,034	\$ 2,185,115
Accounts payable	722,898	104,892	-	-	-	171,637	999,427
Salaries payable	-	-	-	-	-	41,423	41,423
Accrued liabilities	251,565	68,921	-	-	-	18,674	339,160
Deferred inflows of resources	465,215	-	-	-	-	18,052	483,267
Due to other governments	-	-	-	-	811,822	-	811,822
Total Liabilities	3,236,289	230,188	-	-	1,018,917	374,820	4,860,214
FUND BALANCE:							
Restricted For:							
Assessing and collecting	-	-	-	-	-	1,684,685	1,684,685
Cemeteries	-	-	-	-	-	390,127	390,127
Flood Control	-	-	-	-	-	1,895,364	1,895,364
Library	-	-	-	-	-	2,554,798	2,554,798
Tri-County health	-	-	-	-	-	2,204,270	2,204,270
Transient room	-	-	-	-	-	487,821	487,821
Food service	-	-	-	-	-	479,545	479,545
Class "B" roads	-	-	10,835,492	-	-	-	10,835,492
Municipal Building Authority	-	-	-	8,018,608	-	-	8,018,608
Tort liability	-	-	-	-	-	1,191,275	1,191,275
Debt service	-	-	-	-	-	1,323,900	1,323,900
Permanent funds	-	-	-	-	-	8,116,614	8,116,614
Committed:							
Municipal services	-	4,090,504	-	-	-	-	4,090,504
Regional History Center	-	-	-	-	-	217,756	217,756
911 emergency service	-	-	-	-	-	1,524,346	1,524,346
Assigned:							
Historical preservation	-	-	-	-	-	45,518	45,518
Drug Court	-	-	-	-	-	30,159	30,159
Cemeteries	-	-	-	-	-	501,642	501,642
Capital Projects	-	-	-	-	17,410,868	-	17,410,868
Unassigned	12,505,544	-	-	-	-	-	12,505,544
Total fund equity	12,505,544	4,090,504	10,835,492	8,018,608	17,410,868	22,647,820	75,508,836
Total liabilities and fund equity	\$ 15,741,833	\$ 4,320,692	\$ 10,835,492	\$ 8,018,608	\$ 18,429,785	\$ 23,022,640	\$ 80,369,050

Uintah County
Reconciliation of Total Governmental Fund Balances to
Government-wide Net Position
As of December 31, 2020

Total fund balances - governmental fund types:	<u>\$ 75,508,836</u>
Amount reported in the governmental activities on the statement of net position are different because:	
Capital Assets used in the governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. These assets consists of:	362,163,967
Long-term contracts for sale of capital assets creates a long-term contract receivable. In the fund statements, collections on these receivables are shown as revenue. In the government-wide financial statements the contract receivable is capitalized and payments are applied against the contract receivable. This is the balance of contract receivables outstanding.	2,698,393
Internal service funds are used by management to charge the costs of information systems to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	1,914,038
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	(42,545,348)
Net position of governmental activities	<u><u>\$ 399,739,886</u></u>

Uintah County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year ended December 31, 2020

	Major Governmental Funds						
	Special Revenue Funds						
	General Fund	Municipal Services Fund	Class "B" Roads Fund	Municipal Building Authority	Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>							
Taxes	\$ 10,640,067	\$ 1,946,495	\$ 1,705,414	\$ -	\$ -	\$ 9,174,416	\$ 23,466,392
Charges for services	4,292,135	704,150	-	750,265	8,250	457,940	6,212,740
Fines and forfeitures	329,467	-	-	-	-	-	329,467
Intergovernmental revenues	6,520,716	3,287,933	4,023,067	1,500,000	1,469,250	3,870,884	20,671,850
Licenses and permits	102,660	245,609	-	-	-	-	348,269
Interest income	99,078	27,648	90,122	135,353	178,369	310,062	840,632
Miscellaneous	10,171	85,355	43,844	-	-	43,254	182,624
Total Revenues	21,994,294	6,297,190	5,862,447	2,385,618	1,655,869	13,856,556	52,051,974
<u>EXPENDITURES</u>							
Current:							
General government	7,160,524	946,149	-	3,508	-	3,053,081	11,163,262
Public safety	7,580,360	4,454,985	-	-	-	130,617	12,165,962
Public health	548,080	-	-	-	-	3,847,698	4,395,778
Highways and public improvements	625,606	96,848	3,042,252	-	-	-	3,764,706
Parks, recreation, and public property	57,733	-	-	-	-	2,419,563	2,477,296
Conservation and economic development	5,742,164	-	-	-	-	1,704,758	7,446,922
Capital outlay	8,733	-	-	-	1,540,503	87,968	1,637,204
Debt Service:							
Principal retirement	-	-	-	9,562,500	-	1,380,000	10,942,500
Interest and fiscal charges	-	-	-	83,042	-	1,106,955	1,189,997
Total Expenditures	21,723,200	5,497,982	3,042,252	9,649,050	1,540,503	13,730,640	55,183,627
Excess Revenues Over (Under) Expenditures	271,094	799,208	2,820,195	(7,263,432)	115,366	125,916	(3,131,653)
<u>Other financing sources (uses)</u>							
Sale of fixed assets	179,899	65,226	-	-	-	-	245,125
Contributions to other governments	-	-	(890,776)	-	-	-	(890,776)
Transfers in	120,956	-	-	-	-	930,000	1,050,956
Transfers (out)	(1,097,204)	-	-	-	-	(520,956)	(1,618,160)
Total other financing sources (uses)	(796,349)	65,226	(890,776)	-	-	409,044	(1,212,855)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(525,255)	864,434	1,929,419	(7,263,432)	115,366	534,960	(4,344,508)
Fund Balances - Beginning	13,030,799	3,226,070	8,906,073	15,282,040	17,295,502	21,696,481	79,436,965
Prior Period Adjustment	-	-	-	-	-	416,379	416,379
Fund Balances - Ending	\$ 12,505,544	\$ 4,090,504	\$ 10,835,492	\$ 8,018,608	\$ 17,410,868	\$ 22,647,820	\$ 75,508,836

Uintah County
Reconciliation of the Statement of Revenues, Expenditures, and Changed in Fund Balances
of Governmental Funds to the Government-wide Statement of Activities
For the Year ended December 31, 2020

Net changes in fund balances - total governmental funds \$ (4,344,508)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:

Capital Outlays	4,849,144	
Less: depreciation expense	(12,069,794)	
Difference between expenditures and depreciation		(7,220,650)

The net effect of various miscellaneous transactions involving capital assets:

Loss on disposal of capital assets		(129,890)
------------------------------------	--	-----------

The governmental fund reports bond proceeds as an other financing source, while repayment of the bond principal is reported as an expenditure. In the statement of activities, bond proceeds are shown as debt and repayment of bond principal reduces outstanding debt. Interest is recognized as an expenditure in the governmental funds when it is paid. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of bonds and related items is as follows:

Amortization of bond premium on refunding bonds	169,443	
Amortization of difference in net carrying amount and reacquisition price refunding bonds	(236,892)	
Repayment of bond principal	11,111,943	11,044,494

Pension expense reported in the government-wide statement of activities does not require the use of current financial resources and therefore is not reported as an expense in governmental funds.		(898,342)
--	--	-----------

To reduce charges for service revenue for payment made on contract receivable.		(193,391)
--	--	-----------

Repayment of loan principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the government-wide statement of net position.		103,901
---	--	---------

The net change in termination benefits and payable.		(34,673)
---	--	----------

Compensated absences are not accrued as an expense in governmental funds; however, this expense is reported in the statement of activities.		106,114
---	--	---------

Reversal of prior year's deferred inflows that were recognized in the government-wide statement of net position.		(867,182)
--	--	-----------

The net loss of the internal service fund is reported with governmental activities.		(139,847)
---	--	-----------

Change in net position of governmental activities		\$ (2,573,974)
---	--	----------------

Uintah County
Statement of Proprietary Net Position
As of December 31, 2020

	Business-Type Activities - Enterprise Funds					
	Major Funds			Telecommunications	Total BTAs	Internal Service Fund
	Care Center	Western Park	Landfill			
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:						
Current Assets:						
Cash and cash equivalents	\$ -	\$ 1,003,745	\$ 1,724,451	\$ 291,633	\$ 3,019,829	\$ 1,814,038
Accounts receivable, net	-	767	10,025	20,876	31,668	-
Taxes receivable	-	135,017	-	-	135,017	-
Inventory	-	15,939	-	-	15,939	-
Restricted cash and cash equivalents	20,456,995	-	239,347	-	20,696,342	100,000
Total Current Assets	20,456,995	1,155,468	1,973,823	312,509	23,898,795	1,914,038
Non-Current Assets:						
Capital assets:						
Non-depreciable	-	6,299,760	51,300	-	6,351,060	-
Depreciable, net of accumulated depreciation	-	2,547,653	146,009	102,128	2,795,790	-
Total capital assets	-	8,847,413	197,309	102,128	9,146,850	-
Total Assets	20,456,995	10,002,881	2,171,132	414,637	33,045,645	1,914,038
Deferred outflows or resources - pensions	-	124,037	75,719	-	199,756	-
Total assets and deferred outflows of resources:	-	124,037	75,719	-	199,756	1,914,038
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:						
Current Liabilities:						
Warrants outstanding	-	44,419	8,179	3,623	56,221	-
Accounts payable	-	44,119	125,188	33,257	202,564	-
Salaries payable	-	4,399	3,358	-	7,757	-
Accrued liabilities	-	3,289	1,873	-	5,162	-
Total Current Liabilities	-	96,226	138,598	36,880	271,704	-
Noncurrent Liabilities:						
Closure/post closure liability	-	-	811	-	811	-
Net pension liability	-	173,082	106,152	-	279,234	-
Compensated absences	-	99,909	50,924	-	150,833	-
Total Noncurrent Liabilities	-	369,217	296,485	36,880	702,582	-
Total Liabilities	-	81,281	58,868	-	140,149	-
Total liabilities and deferred inflows of resources:	-	450,498	355,353	36,880	842,731	-
NET POSITION						
Net investment in capital assets	-	8,847,413	197,309	102,128	9,146,850	-
Restricted for:						
Uintah care center	20,456,995	-	-	-	20,456,995	-
Landfill post closure reserve	-	-	239,347	-	239,347	-
Unrestricted	-	829,007	1,454,842	275,629	2,559,478	1,914,038
Total net position	20,456,995	9,676,420	1,891,498	377,757	32,402,670	1,914,038

Utah County
Statement of Revenues, Expenses, and Changes in Fund Net Assets—Proprietary Funds
As of December 31, 2020

	Business-Type Activities - Enterprise Funds				
	Major Funds				Internal Service Fund
	Care Center	Western Park	Landfill	Telecommunications	Total BTAs
Operating Revenues:					
Charges for sales and services	\$ -	\$ 170,731	\$ 772,591	\$ 181,836	\$ 1,125,158
Total Operating Revenues	-	170,731	772,591	181,836	1,125,158
Operating Expenses:					
Employee salaries and benefits	-	758,984	626,053	-	1,385,037
Temporary staffing	-	239,708	-	-	239,708
Office supplies	-	2,804	408	-	3,212
Other supplies and services	-	22,918	1,113	22,804	46,835
Contractual services	-	-	30,854	-	30,854
Utilities	-	149,400	8,162	-	157,562
Fuel and oil	-	5,938	33,681	-	39,619
Repairs and maintenance	-	99,614	38,981	-	173,354
Depreciation	-	213,666	2,924	34,759	237,463
Miscellaneous	-	3,568	-	-	3,568
Advertising	-	2,807	-	-	2,807
Event costs	-	31,710	-	-	31,710
Travel	-	344	-	-	344
Telephone and internet	-	17,235	1,859	105,188	124,282
State assessment	-	-	6,048	-	6,048
Total operating expenses	-	1,548,696	750,083	183,624	2,482,403
Operating Income	-	(1,377,965)	22,508	(1,788)	(1,357,245)
Nonoperating Revenues (Expenses):					
Taxes	315	718,105	-	-	718,420
Investment earnings	403,853	7,385	20,164	2,487	433,889
Miscellaneous revenue	-	4,037	1,711	-	5,748
Grant revenue	-	20,025	-	-	20,025
Contribution to other governments	(600,000)	-	-	-	(600,000)
Transfers in (out)	-	544,700	-	22,504	567,204
Total Nonoperating Revenues (Expenses)	(195,832)	1,294,252	21,875	24,991	1,145,286
Change in net position	(195,832)	(83,713)	44,383	23,203	(139,847)
Total net position - beginning	20,652,827	9,760,133	1,847,115	354,554	32,614,629
Total net position - ending	\$ 20,456,995	\$ 9,676,420	\$ 1,891,498	\$ 377,757	\$ 32,402,670

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

Uintah County
Statement of Revenues, Expenses, and Changes in Fund Net Assets—Proprietary Funds
As of December 31, 2020

	Business-Type Activities - Enterprise Funds				
	Major Funds				Internal Service Fund
	Care Center	Western Park	Landfill	Telecommunications	Total BTAs
Operating Revenues:					
Charges for sales and services	\$ -	\$ 170,731	\$ 772,591	\$ 181,836	\$ 1,125,158
Total Operating Revenues	-	170,731	772,591	181,836	1,125,158
Operating Expenses:					
Employee salaries and benefits	-	758,984	626,053	-	1,385,037
Temporary staffing	-	239,708	-	-	239,708
Office supplies	-	2,804	408	-	3,212
Other supplies and services	-	22,918	1,113	22,804	46,835
Contractual services	-	-	30,854	-	30,854
Utilities	-	149,400	8,162	-	157,562
Fuel and oil	-	5,938	33,681	-	39,619
Repairs and maintenance	-	99,614	38,981	34,759	173,354
Depreciation	-	213,666	2,924	20,873	237,463
Miscellaneous	-	3,568	-	-	3,568
Advertising	-	2,807	-	-	2,807
Event costs	-	31,710	-	-	31,710
Travel	-	344	-	-	344
Telephone and internet	-	17,235	1,859	105,188	124,282
State assessment	-	-	6,048	-	6,048
Total operating expenses	-	1,548,696	750,083	183,624	2,482,403
Operating Income	-	(1,377,965)	22,508	(1,788)	(1,357,245)
Nonoperating Revenues (Expenses):					
Taxes	315	718,105	-	-	718,420
Investment earnings	403,853	7,385	20,164	2,487	433,889
Miscellaneous revenue	-	4,037	1,711	-	5,748
Grant revenue	-	20,025	-	-	20,025
Contribution to other governments	(600,000)	-	-	-	(600,000)
Transfers in (out)	-	544,700	-	22,504	567,204
Total Nonoperating Revenues (Expenses)	(195,832)	1,294,252	21,875	24,991	1,145,286
Change in net position	(195,832)	(83,713)	44,383	23,203	(139,847)
Total net position - beginning	20,652,827	9,760,133	1,847,115	354,554	32,614,629
Total net position - ending	\$ 20,456,995	\$ 9,676,420	\$ 1,891,498	\$ 377,757	\$ 32,402,670

Uintah County
Statement of Fiduciary Net Position
As of December 31, 2020

	<u>GIRT Trust</u>	<u>OPEB Trust</u>	<u>Custodial Funds</u>
ASSETS			
Cash and cash equivalents	\$ 180,627	\$ -	\$ 7,940,218
Accounts receivable, net	-	-	404
Taxes receivable	-	-	1,134,541
Restricted cash and investments	-	-	383,452
	<u>180,627</u>	<u>-</u>	<u>9,458,615</u>
LIABILITIES			
Warrants outstanding	-	-	1,303,194
	<u>-</u>	<u>-</u>	<u>1,303,194</u>
NET POSITION			
Restricted:			
GIRT Trust	180,627	-	-
Other postemployment benefits	-	261,536	8,145,910
	<u>-</u>	<u>261,536</u>	<u>8,145,910</u>
Total net position	<u>\$ 180,627</u>	<u>\$ 261,536</u>	<u>\$ 8,145,910</u>

Uintah County
Statement of Changes in Fiduciary Net Position
As of December 31, 2020

	<u>GIRT Trust</u>	<u>OPEB Trust</u>	<u>Custodial Funds</u>
ADDITIONS			
Contributions:			
Private and public contributions	\$ 5,693	\$ -	\$ 53,751,256
Interest income	<u>1,773</u>	<u>31,219</u>	<u>-</u>
Total additions	<u>7,466</u>	<u>31,219</u>	<u>53,751,256</u>
DEDUCTIONS			
Benefit payments	-	7,245	-
Fees	-	230	-
Tax distributions	<u>-</u>	<u>-</u>	<u>56,066,402</u>
Total deductions	<u>-</u>	<u>7,475</u>	<u>56,066,402</u>
Change in net position	7,466	23,744	(2,315,146)
Net position - beginning	<u>173,161</u>	<u>237,792</u>	<u>10,461,056</u>
Net position - ending	<u>\$ 180,627</u>	<u>\$ 261,536</u>	<u>\$ 8,145,910</u>

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies

The financial statements of Uintah County (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the County are described below.

A. Reporting Entity

Uintah County, Utah (the County) operates under a three-member County Commission form of government. The County provides the following services: County-wide 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, street lighting, traffic engineering, highways, planning and zoning, animal services, and justice courts.

The accompanying financial statements include the County, which is a political subdivision with corporate powers created under Utah State law, and all of its component units, collectively referred to as the financial reporting entity. Blended component units, although legally separate entities, are in substance, part of the government's operations. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

The criteria used by the County to determine the reporting entity consists of including any governmental department, agency, institution, commission, or other governmental organization of which the County's governing board has financial accountability. Financial accountability is derived from the governmental units' power and includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. Financial accountability implies that a governmental unit is dependent on another and the dependent unit should be reported as part of the other. According to these criteria, the County considered the following entities to be component units.

Blended Component Units

Tri-County Health Department – The department services the citizens who live in the Tri-County area of Daggett, Uintah, and Duchesne Counties. Utah State law allows the creation of multi-county health departments. Local health departments are responsible within their boundaries for providing, directly or indirectly, basic public health services. The County Commissioners, within the boundaries of the health district, appoints the health district board of directors.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Municipal Building Authority of Uintah County (MBA) – The MBA was created by the County Commission as a body politic and corporate for the purpose of financing, owning, leasing, operating facilities to meet the needs of the County government. It is comprised of a governing body that has been appointed by the County Commission and may be removed or replaced at any time by its direction.

Discrete Component Units

These component units are entities, which are legally separate from the County, but are financially accountable to the County and whose relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Component Units, column of the government-wide financial statements includes the financial date of these entities.

Uintah Basin Tri-County Mental Health and Substance Abuse Local Authority (Northeastern Counseling Center) – The local Mental Health Authority has been established by the County Commissioners for the purpose of directing and providing mental health and substance abuse services to person within the Mental Health District. The County Commissioners within the District appoint members of the board of directors. The District has a fiscal year end June 30, 2020, which was audited, and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

Uintah Recreation 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 managing and operating parks and recreation facilities and recreation programs in Uintah County. The District was audited, and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

Uintah 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 for the purpose of building, maintaining, or improving roads within the District's boundaries. The District was audited, and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

Uintah Health Care Special Service District – The District was created by the adoption of a resolution establishing the service district. The District is to be administered by an Administrative Control Board, which is to be appointed by the Board of the County Commissioners of Uintah County. The purpose of the District is to oversee, administer,

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Discrete Component Units (Continued)

and manage a county-owned, long-term, residential health care and day care facility that is responsive to the needs of the residents, their families, and the community at large, through a consistently high standard of customized, clinical care. The District also oversees and manages the activities of the senior program of the County. The boundaries of the District are the same as Uintah County. The District was audited, and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

Uintah Animal Control & Shelter Special Service District – The District was created by the adoption of a resolution establishing the service district. The District is to be administered by an Administrative Control Board, which is to be appointed by the Board of County Commissioners of Uintah County. The purpose of the District is to manage the proper treatment of animals and protect citizens within the District. Information about the District and its function can be obtained from the administrative office in Vernal, Utah.

Uintah Impact Mitigation Special Service District – The District was created by the adoption of a resolution establishing the service district. The District is administered by an Administrative Control Board, which is appointed by the Board of County Commissioners of Uintah County. The purpose of the District is to promote economic development and provide funding for educational scholarships within the District and manage the impact of growth experienced in the District. Information about the District and its function can be obtained from their administrative office in Vernal, Utah.

Uintah Fire Suppression Special Service District – The District was created by the adoption of a resolution establishing the service district. The District is administered by an Administrative Control Board, which is appointed by the Board of County Commissioners of Uintah County. The District was created to better organize the fire protection service within the County and surrounding area, to provide protection to citizens within the District from fires and make available other emergency services. Information about the District and its function can be obtained from their administrative office in Vernal, Utah.

B. Government-Wide and Fund Financial Accounting

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position, Statement of Activities, along with separate fund financial statements.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

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

Government- Wide Financial Statements

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.

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 but are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, component unit 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. The internal service fund is reported in a single column on the proprietary fund financial statements.

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.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

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

Governmental-Wide Financial Statements

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

Government 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 property taxes.

Municipal Services Fund – The Municipal Services Fund provides services to the unincorporated County residences, i.e., law enforcement, building and zoning, etc.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

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

Government Fund Financial Statements (Continued)

Class “B” Roads – The Class “B” Roads Fund is used to account for maintenance of County roads.

Capital Project Fund – The Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of capital assets other than those financed by proprietary funds.

In accordance with GASB 84, the County reports Cemetery Board Funds as a non-major fund beginning in 2020 rather than a fiduciary fund.

The County’s non-major governmental funds include other special revenue funds, the Debt Service Fund and a Permanent Fund. The non-major special revenue funds account for specific revenue sources that are legally restricted, committed, or assigned to expenditures, for specified purposes. The Debt Service Fund accounts for resources used for the payment of interest and principal on general long-term debt obligations. The permanent fund accounts for resources earned and held in the tax stability fund to be used in future periods.

Proprietary Fund Financial Statements

Proprietary funds include enterprise funds and internal service funds. Internal service funds are used to account for the goods and services provided by one fund to other funds of the County, rather than to the general public. The financial statements in that they both use the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish between operating and non-operating 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 non-operating.

The County reports the following major proprietary funds:

Care Center Fund – The Care Center Fund accounts for the resources needed for the repayment of debt used in the construction of the Uintah Care Center building and to help in the funding of certain health care services in the County.

Western Park Fund – The Western Park Fund accounts for the resource and expenditures in the operating and maintaining of the Western Park Conference Center, Western Park Arena, and related facilities associated with the activities at the arena.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

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

Proprietary Fund Financial Statements (Continued)

Landfill Fund – The Landfill Fund was created for the operation of the Uintah County Landfill. The fund receives all funds generated by the use of the landfill and the expending of money for the operation and maintenance of the facility.

The County's non-major proprietary funds include the Telecom Fund. The Telecom Fund accounts for the resources used in maintaining tele-communication services for the County.

Internal Service Fund

The Internal Service Fund accounts for the resources used to pay health insurance premiums for the County. The Internal Service Fund is reported on the proprietary fund statements. In the government-wide financial statement, the internal service fund is included with governmental activities since most of the services provided by the internal service fund are for governmental purposes.

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 the following types of fiduciary funds.

Private Purpose – The County has a private purpose trust fund. The GIRT Trust fund is interest received by the County from a private contribution, which is used to help under privileged children.

OPEB Trust – The Other Post-Employment Benefits (OPEB) Trust Fund accounts for the activities of a single employer identified benefit plan, which accumulates resources for post-employment health care insurance benefits to all eligible employees. The financial statements of the OPEB Trust Fund are reported using the economic resources management focus and the accrual basis of accounting.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

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

Fiduciary Fund Financial Statements (Continued)

Custodial Funds – Custodial Funds are used to account for assets held by the County as an agent for other governments, private organizations, or individuals. Custodial Funds include Treasurer’s Tax Collection and Special Deposits. Custodial Funds are custodial in nature and are presented using the accrual basis of accounting now required under GASB 84.

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 statement 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.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

D. Budgetary Data

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

1. A formal budget is adopted for all funds, which require a budget: all general, special revenue, debt service, capital projects, permanent funds, 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 Board of County Commissioners a proposed operating budget for the fiscal year for all funds beginning January 1.
3. The Board of County Commissioners discusses and approves the budget and sets a date for a public hearing on the proposed budget.
4. A public hearing is held to obtain taxpayer comments and the budget is adopted.
5. The 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. Assets, Liabilities, and Net Position

Cash and Cash Equivalents

Cash and investment management in the County is administered by the County Treasurer in accordance with the Utah Money Management Act, Section 51-7 of the Utah Code. The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers' Investment Fund (PTIF).

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 flow is presented for proprietary funds under the direct method.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Net Position (Continued)

Investments

Investments are recorded at fair value based upon quoted market prices at December 31, 2020. The difference between cost and fair value is recognized as unrealized gain or (loss) in the financial statements.

Inventories

Inventories are stated at the lower of cost or market, determined on a first-in, first-out basis. Inventories are accounted for under the consumption method where inventories are recorded as expenditures when consumed rather than when purchased.

Accounts Receivable

Material receivables in governmental funds and government activities include revenue accruals such as property tax, grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions that are collectible but not available are deferred. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available at the fund level.

Proprietary type funds, business-type activities, and material receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

Capital assets include land, right of ways, water rights, buildings, improvements other than buildings, machinery and equipment, infrastructure (roads and bridges) and construction-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.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Net Position (Continued)

Capital Assets (Continued)

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 or 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:

<u>Asset Category</u>	<u>Years</u>
Buildings	20-40
Improvements	15-40
Equipment	4-10
Infrastructure (bridges)	40

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.

Accounts and Warrants Payable

Accounts and warrants payable in the governmental and proprietary activities includes the payables recorded by the County at December 31, 2020 related to normal monthly expenditures and capital expenditures for all funds.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Net Position (Continued)

Salaries Payable and Accrued Liabilities

Salaries payables consist of wages earned by employees and accrued liabilities consist of payroll liabilities such as FICA, retirement, and health insurance which had not yet been paid at December 31, 2020.

Compensated Absences

Accrued unused Paid Time Off (PTO), which has vested to the employee, is reported as a liability in the government-wide financial statements for governmental activities and for proprietary funds.

The following is a description of the County's policy related to Paid Time Off and Sick Leave Reserve:

- *Paid Time Off* – It is the County's policy to permit employees to accumulate PTO (Paid Time Off) based on the years of service and hours worked. For a full-time employee, they will earn 6 hours of PTO for each pay period worked if the County has employed them for 5 years or less. Seven hours can be earned per pay period if the County has employed them for 6 through 10 years, and eight hours of PTO per pay period for employees the County has employed 11 or more years. Employees may accumulate earned but unused PTO up to 600 hours. Any amount of accumulated PTO over six hundred hours and not used at the end of the year will be forfeited by the employee. The remaining paid time off will be paid to employees at the time of retirement or other change of status.
- *Sick Leave Reserve* – Employees of the County who were hired prior to December 31, 2007, and the implementation of the PTO policy will be able to maintain sick days accumulated during employment. This sick leave reserve can only be used if an employee is absent for three or more consecutive days related to one illness verified by a physician. The first two days must be leave without pay or PTO, and the balance may be taken from the sick leave reserve. Upon retirement, the sick leave reserve account balance shall be paid to employees at 50% of their current pay rate.

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.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1—Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Net Position (Continued)

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 and deductions from URS' 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.

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 net investment in capital assets, restricted, and unrestricted. Net position is reported as net investment in capital assets by taking the value of all capital assets and reducing this amount by current and prior years depreciation and further reducing the amount by current outstanding debt obligations incurred for the purpose of purchasing or construction of these capital assets. Net position is reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

Unrestricted net position classification is all net position that is not restricted or part of net investment in capital assets.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned, and unassigned. The classification of these fund balances are defined as follows:

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

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 1 — Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, and Net Position (Continued)

Net Position/Fund Balances (Continued)

- **Assigned Fund Balance** – Fund balances are recorded as assigned when the County intends to use funds, which are neither restricted nor committed, for a specific purpose. Additionally, funds in special revenue, debt service, 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.

When an expenditure is incurred for purposes 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 amount, 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 be budgeted.

F. Use of Estimates

The preparation of 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Effect of COVID-19

The COVID-19 Pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the County and financial results of our operation will depend on future developments, including the duration and spread of the outbreak within the markets in which we operate. At this point, the extent to which COVID-19 may impact the County is uncertain.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 2 – Deposits and Investments

A. Cash and Cash Equivalents

It is the County's policy to follow the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) (the Act) in handling its depository and investment transactions. The Act creates the Utah Money Management Council (the "Council"), a five-member body, appointed by the Governor of the State, which exercises oversight of public deposits and investments.

The County maintains a cash and investment pool that is used by all funds. Each major fund's portion of this pool, and the aggregate portion of the pool relating to non-major funds and internal service funds, is displayed on the Balance Sheet for Governmental Funds and the Statement of Net Position for proprietary funds, respectively, as "cash and cash equivalents." Total non-fiduciary cash and cash equivalents are also reflected on the government-wide Statement of Net Position. The fiduciary fund's portion is found on the Statement of Fiduciary Assets and Liabilities. Income from the investment of the pooled cash is allocated based on each fund's balance in the pool. In addition, cash is separately held by several funds.

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's deposits are insured up to \$250,000 per institution that is insured by the Federal Deposit Insurance Corporation (FDIC). Deposits in excess of the insured amount are uninsured and uncollateralized. At December 31, 2020, the County's primary government deposits were \$5,103,313, of which \$708,760 were FDIC insured.

B. Restricted Cash and Investments

The County has restricted certain cash and investments in governmental and enterprise funds in the following amounts for the purposes indicated below:

Government Funds:

Tri-County Health	\$ 408,220
Municipal Building Authority	1,065,403
Permanent Funds	8,112,831
Internal Service Fund	100,000
Total	<u><u>\$ 9,686,454</u></u>

Enterprise Funds:

Care Center	\$ 20,456,995
Landfill	239,347
Total	<u><u>\$ 20,696,342</u></u>

- Tri-County Health Fund – These are funds that have been restricted and set aside in a reserve account for future use.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 2 – Deposits and Investments (Continued)

B. Restricted Cash and Investments (Continued)

- Municipal Building Authority Fund – These are funds that have been restricted and set aside in escrow and reserve accounts to be used to make principal and interest payments on various revenue bonds or to meet reserve retainage requirements.
- Permanent Fund – The County created a Tax Stability Fund to be used at slow economic times. These funds cannot be used without a public hearing and notification of the general public and approval of the County Commissioners.
- Care Center Fund – These are funds that have been generated through a special sales tax levy and are to be used for the current and future operation and maintenance of the Uintah Care Center.
- Landfill Fund – The County has set aside funds on an annual basis into the Public Treasurers Investment Pool to be used for closure and post closure costs associated with its Landfills.

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 public funds.

The County follows the requirements of the Utah Money Management in handling its investment transactions. The Money Management Act defines the types of securities authorized as appropriate investments for the County's funds 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 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 of certificates in a money market mutual fund as defined in the money Management Act; and the Utah State Public Treasurers' Investment Fund.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 2 – Deposits and Investments (Continued)

B. Restricted Cash and Investments (Continued)

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with 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.

The PTIF operates and reports to participants on an amortized cost basis. The income gains, and losses of the PTIF, and net of administration fees are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.0

Fair Value of Investments

Investments are carried at fair value. The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognized 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

The following table sets forth the recurring fair value measurements of investments:

Investment Type - Debt Securities	12/31/2020	Fair Value Measurement Level		
		Level 1	Level 2	Level 3
Money Market Mutual Funds	\$ 3,837,439	\$ 3,837,439	\$ -	\$ -
U.S. Agencies	6,859,705	6,859,705	-	-
Corporate Bonds	16,079,439	16,079,439	-	-
Utah Public Treasurer's Investment Fund	67,765,820	-	67,765,820	-
Total Investments	<u><u>\$ 94,542,403</u></u>	<u><u>\$ 26,776,583</u></u>	<u><u>\$ 67,765,820</u></u>	<u><u>\$ -</u></u>

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 2 – Deposits and Investments (Continued)

B. Restricted Cash and Investments (Continued)

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:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' investment Fund: application of the December 31, 2020 fair value factor, as calculated by the Utah State Treasurer, to the County's average daily balance in the Fund; and
- Donated Real Estate: recent appraisals of the real estate's value.

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' acceptances, 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 five years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 2 – Deposits and Investments (Continued)

B. Restricted Cash and Investments (Continued)

As of December 31, 2020, the County's investments had the following maturities:

Investment Type - Debt Securities	12/31/2020	Investment Maturities (in years)		
		Less than 1	1-5	6 or more
Money Market Mutual Funds	\$ 3,837,439	\$ 3,837,439	\$ -	\$ -
U.S. Agencies	6,859,705	2,132,898	4,726,807	-
Corporate Bonds	16,079,439	4,117,975	11,961,464	-
Utah Public Treasurer's Investment Fund	67,765,820	67,765,820	-	-
Total Investments	<u><u>\$ 94,542,403</u></u>	<u><u>\$ 77,854,132</u></u>	<u><u>\$ 16,688,271</u></u>	<u><u>\$ -</u></u>

Credit Risk

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

As of December 31, 2020, the County's investments had the following quality ratings:

Investment Type - Debt Securities	12/31/2020	Quality Ratings		
		A- or better	BBB+	Unrated
Money Market Mutual Funds	\$ 3,837,439	\$ -	\$ -	\$ 3,837,439
U.S. Agencies	6,859,705	6,859,705	-	-
Corporate Bonds	16,079,439	14,681,560	1,397,879	-
Utah Public Treasurer's Investment Fund	67,765,820	-	-	67,765,820
Total Investments	<u><u>\$ 94,542,403</u></u>	<u><u>\$ 21,541,265</u></u>	<u><u>\$ 1,397,879</u></u>	<u><u>\$ 71,603,259</u></u>

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 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 five to ten percent depending upon the total dollar amount held in the portfolio.

At December 31, 2020, the County held more than five percent of total investments in securities of Corporate Bonds (\$16,079,439), U.S. Agencies (\$7,121,241) and Utah Public Treasurer's Investment Fund (\$67,765,820) which represent 17, 8, and 71 percent, respectively of the County's total investments.

Uintah County
Notes to the Financial Statements
December 31, 2020

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the County will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County complies with the custody requirements of the Utah Money Management Act and Rules of the Money Management Council. All investment securities are required to be held by the public treasurer, in safekeeping by a bank or trust company, or in a book-entry-only record maintained by a securities depository, in the Federal Book Entry system or in the book-entry records of the issuer of the security in the name of the public entity. All investment securities are held in a qualified depository certified by the Commissioner of Financial Institutions as adhering to the rules of the Utah Money Management Council or in the book entry records of the issuer of the security.

The County's investments at December 31, 2020 were held by the County or in the County's name by the County's custodial banks, trust companies or agent with qualified depositories totaling \$94,542. Of this amount \$67,766, were held by the Utah Public Treasurer's Investment Fund where the underlying securities were uninsured.

Note 3 – Capital Assets

Capital asset activity related to the primary government for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 14,678,886	\$ 470,000	\$ -	\$ 15,148,886
Rights of way	3,050,400	-	-	3,050,400
Water rights	280,995	1,785	-	282,780
Construction-in-progress	72,849	-	(72,849)	-
Total assets not being depreciated	<u>18,083,130</u>	<u>471,785</u>	<u>(72,849)</u>	<u>18,482,066</u>
Capital assets being depreciated:				
Buildings	107,450,398	-	(553,781)	106,896,617
Improvements other than buildings	34,901,874	57,945	-	34,959,819
Machinery and equipment	21,883,969	1,798,776	(1,025,025)	22,657,720
Infrastructure (Bridges)	7,060,755	2,520,638	-	9,581,393
Infrastructure (Roads)	238,256,718	-	-	238,256,718
Total assets being depreciated	<u>409,553,714</u>	<u>4,377,359</u>	<u>(1,578,806)</u>	<u>412,352,267</u>
Less accumulated depreciation:				
Buildings	(25,657,229)	(2,734,806)	70,376	(28,321,659)
Improvements other than buildings	(8,053,788)	(1,837,195)	-	(9,890,983)
Machinery and equipment	(17,508,842)	(1,366,637)	769,700	(18,105,779)
Infrastructure (Bridges)	(6,220,789)	(174,738)	-	(6,395,527)
Infrastructure (Roads)	-	(5,956,418)	-	(5,956,418)
Total accumulated depreciation	<u>(57,440,648)</u>	<u>(12,069,794)</u>	<u>840,076</u>	<u>(68,670,366)</u>
Total capital assets being depreciated, net	<u>352,113,066</u>			<u>343,681,901</u>
Governmental activities capital assets, net	<u>\$ 370,196,196</u>			<u>\$ 362,163,967</u>

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 3 – Capital Assets (Continued)

Business-type activities:

Capital assets not being depreciated:				
Land	\$ 6,315,656	\$ -	\$ -	\$ 6,315,656
Artifacts and other collections	35,405	-	-	35,405
Total assets not being depreciated	<u>6,351,061</u>	<u>-</u>	<u>-</u>	<u>6,351,061</u>
Capital assets being depreciated:				
Buildings	5,074,258	-	-	5,074,258
Improvements other than buildings	1,424,494	-	-	1,424,494
Machinery and equipment	2,349,442	207,138	-	2,556,580
Total assets being depreciated	<u>8,848,194</u>	<u>207,138</u>	<u>-</u>	<u>9,055,332</u>
Less accumulated depreciation:				
Buildings	(3,198,719)	(140,391)	-	(3,339,110)
Improvements other than buildings	(594,250)	(60,774)	-	(655,024)
Machinery and equipment	(2,229,112)	(36,299)	-	(2,265,411)
Total accumulated depreciation	<u>(6,022,081)</u>	<u>(237,464)</u>	<u>-</u>	<u>(6,259,545)</u>
Total capital assets being depreciated, net	<u>2,826,113</u>			<u>2,795,787</u>
Business-type activities capital assets, net	<u><u>\$ 9,177,174</u></u>			<u><u>\$ 9,146,848</u></u>

For the year ended December 31, 2020, depreciation expense was charged to the following activities in the Statement of Activities:

Governmental Activities:

General government	\$ 887,302
Public safety	1,748,567
Public health	540,273
Highways and public improvements	6,641,481
Parks and recreation	2,232,688
Conservation and economic development	19,483
	<u><u>\$ 12,069,794</u></u>

Business-type activities:

Western Park	\$ 213,665
Landfill	2,925
Telecom	20,874
	<u>237,464</u>
	<u><u>\$ 12,307,258</u></u>

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 4 – Capital Lease Receivable from Component Units

The County has two capital lease receivables in the Uintah County Municipal Building Authority Fund (MBA). These receivables were generated from the MBA issuing Lease Revenue Bonds and using the proceeds to construction two buildings, one for Northeastern Counseling Center and the other for Uintah Recreation Special Service District. After the construction of these buildings was completed, the County sold the buildings to Northeastern Counseling Center and Uintah Recreation District respectively through the means of capital leases. Currently, the County has a note receivable with Northeastern Counseling Center in the amount of \$32,500 and is to receive a final annual payment of \$32,500 in the year 2021. The County also has a note receivable with Uintah Recreation District for the purchase of the recreation center in the amount of \$2,839,000 with annual payments in the amount of \$167,000. The final payment from Uintah Recreation District will be received in 2037.

Note 5 – Long-Term Debt

The following table summarized the changes in long-term debt for the year ended December 31, 2020:

	Balance 12/31/2019	Additions	Reductions	Ending Balance	Due within one year
Primary Government					
Governmental Activities:					
General obligation bonds:					
2015 Series Refunding Bonds	\$ 28,445,000	\$ -	\$ 1,380,000	\$ 27,065,000	\$ 1,450,000
Unamortized bond premium	2,541,648	-	169,443	2,372,205	169,443
Total general obligation bonds	30,986,648	-	1,549,443	29,437,205	1,619,443
Reveue bonds:					
2000D Revenue Bonds - Public health	65,000	-	32,500	32,500	32,500
2005 Revenue Bonds - Parks	270,000	-	45,000	225,000	45,000
2006A Revenue Bonds - Recreation	3,006,000	-	167,000	2,839,000	167,000
2007C Revenue Bonds - Landfill	283,000	-	32,000	251,000	32,000
2007D Revenue Bonds - Public health	1,376,000	-	77,000	1,299,000	77,000
2008B Revenue Bonds - Public safety	6,481,000	-	6,481,000	-	-
2011A Rvenue Bonds - Airport	406,765	-	36,000	370,765	36,000
2011B Revenue Bonds - Airport	346,587	-	57,000	289,587	57,000
2011C Revenue Bonds - Library	2,485,000	-	2,485,000	-	-
2014 Revenue Bonds - Parks	3,750,000	-	150,000	3,600,000	150,000
Total revenue bonds	18,469,352	-	9,562,500	8,906,852	596,500
Total bonds	49,456,000	-	11,111,943	38,344,057	2,215,943
Taxrefund liability (Note 7)	415,602	-	103,901	311,701	103,901
Termination benefits (Note 8)	1,068,025	34,673	-	1,102,698	-
Net pension liability	9,044,960	-	3,806,990	5,237,970	-
Compensated absences	1,967,714	-	106,114	1,861,600	-
Total	\$ 61,952,301	\$ 34,673	\$ 15,128,948	\$ 46,858,026	\$ 2,319,844
Business-Type Activities:					
Closure liability (Note 6)	\$ 27,558	\$ -	\$ 26,747	\$ 811	\$ -
Net pension liability	485,151	-	205,917	279,234	-
Compensated absences	231,700	-	80,867	150,833	-
Total Business-type Long-Term Debt	\$ 744,409	\$ -	\$ 313,531	\$ 430,878	\$ -

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 5 – Long-Term Debt (Continued)

Debt service requirements as of December 31, 2020 were as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,215,943	\$ 1,019,138	\$ 3,235,081
2022	2,253,443	946,638	3,200,081
2023	2,328,443	870,638	3,199,081
2024	2,408,443	790,888	3,199,331
2025	2,493,443	707,138	3,200,581
2026-2030	12,997,802	2,431,090	15,428,892
2031-2035	11,818,540	709,002	12,527,542
2036-2040	1,228,000	-	1,228,000
2041-2045	600,000	-	600,000
	<u>\$ 38,344,057</u>	<u>\$ 7,474,532</u>	<u>\$ 45,818,589</u>

A. General Obligations Bonds

A description of the General Obligation Bonds payable at December 31, 2020 is as follows:

2015 Series Refunding Bond

On December 31, 2015, Uintah County issued \$33,385,000 of General Obligation, Series 2015 Refunding Bonds. The bonds are to be used for the advance refunding of Taxable Lease Revenue Bonds, Series 2008A. In connection with this advance refunding, the County deposited the net proceeds along with other resources in an irrevocable trust to provide for all future debt service of the refunded portion of the bonds. As a result, the refunded portion of those bonds is considered defeased and the County has removed the liability from its accounts. The Taxable Lease Revenue Bonds, Series 2008A, were originally issued to help in the construction and furnishing of a new Public Safety Facility. Principal debt payments on G.O. Bonds, Series 2015, began in December of 2016 with principal payments ranging from \$1,185,000 to \$2,390,000 annually. The bonds carry an interest rate ranging from 2.25% to 5.0%. Interest and principal payments began on December 15, 2016, and continue until December 15, 2034, when both principal and interest payments are made. The repayment schedule is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,450,000	\$ 1,019,138	\$ 2,469,138
2022	1,520,000	946,638	2,466,638
2023	1,595,000	870,638	2,465,638
2024	1,675,000	790,888	2,465,888
2025	1,760,000	707,138	2,467,138
2026-2030	9,905,000	2,431,090	12,336,090
2031-2034	9,160,000	709,002	9,869,002
	<u>\$ 27,065,000</u>	<u>\$ 7,474,532</u>	<u>\$ 34,539,532</u>

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 5 – Long-Term Debt (Continued)

A. General Obligation Bonds (Continued)

Unamortized Bond Premium – 2015 Series Refunding Bond

On December 15, 2015, Uintah County issued \$33,385,000 of General Obligation refunding Bonds at a premium of \$3,219,420. This premium is to be amortized over the life of the new bonds which is 19 years. Each year \$169,443 will be amortized and reported as interest income.

Deferred Outflows – Refunding Bonds

Also, associated with the refunding bonds of 2015, deferred outflows of resources was created, which was the difference between the reacquisition price (amount placed in escrow to pay principal on old debt and any call premium) and the net carrying amount (amount due at maturity adjusted for any premium or discount relating to the old debt). The amount of the deferred outflows of resources created was \$4,500,942. This amount will be amortized over the life of the new debt which is nineteen years. Each year's amortization will be \$236,892.

B. Revenue Bonds

A description of the Revenue Bonds payable at December 31, 2020 is as follows:

2000D Revenue Bonds – Public Health

On October 13, 2000, the Municipal Building Authority of Uintah County issued Lease Revenue Bond Series 2000D in the principal amount of \$650,000 together with a zero percent rate of interest. Lease Revenue Bonds, Series 2000D, were issued for the purpose of acquisition of land and the construction of a new approximately 7,000 square foot building to house the Vernal offices of the Northeastern Counseling Center and related improvements. Repayment of principal begins September 1, 2002. Total repayment will be completed in 2021.

2005 Revenue Bonds – Parks

On October 25, 2005, Uintah County Municipal Building Authority issued Taxable Lease Revenue Bonds Series 2005 in the principal amount of \$900,000 together with interest at the rate of zero percent. The principal becomes payable beginning January 1, 2007 and matures January 1, 2025. The purpose for issuing the bonds was to construct Phase 4 at the Western Park facilities.

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 45,000	\$ -	\$ 45,000
2022	45,000	-	45,000
2023	45,000	-	45,000
2024	45,000	-	45,000
2025	45,000	-	45,000
	<u>\$ 225,000</u>	<u>\$ -</u>	<u>\$ 225,000</u>

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 5 – Long-Term Debt (Continued)

B. Revenue Bonds (Continued)

2006A Revenue Bonds – Recreation

On December 9, 2006, the Municipal Building Authority of Uintah County issued Taxable Lease Revenue Bond Series 2006A in the principal amount of \$5,000,000 together with a zero percent rate of interest. Lease Revenue Bonds, Series 2006A, were issued for the purpose of constructing a new recreation center located in Vernal, Utah. The County originally owned approximately 37 percent of the new recreation center building which was later contributed to the Recreation District. Repayment of principal begins October 1, 2008 and ending October 1, 2037. The principal payments equal \$167,000 per annum. The repayment schedule is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 167,000	\$ -	\$ 167,000
2022	167,000	-	167,000
2023	167,000	-	167,000
2024	167,000	-	167,000
2025	167,000	-	167,000
2026-2030	835,000	-	835,000
2031-2034	835,000	-	835,000
2036-2037	334,000	-	334,000
	<u>\$ 2,839,000</u>	<u>\$ -</u>	<u>\$ 2,839,000</u>

2007C Revenue Bonds – Landfill

During the year ended December 31, 2007, the Uintah County Municipal Building Authority issued Taxable Lease Revenue Bond, Series 2007C. The principal amount of the original issue was \$635,000. The bonds are to be used to help in the construction of a building for the Landfill. Principal repayments on the bonds begin April 1, 2009, and mature April 1, 2028 with payments ranging from \$27,000 to \$32,000 annually and carry zero percent interest. The repayment schedule is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 32,000	\$ -	\$ 32,000
2022	32,000	-	32,000
2023	32,000	-	32,000
2024	32,000	-	32,000
2025	32,000	-	32,000
2026-2028	91,000	-	91,000
	<u>\$ 251,000</u>	<u>\$ -</u>	<u>\$ 251,000</u>

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 5 – Long-Term Debt (Continued)

B. Revenue Bonds (Continued)

2007D Revenue Bonds – Public Health

During the year ended December 31, 2007, the Uintah County Municipal Building Authority issued Taxable Lease Revenue Bond, Series 2007D. The principal amount of the original issue was \$2,300,000. The bonds are to be used to help fund the construction of a new building to be leased to Tri-County Health District. Principal repayments on the bonds begin October 1, 2008 and mature October 1, 2037 with payments ranging from \$67,000 to \$77,000 annually and carry zero percent interest. The repayment schedule is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 77,000	\$ -	\$ 77,000
2022	77,000	-	77,000
2023	77,000	-	77,000
2024	77,000	-	77,000
2025	77,000	-	77,000
2026-2030	385,000	-	385,000
2031-2034	385,000	-	385,000
2036-2037	144,000	-	144,000
	<u>\$ 1,299,000</u>	<u>\$ -</u>	<u>\$ 1,299,000</u>

2011A Revenue Bonds – Airport

On December 21, 2011, the Uintah County Municipal Building Authority issued \$711,000 of Series 2011A Taxable Lease Revenue Bonds. The bonds are to be used for the construction of a new fence around the Uintah County Airport. Principal debt payments begin October 1, 2012 and mature on October 1, 2031. The principal payment amounts ranging from \$27,000 to \$36,000 annually. The bonds carry an interest rate of zero percent interest. The repayment schedule is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 36,000	\$ -	\$ 36,000
2022	36,000	-	36,000
2023	36,000	-	36,000
2024	36,000	-	36,000
2025	36,000	-	36,000
2026-2030	180,000	-	180,000
2031	10,765	-	10,765
	<u>\$ 370,765</u>	<u>\$ -</u>	<u>\$ 370,765</u>

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 5 – Long-Term Debt (Continued)

B. Revenue Bonds (Continued)

2011B Revenue Bonds – Airport

On December 21, 2011, the Uintah County Municipal Building Authority issued \$850,000 of Series 2011B Taxable Lease Revenue Bonds for the purpose of purchasing a snowplow to be used at the Uintah County airport. Principal repayments on the bonds begin October 1, 2012, and mature October 1, 2026 with payments ranging from \$52,000 to \$57,000 annually and carry zero percent interest. The new snowplow is collateral for these bonds. The repayment schedule is as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 57,000	\$ -	\$ 57,000
2022	57,000	-	57,000
2023	57,000	-	57,000
2024	57,000	-	57,000
2025	57,000	-	57,000
2026	4,587	-	4,587
	<u>\$ 289,587</u>	<u>\$ -</u>	<u>\$ 289,587</u>

2014 Revenue Bonds – Parks

During the year ended December 31, 2014, Uintah County Municipal Building Authority issued \$4,500,000 of Lease Revenue Bonds, Series 2014. The bonds were issued to be used for the architectural design, landscaping and remodeling of the Western Park facility including the construction of a shop, exhibit hall, convention center and parking lot. The bond is a zero percent interest bond. The first principal payment will be made on January 1, 2016. Principal payments will continue each January 1, until 2044 at which time, the bonds will be paid in full.

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 150,000	\$ -	\$ 150,000
2022	150,000	-	150,000
2023	150,000	-	150,000
2024	150,000	-	150,000
2025	150,000	-	150,000
2026-2030	750,000	-	750,000
2031-2034	750,000	-	750,000
2036-2040	750,000	-	750,000
2041-2045	600,000	-	600,000
	<u>\$ 3,600,000</u>	<u>\$ -</u>	<u>\$ 3,600,000</u>

Uintah County
Notes to the Financial Statements
December 31, 2020

B. Annual Debt Service Requirements

Annual debt service requirement to maturity for both general obligation and revenue bonds are as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,046,500	\$ 1,019,138	\$ 3,065,638
2022	2,084,000	946,638	3,030,638
2023	2,159,000	870,638	3,029,638
2024	2,239,000	790,888	3,029,888
2025	2,008,413	707,138	2,715,551
2026-2030	12,150,587	2,431,090	14,581,677
2031-2034	10,915,765	709,002	11,624,767
2036-2040	1,768,587	-	1,768,587
2041-2045	600,000	-	600,000
	<u>\$ 35,971,852</u>	<u>\$ 7,474,532</u>	<u>\$ 43,446,384</u>

Note 6 – Municipal Solid Waste Landfill

Uintah County has a landfill that operates within the County. The County has filed with the State for operating permits for the landfill and has received a written approval. The County has received the landfill permit to stay in operation effective June 15, 2015 and expires June 15, 2025. On June 15, 2015, Uintah County received a permit renewal from the State of Utah to continue the operation of the Uintah Landfill. The State has extended the permit for a period of ten year with the Closure Cost Revision date of June 15, 2020. The State of Utah is the source of regulations for the permitting and operation of landfills.

Uintah County has obtained information necessary to determine the nature and source of landfill closure and post-closure care requirements. An amount of liability for closure and post-closure care costs, estimated total current cost of closure and post-closure care remaining to be a recognized, percentage of landfill capacity used to date and the nature of the estimates and the potential for changes due to inflation or deflation, technology, or applicable laws or regulations has been calculated by the County and the engineers. At December 31, 2020, closure and post-closure costs are estimated at \$362,678 for the Uintah County Municipal Landfill and \$50,147 for the Lapoint Landfill. As of December 31, 2020, \$27,558 has been accrued in connection with the cumulative landfill use to date. The County has set aside an amount of \$239,347 to be put into an account held by the Utah Public Treasurer's Investment Pool. Each year the County will contribute an additional \$6,500 to this fund. The accumulated amount will be used for the above costs. Financial assurance is made by Uintah County. Any short fall will be paid by the County. The County estimates the remaining current Uintah County and Lapoint landfills capacity life to be 10 years plus. The percentage of capacity used is estimated at .2235 percent and .009 percent, respectively.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 7 – Tax Refund Liability

During the year ended December 31, 2017, Anadarko Uintah Midstream, L.L.C. appealed the assessed valuation on property in Uintah County to the State of Utah under appeal number 16-925. The original assessed value for Anadarko's property was \$379,505,548 and was later revised to \$126,442,114. This resulted in a tax refund to Anadarko Uintah Midstream, L.L.C of \$2,811,029. Uintah County's portion to be refunded to Anadarko amounted to \$727,304. The County entered into an agreement with Anadarko to repay the tax refund over seven years without being charged interest on the outstanding balance due. The annual payment to Anadarko from Uintah County will be \$103,901. The annual repayment amount will be allocated back to the individual funds of Uintah County that have charged a certified tax rate according to their proportionate share of the overall certified tax rate. As of December 31, 2020, the County owed \$311,701 to Anadarko.

Note 8 – Termination Benefits

The County pays termination benefits to employees of the County that qualify under their policy. The policy states that the County will pay up to 90 percent of an employee's health insurance premium after retirement if they qualify for a pension through the Utah State Retirement System and have worked 20 years for the County. If employees have worked less than 20 years, the County will pay five percent per year as a percentage of the 90 percent benefit. Therefore, if an employee had worked for 10 years and qualified for a pension through the Utah State Retirement System, the County would pay 50 percent of the 90 percent health insurance benefit. This benefit is available to employees only until they qualify for Medicare. For the year ended December 31, 2020, the County paid \$34,673 of termination benefits. At December 31, 2020, the County had 10 employees that qualified for this benefit. The County has elected to pay termination benefits on a pay-as-you-go basis.

The present value of expected future benefit payments is \$1,102,698. To determine this benefit the County has discounted expected future benefits at a discount rate of 1.086 percent and used healthcare cost trend rate of 4.845 percent.

Note 9 – Other Post-Employment Benefits

Tri-County Health Department, a component unit of Uintah County, offers certain other post-employment benefits to its employees. During 2008, the District hired a firm to help in calculating the District's annual required contribution. The District's fiscal year end is June 30, and the annual required contribution for the District is due June 30, 2009. Scenic Valley Associates used the Alternative Measurement Method in their calculation, and it was determined that Tri-County Health Department has an annual required contribution of \$29,089. Some of the key results of the analysis is normal costs equaled \$14,831 with amortization payment of \$14,258. The unfunded actuarial accrued liability was calculated to be \$246,529. During the year ended December 31, 2009, the Tri-County Health Department fully funded their obligation for retirement. Since the 2008 calculation of the District's actuarial pension liability and the District fully funding this liability, there has not been any additional calculation on what current and future pension liability the District may have accrued. The District has changed its policy regarding how employees qualify for other post-employment benefits. The

Uintah County
Notes to the Financial Statements
December 31, 2020

previous Health Director has retired and was one of the main individuals at the District which was accumulating these benefits. It is the understanding of District management that, since the original liability was \$246,529 for all benefits accrued up until 2008, any benefits that have accrued since that time would not be material to the financial statements. At December 31, 2020, there were eight employees that still qualified for these benefits and only four employees that have accumulated the major benefit. The fair market value of funds in trust to pay these benefits at December 31, 2020 was \$261,536.

Note 10 – Restrictions: Fund Balance & Net Position

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

Governmental Funds

\$1,684,685 has been restricted through a certified rate to be used in the Assessing and Collecting Fund to help in meeting the costs associated with the assessing and collecting of property taxes in the County.

\$1,895,364 has been restricted in the Flood Control Funds to be used for the purpose of helping offset the costs of flooding in the County.

\$2,554,798 has been restricted in the Library Fund for the purpose of covering the operation and maintenance of the Library.

\$2,204,270 has been restricted in the Tri-County Health District Fund by state and federal governments along with contribution from other local governments for the purpose of providing basic public health services for residents within the District's boundaries.

\$487,821 has been restricted through collection of transient room tax to be used to help promote economic development and tourism.

\$479,545 has been restricted through the collection of sales tax to be used for the promotion of tourism and food services in the County.

\$10,835,492 has been restricted in the "B" Road Fund for the purpose of maintaining, improving, repairing or replacement of "B" roads in Uintah County.

\$8,018,608 has been restricted in the Municipal Building Authority Fund for the purpose of paying principal and interest on general long-term debt. Part of these funds are to be used for the maintenance of current facilities.

\$1,191,275 has been restricted in the Tort Liability Fund for the purpose of meeting the costs of providing insurance and meeting claims for liability issues for the County.

\$1,323,900 has been restricted in the Debt Service Fund for the purpose of meeting the payment requirement of principal and interest on General Obligation debt.

\$8,116,614 has been restricted in the Tax Stability Fund for the purpose of providing funding for the County during hard economic times.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 10 – Restrictions: Fund Balance & Net Position (Continued)

\$390,127 has been restricted in the Cemetery Board Funds for the purpose of providing maintenance and care for the local cemeteries.

Proprietary Funds

\$20,456,995 has been restricted due to a special sales tax to be used for the Uintah Care Center for current and future operation of the facility.

\$239,347 has been restricted in the Landfill Fund as a post-closure reserve fund to cover costs to close the landfill and maintain the landfill after closure.

The County has also reported various restrictions of net position in the Government-wide financial statements. The net position restrictions are the comprised of the same amounts nature as those that have been restricted in the fund financial statements.

Note 11 – 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.

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.

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 11 – Pension Plans (Continued)

General Information about the Pension Plan (Continued)

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.

Summary of Benefits by System

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

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent 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% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any 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 any age 60* 10 years age 62* 4 years age 65	1.50% per year to June 2020 2.00% per year July 2020 to present	Up to 2.5%

*Actuarial reductions are applied.

** All post-retirement cost-of-living adjustments (COLA) are non-compounding and are based on the original benefit expect for Judges, which is 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.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2020 are as follows:

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 11 – Pension Plans (Continued)

	Employee	Employer	Employer 401(k)
Contributory System:			
11-Local Governmental Division Tier 1	6.00	14.46	N/A
111-Local Governmental Division Tier 2	N/A	15.80	0.89
Noncontributory System			
15-Local Government Division Tier 1	N/A	18.47	N/A
Public Safety Retirement System			
Contributory			
122- Tier 2 DB Hybrid Public Safety	2.27	25.83	N/A
No 43- Other Division A Noncontributory Tier 1	N/A	34.04	N/A
Tier 2 DC Only			
211- Local Government	N/A	6.69	10.00
222- Public Safety	N/A	11.83	14.00

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

For fiscal year ended December 31, 2020, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,047,633	N/A
Public Safety System	634,312	-
Tier 2 Public Employees System	578,279	-
Tier 2 Public Safety and Firefighter	443,892	19,098
Tier 2 DC Only System	58,554	N/A
Tier 2 DC Public Safety and Firefighter System	9,672	N/A
Total	\$ 2,772,342	\$19,098

Contribution Rate Summary (Continued)

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 System.

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

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 11 – Pension Plans (Continued)

At December 31, 2020, we reported a net pension asset of \$0 and a net pension liability of \$5,517,204.

	(Measurement Date): December 31, 2019				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2018	Change (Decrease)
Noncontributory System	\$ -	\$ 2,942,549	0.7807513%	0.7679920%	0.0127593%
Contributory System	-	-	0%	0%	0%
Public Safety System	-	2,428,643	1.5125909%	1.4548833%	0.0577076%
Firefightewr System	-	-	0%	0%	0%
Judges Retirement System	-	-	0%	0%	0%
Governors & Legislators Plan	-	-	0%	0%	0%
Tier 2 Public Employees System	-	56,112	0.2494871%	0.2534581%	-0.0039710%
Tier 2 Public Safety and Fire Fighter System	-	89,900	0.9557272%	0.9366188%	0.0191084%
Total Net Pension Asset / Liability	<u>\$ -</u>	<u>\$ 5,517,204</u>			

The net pension asset and liability were measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2020, we recognized pension expense of \$3,718,495.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions (Continued)

At December 31, 2020, 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	\$ 352,472	\$ 113,412
Changes in assumptions	439,828	2,424
Net difference between projected and actual earnings on pension plan investments	-	2,382,606
Changes in proportion and differences between contributions and proportionate share of contributions	383,467	239,141
Contributions subsequent to the measurement date	2,772,342	-
Total	<u>\$ 3,948,109</u>	<u>\$ 2,737,583</u>

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 11 – Pension Plans (Continued)

\$2,772,342 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

<u>Year Ended December 31,</u>	<u>Deferred Outflows</u> <u>(inflows) of Resources</u>
2020	\$ (270,579)
2021	(541,798)
2022	59,989
2023	(896,692)
2024	10,114
Thereafter	77,151

Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.50 percent
Salary Increases:	3.25 – 9.75 percent, average, including inflation
Investment Rate of Return:	6.95 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2019, valuation was 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:

Uintah County
Notes to the Financial Statements
December 31, 2020

Note 11 – Pension Plans (Continued)

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.90%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

Actual Consumptions (Continued)

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

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

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

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 9,190,606	\$ 2,942,549	\$ (2,268,265)
Public Safety System	6,291,127	2,428,643	(710,370)
Tier 2 Public Employees System	483,874	56,112	(274,471)
Tier 2 Public Safety and Firefighter	317,582	89,900	(79,117)
Total	\$ 16,283,189	\$ 5,517,204	\$ (3,332,223)

Uintah County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Note 11 – Pension Plans (Continued)

Defined Contribution Savings Plan

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.

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

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

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

	2020	2019	2018	2017
<i>401(k) Plan</i>				
Employer Contributions	\$ 867,735	\$ 842,806	\$ 817,284	\$ 828,845
Employee Contributions	\$ 755,362	\$ 497,303	\$ 539,704	\$ 468,705
<i>457 Plan</i>				
Employer Contributions	\$ -	\$ -	\$ -	\$ -
Employee Contributions	\$ 512,093	\$ 158,564	\$ 173,543	\$ 146,065
<i>Roth IRA Plan</i>				
Employer Contributions	N/A	N/A	N/A	N/A
Employee Contributions	\$ 105,555	\$ 94,225	\$ 82,527	\$ 61,940

Uintah County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Note 12 – Interfund Activity

Transfers to and from other funds during the year ended December 31, 2020 were as follows:

	<u>Transfers from Other Funds</u>	<u>Transfers to Other Funds</u>	<u>Net Transfers In (Out)</u>
Governmental Funds:			
General fund	\$ 120,956	\$ (1,097,204)	\$ (976,248)
Cemetery association	460,000	-	460,000
Drug court	70,000	-	70,000
Transient room tax	400,000	-	400,000
Food service tax	-	(400,000)	(400,000)
Tax stability trust	-	(120,956)	(120,956)
	<u>1,050,956</u>	<u>(1,618,160)</u>	<u>(567,204)</u>
Enterprise Funds:			
Western Park	544,700	-	544,700
Tele-comm	22,504	-	22,504
	<u>567,204</u>	<u>-</u>	<u>567,204</u>
	<u>\$ 1,618,160</u>	<u>\$ (1,618,160)</u>	<u>\$ -</u>

A transfer from the Food Service Tax Fund in the amount of \$400,000 was made to the Transient Room Tax Fund to help with cost associated with tourism. The General Fund made transfers to the Drug Court Fund in the amount of \$70,000, to help cover costs of drug rehab and the operation of the program.

Note 13 – Segment Information for Enterprise Funds

The County maintains enterprise funds, which provide sanitation services, telecommunication, special activities, and nursing home services. Segment information for the year December 31, 2020 is as follows:

	<u>Care Center</u>	<u>Western Park</u>	<u>Landfill</u>	<u>Telecommunications</u>
Operating Revenues:				
Charges for sales and services	\$ -	\$ 170,731	\$ 772,591	\$ 181,836
Depreciation expense	-	213,666	2,924	20,873
Operating income (loss)	-	(1,377,965)	22,508	(1,788)
Tax revenues	315	718,105	-	-
Operating transfers in (out)	-	544,700	-	22,504
Change in Net Position	(195,832)	(83,713)	44,383	23,203
Property, plant and equipment:				
Additions	-	63,134	121,500	22,504
Current assets	20,456,995	1,155,468	1,973,823	312,509
Current liabilities	-	96,226	138,598	36,880
Net working capital	20,456,995	1,059,242	1,835,225	275,629
Total assets	<u>20,456,995</u>	<u>10,002,881</u>	<u>2,171,132</u>	<u>414,637</u>
Total net position	<u>\$ 20,456,995</u>	<u>\$ 9,676,420</u>	<u>\$ 1,891,498</u>	<u>\$ 377,757</u>

Uintah County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Note 14 – Contingent Liabilities

Uintah County has several pending lawsuits and notice of claims filed by different individuals. These cases are currently pending, and the outcome is undeterminable at this time. The County has taken the position to vigorously contest these suits.

Note 15 – 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, special public hearings must be held before the final rate is adopted. The final tax rate is assessed by the county assessor 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.

Note 16 – 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.

The County continues to carry commercial insurance for workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past two years.

Note 17 – Stabilization Funds

Uintah County has passed ordinance 12-12-89-3, which has allowed the County to establish a Tax Stability Trust Fund, for the purpose of preserving funds during years with favorable tax revenues for use during years with less favorable tax revenues. Under the ordinance the County was allowed to transfer \$2,000,000 into the Tax Stability Trust Fund from the County's General Fund. Additions to the principal in this fund will be through the authority of the ordinance or by the Fund retaining the interest earning each year. The stabilization funds can be used if the County is faced with economic hardship and a substantial reduction in property tax revenues by holding a public hearing and with the vote of the County Commissioners to approve the use of these funds. During the year ended December 31, 2020, the County assessed a certified rate in this fund in an effort to generate additional funds because of the reduction of oil and gas price in the last couple of years. At the end of December 31, 2020, the County had cash of \$8,112,831 in their Tax Stability Trust Fund.

Uintah County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Note 18 – Prior Period Adjustments

The County has elected to make the following prior period adjustments:

Governmental Activities

The Cemetery Board Funds were moved from being grouped with the Custodial Funds which were included in the Permanent Funds which is now included with the Governmental Activities. Because Custodial fund balances are not included with the Governmental Activities, the Cemetery Board's prior period fund balance of \$416,379 had to be included as a prior period adjustment.

Note 19 – Subsequent Events

In preparing these financial statements, Uintah County has evaluated events and transactions for potential recognition or disclosure through the date of the audit report, which is the date the financial statements were available to be issued. On March 22, 2021, Uintah County voted to approve the creation of a new special service district with the intent to combine Uintah Recreation District, Uintah Transportation Special Service District, and the Uintah Impact Mitigation Special Service District into one special service district. With the approval of the County commissioners, the County is now waiting on approval from the State of Utah Lt. Governor's Office.

REQUIRED SUPPLEMENTARY INFORMATION

Uintah County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Over(Under)
	Original	Final	Actual	
Revenues				
Taxes	\$ 12,327,600	\$ 11,182,600	\$ 10,640,067	\$ (542,533)
Assessing and collecting	2,984,900	2,984,900	-	(2,984,900)
Charges for services	4,814,200	4,834,200	4,292,135	(542,065)
Fines and forfeitures	244,200	244,200	329,467	85,267
Highways and public improvements	3,963,500	3,963,500	-	(3,963,500)
Intergovernmental revenues	3,005,800	8,231,223	6,520,716	(1,710,507)
Licenses and permits	105,500	105,500	102,660	(2,840)
Interest income	100,000	100,000	99,078	(922)
Transfers in	-	11,000	120,956	109,956
Miscellaneous	491,000	732,400	190,070	(542,330)
Total Revenues	28,036,700	32,389,523	22,295,149	(10,094,374)
Expenditures				
Current:				
General government	9,954,800	10,696,300	7,160,524	(3,535,776)
Public safety	9,474,600	9,100,245	7,580,360	(1,519,885)
Public health	338,000	552,800	548,080	(4,720)
Highways and public improvements	4,131,500	3,691,900	625,606	(3,066,294)
Parks, recreation, and public property	862,400	110,000	57,733	(52,267)
Conservation and economic development	1,418,700	6,871,578	5,742,164	(1,129,414)
Capital outlay	-	50,000	8,733	(41,267)
Transfer out	1,856,700	1,316,700	1,097,204	(219,496)
Total Expenditures	28,036,700	32,389,523	22,820,404	(9,569,119)
Excess of Revenues Over (Under) Expenditures	-	-	(525,255)	(525,255)
Net Change in Fund Balance			(525,255)	
Fund Balance Beginning of Year			13,030,799	
Fund Balance End of Year			\$ 12,505,544	

Uintah County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Municipal Services Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Over(Under)
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,504,700	\$ 1,504,700	\$ 1,946,495	\$ 441,795
Charges for services	335,700	528,800	704,150	175,350
Intergovernmental revenues	3,264,000	3,278,900	3,287,933	9,033
Licenses and permits	152,000	164,500	245,609	81,109
Interest income	25,000	25,000	27,648	2,648
Sale of fixed assets	60,000	60,000	65,226	5,226
Miscellaneous	30,900	116,400	85,355	(31,045)
Total Revenues	5,372,300	5,678,300	6,362,416	684,116
Expenditures				
Current:				
General government	943,500	956,500	946,149	(10,351)
Public safety	4,334,500	4,627,500	4,454,985	(172,515)
Highways and public improvements	94,300	94,300	96,848	2,548
Total Expenditures	5,372,300	5,678,300	5,497,982	(180,318)
Excess of Revenues Over (Under) Expenditures	-	-	864,434	864,434
Net Change in Fund Balance			864,434	
Fund Balance Beginning of Year			3,226,070	
Fund Balance End of Year			\$ 4,090,504	

Uintah County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Class “B” Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Over(Under)
	Original	Final	Actual	
Revenues				
Taxes	\$ 608,500	\$ 608,500	\$ 1,705,414	\$ 1,096,914
Intergovernmental revenues	4,048,500	4,048,500	4,023,067	(25,433)
Interest income	-	-	90,122	90,122
Miscellaneous	-	-	43,844	43,844
Total Revenues	4,657,000	4,657,000	5,862,447	1,205,447
Expenditures				
Current:				
Highways and public improvements	4,657,000	4,657,000	3,042,252	(1,614,748)
Total Expenditures	4,657,000	4,657,000	3,042,252	(1,614,748)
Excess of Revenues Over (Under) Expenditures	-	-	2,820,195	2,820,195
Net Change in Fund Balance			2,820,195	
Fund Balance Beginning of Year			8,906,073	
Fund Balance End of Year			\$ 11,726,268	

Uintah County
Schedule of Proportionate Share of the Net Pension Liability
Utah Retirement System Measurement Date
For the Year Ended December 31, 2020

	Year End December 31,	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
Noncontributory Retirement System	2015	-	\$0	\$0	0.00%	0.0%
	2016	0.2506316%	\$14,182	\$1,898,137	74.72%	87.8%
	2017	0.8826751%	\$56,679	\$6,967,170	81.35%	87.3%
	2018	0.8193346%	\$35,898	\$6,405,346	56.04%	91.9%
	2019	0.7679920%	\$56,553	\$6,039,416	93.64%	87.0%
	2020	0.7807513%	\$2,942,549	\$6,172,099	47.68%	93.7%
Contributory Retirement System	2015	15.8036918%	\$4,558,473	\$7,326,899	62.20%	94.0%
	2016	14.8657144%	\$10,448,432	\$5,253,545	198.88%	85.7%
	2017	0.0695969%	\$22,836	\$16,699	136.75%	92.9%
	2018	0.0000000%	\$0	\$0	0.00%	98.2%
	2019	0.0000000%	\$0	\$9,318	0.00%	91.2%
	2020	0.0000000%	\$0	\$2,533	0.00%	0.0%
Public Safety System	2015	1.5674182%	\$1,971,159	\$2,204,621	89.40%	90.5%
	2016	1.6947110%	\$3,035,653	\$2,428,017	125.03%	87.1%
	2017	1.6468326%	\$3,341,878	\$2,398,853	139.31%	86.5%
	2018	1.4926527%	\$2,341,462	\$2,138,980	109.47%	90.2%
	2019	1.4548833%	\$3,742,811	\$2,005,492	186.63%	84.7%
	2020	1.5125909%	\$2,428,643	\$1,971,192	123.21%	90.9%
Tier 2 Public Employees Retirement System	2015	0.3965269%	(\$12,018)	\$1,945,554	-0.60%	103.5%
	2016	0.3968809%	(\$866)	\$2,564,073	-0.03%	100.2%
	2017	0.3619962%	\$40,830	\$2,968,659	1.36%	95.1%
	2018	0.2946904%	\$25,982	\$2,883,680	0.90%	97.4%
	2019	0.2534581%	\$108,551	\$2,961,377	3.67%	90.8%
	2020	0.2494871%	\$56,112	\$3,468,028	1.62%	96.5%
Tier 2 Public Safety and Firefighters Retirement System	2015	1.4499515%	(\$21,449)	\$600,529	-3.60%	120.5%
	2016	1.4339945%	(\$20,951)	\$853,242	-2.46%	110.7%
	2017	1.0918107%	(\$9,478)	\$902,067	-1.05%	103.6%
	2018	97.0440700%	(\$1,129)	\$1,024,083	-1.10%	103.0%
	2019	0.9366188%	\$23,468	\$1,253,194	1.87%	95.6%
	2020	0.9557272%	\$89,900	\$1,575,282	5.71%	89.6%

* In accordance with paragraph 81 of 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 10 year schedule will need to be built prospectively. The schedule above is only for the prior 6 years.

Uintah County
Schedule of Contributions
Utah Retirement System
For the Year Ended December 31, 2020

	As of fiscal Year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
<i>Noncontributory System</i>	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	324,869	324,869	-	1,898,137	17.12%
	2016	1,286,917	1,286,917	-	6,967,613	18.47%
	2017	1,183,066	1,183,066	-	6,405,346	18.47%
	2018	1,105,581	1,105,581	-	5,994,469	18.44%
	2019	1,137,262	1,137,262	-	6,172,651	18.42%
	2020	1,047,633	1,047,633	-	6,298,398	16.63%
<i>Contributory System</i>	2014	1,015,312	1,015,312	-	7,328,915	13.85%
	2015	759,296	759,296	-	5,253,545	14.45%
	2016	2,415	2,415	-	16,699	14.46%
	2017	-	-	-	-	0.00%
	2018	43,272	43,272	-	209,018	20.70%
	2019	-	-	-	-	0.00%
	2020	-	-	-	-	0.00%
<i>Public Safety System</i>	2014	708,347	708,347	-	2,218,337	31.93%
	2015	766,816	766,816	-	2,428,017	31.58%
	2016	747,063	747,063	-	2,396,789	31.17%
	2017	668,028	668,028	-	2,138,980	31.23%
	2018	621,606	621,606	-	1,966,606	31.61%
	2019	637,174	637,174	-	1,969,488	32.35%
	2020	634,312	634,312	-	1,985,488	31.95%
<i>Tier 2 Public Employees System*</i>	2014	317,572	317,572	-	1,953,480	16.26%
	2015	415,556	415,556	-	2,580,281	16.11%
	2016	445,657	445,657	-	2,988,978	14.91%
	2017	433,557	433,557	-	2,886,933	15.02%
	2018	436,909	436,909	-	2,848,947	15.34%
	2019	544,460	544,460	-	3,489,972	15.60%
	2020	578,279	578,279	-	3,785,192	15.28%
<i>Tier 2 Public Safety and Firefighter System*</i>	2014	131,438	131,438	-	599,642	21.92%
	2015	192,940	192,940	-	856,612	22.52%
	2016	202,636	202,636	-	900,603	22.50%
	2017	230,223	230,223	-	1,021,394	22.54%
	2018	274,053	274,053	-	1,199,053	22.86%
	2019	362,362	362,362	-	1,568,199	23.11%
	2020	443,892	443,892	-	1,806,098	24.58%
<i>Tier 2 Public Employees DC Only System*</i>	2014	4,484	4,484	-	57,060	7.86%
	2015	17,548	17,548	-	225,087	7.80%
	2016	22,906	22,906	-	342,390	6.69%
	2017	31,135	31,135	-	465,391	6.69%
	2018	33,640	33,640	-	488,284	6.89%
	2019	39,947	39,947	-	595,109	6.71%
	2020	58,554	58,554	-	787,862	7.43%
<i>Tier 2 Public Safety and Firefighter DC Only System</i>	2014	1,585	1,585	-	15,944	9.94%
	2015	4,628	4,628	-	39,118	11.83%
	2016	5,432	5,432	-	45,922	11.83%
	2017	5,231	5,231	-	44,221	11.83%
	2018	5,030	5,030	-	42,520	11.83%
	2019	6,041	6,041	-	51,063	11.83%
	2020	9,672	9,672	-	81,762	11.83%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.

Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. This will need to be built prospectively. The schedule above is only for the last seven years. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

Uintah County
Notes to Required Supplementary Information
For the Year Ended December 31, 2020

Changes in Assumptions:

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

Budgetary Comparison Schedules:

The budgetary comparison schedule present in this section of the report is for the County's General Fund.

Budgeting and Budgetary Control:

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the County Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendment made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

This page intentionally left blank

SUPPLEMENTARY INFORMATION

Uintah County Combining Statement of Net Positions Component Units For the Year Ended December 31, 2020

	Uintah Basin Tri-County Mental Health & Substance Abuse Authority	Uintah Recreation Special Service District	Uintah Transportation Special Service District	Uintah Health Care Special Service District	Uintah County Animal Control & Shelter Special Service District	Uintah Impact Mitigation Special Service District	Uintah Fire Suppression Special Service District	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
ASSETS:								
Cash and cash equivalents	\$ 4,127,122	\$ 2,402,520	\$ 10,617,905	\$ 874,844	\$ 602,440	\$ 999,812	\$ 780,865	\$ 20,405,508
Investments	6,729,555	-	-	-	-	-	-	6,729,555
Accounts receivable, net	10,132	-	1,714,918	992,887	-	275,000	-	2,992,937
Inventory	-	-	-	99,206	-	-	-	99,206
Prepaid expenses	456,743	-	-	-	-	2,969	-	459,712
Due from other governments	29,475	126,034	-	-	67,000	-	121,769	344,278
Restricted cash and investments	86,513	39,000	1,664,100	-	-	2,075,229	-	3,864,842
Other investments	322,909	-	-	-	-	-	-	322,909
Net Pension Asset	-	-	-	-	-	-	49,621	49,621
Capital assets:								
Non-depreciable	403,401	1,463,800	-	498,378	-	-	136,036	2,501,635
Depreciable, net of accumulated depreciation	2,351,377	12,782,459	-	6,461,182	489,113	17,022,395	4,646,814	43,753,340
Total capital assets, net	2,754,778	14,246,259	-	6,959,560	489,113	17,022,395	4,782,870	46,254,975
Total assets	14,517,227	16,813,813	13,996,923	8,924,497	1,158,553	20,375,405	5,735,125	81,523,543
Deferred outflows - related to pensions	446,348	275,597	38,972	686,892	69,896	31,811	48,701	1,598,217
Total assets and deferred outflows of resources	\$ 14,963,575	\$ 17,089,410	\$ 14,035,895	\$ 9,613,389	\$ 1,228,449	\$ 20,407,216	\$ 5,783,826	\$ 83,121,760
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES								
LIABILITIES:								
Accounts payable	\$ 749,195	\$ 55,034	\$ 135,280	\$ 177,285	\$ 18,307	\$ 258,810	\$ 154,691	\$ 1,548,602
Salaries payable	309,721	-	-	109,865	-	-	-	419,586
Accrued liabilities	-	183,329	4,486	187,683	19,808	6,078	40,036	443,420
Deposit payable	-	-	-	-	750	-	-	750
Unearned revenue	-	84,878	115,072	104,090	-	-	-	304,040
Accrued interest payable	-	-	16,687	-	-	10,392	-	27,079
Client trust payable	86,513	-	-	-	-	1,285,000	-	86,513
Bonds payable - Due within one year	66,391	173,000	922,904	-	-	-	-	2,447,295
Capital lease payable - Due within one year	320,000	186,033	-	-	-	-	-	506,033
Bonds payable - Due in more than one year	-	112,000	6,289,000	-	-	1,315,000	-	7,716,000
Capital lease payable - Due in more than one year	-	2,639,379	-	-	-	-	-	2,639,379
Net pension liability	767,269	357,242	48,196	892,869	101,377	43,316	13,034	2,223,303
Compensated absences	-	91,768	-	144,218	27,509	18,875	9,818	292,188
Total Liabilities	2,299,089	3,884,663	7,531,625	1,616,010	167,751	2,937,471	217,579	18,654,188
Deferred inflows of resources	-	-	-	23,077	-	-	-	23,077
Deferred inflows - related to pensions	451,435	239,122	45,931	590,026	60,064	38,278	52,598	1,477,454
Total liabilities and deferred inflows of resources	2,750,524	4,123,785	7,577,556	2,229,113	227,815	2,975,749	270,177	20,154,719
NET POSITION								
Net investment in capital assets	2,368,387	11,286,847	-	6,959,560	489,120	14,422,395	4,832,491	40,358,800
Restricted for:								
Client trusts	-	-	-	18,500	-	-	-	18,500
Debt service	86,513	39,000	531,692	-	-	2,075,229	-	2,732,434
Unrestricted/Unassigned	9,738,151	1,639,778	5,926,647	406,216	511,514	933,843	681,158	19,857,307
Total Net Position	\$ 12,213,051	\$ 12,965,625	\$ 6,458,339	\$ 7,384,276	\$ 1,000,634	\$ 17,431,467	\$ 5,513,649	\$ 62,967,041

Uintah County Combining Statement of Activities Component Units For the Year Ended December 31, 2020

Function/Program	Program Revenues		Net (Expenses) Revenue & Change in Net Position									
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Tri-County Health & Substance Abuse Authority	Utah Basin Health & Substance Abuse Authority	Utah Recreation Special Service District	Utah Transportation Special Service District	Utah Health Care Special Service District	Utah Animal Control & Shelter Special Service District	Utah Impact Mitigation Special Service District	Utah Fire Suppression Special Service District
Governmental activities:												
Utah Transportation SSD:												
Highways and public improvements	\$ 10424143	\$ 63,124	\$ 257,576	\$ 8,106,218	\$ -	\$ -	\$ -	\$ (1,997,225)	\$ -	\$ -	\$ -	\$ -
Interest on long-term liabilities	893,314	-	-	-	-	-	-	(893,314)	-	-	-	-
Utah Impact Mitigation SSD:												
Community and economic development	2,056,468	-	65,000	-	-	-	-	-	-	-	(1,991,468)	-
Interest on long-term liabilities	871,183	-	-	-	-	-	-	-	-	-	(871,183)	-
Utah Fire Suppression SSD:												
General government	541,948	-	-	-	-	-	-	-	-	-	-	(541,948)
Public Safety	1,340,692	148,205	387,087	-	-	-	-	-	-	-	-	(805,400)
Total governmental activities	14,539,748	211,329	709,663	8,106,218	-	-	-	(2,086,539)	-	-	(2,078,651)	(1,347,348)
Business-type activities:												
Utah Basin Tri-County Mental Health & Substance Abuse Authority	7,903,128	5,686,823	2,618,826	854,300	1,256,821	-	-	-	-	-	-	-
Utah Recreation SSD	5,398,659	1,425,408	-	-	-	(3,973,251)	-	-	-	-	-	-
Utah Health Care SSD	7,899,448	5,426,981	783,732	444,037	-	-	-	-	(1,244,698)	-	-	-
Utah County Animal Control & Shelter SSD	994,490	72,418	173,745	-	-	-	-	-	-	(748,327)	-	-
Total business-type activities	22,195,725	12,611,630	3,576,303	1,298,337	1,256,821	(3,973,251)	-	-	(1,244,698)	(748,327)	-	-
Total Component Units	\$ 36,735,473	\$ 12,822,959	\$ 4,285,966	\$ 9,404,555	\$ 1,256,821	\$ (3,973,251)	\$ -	\$ (2,086,539)	\$ (1,244,698)	\$ (748,327)	\$ (2,078,651)	\$ (1,347,348)
General Revenues:												
Mineral lease revenue							1,201,911	2,753,286	858,509	690,244	2,833,092	1,080,215
Gain (loss) on disposal of assets					49,662	-	-	-	-	-	-	-
Contribution to other governments					-	-	-	159,188	600,000	50,000	-	2,712
Investment earnings					134,131	44,548	-	183,343	-	4,871	32,803	13,307
Miscellaneous					99,193	2,657	2,657	5,260	11,424	49,950	1,120	33,992
Total General Revenues					282,976	1,249,116	3,101,077	1,469,933	795,065	795,065	2,867,015	1,080,226
Change in Net Position					1,539,797	(2,734,135)	1,014,538	225,235	46,738	788,364	(267,122)	623,415
Net Position - Beginning					10,673,254	15,699,790	5,443,801	7,159,041	953,896	16,643,103	5,780,771	62,343,626
Net Position - Ending					\$ 12,213,051	\$ 12,965,625	\$ 6,458,339	\$ 7,384,276	\$ 1,000,634	\$ 17,431,467	\$ 5,513,649	\$ 62,967,041

Uintah County Combining Balance Sheet Nonmajor Governmental Funds For the Year Ended December 31, 2020

	Special Revenue Funds										Det Service				Permanent Funds				Total Non-major Governmental Funds
	Assessing and Collecting	Flood Control	Library	Tri-County Health	Transient Room	Food Service Tax	Drug Court	Historic Preservation	Emergency 911 Services	Tort Liability	Regional History	County/City Cemetery Asso.	Debt Service	Tax Stability Trust	Cemetery Board Funds				
ASSETS																			
Cash and cash equivalents	\$ 1,264,601	\$ 1,890,648	\$ 2,369,336	\$ 1,685,204	\$ 526,653	\$ 397,114	\$ 54,721	\$ 30,159	\$ 1,524,257	\$ 1,126,238	\$ 217,756	\$ 502,861	\$ 939,304	\$ -	\$ 391,127	\$ 12,919,379			
Accounts receivable, net			367	176,626	5,000	-	-	-	89	65,037	-	17,691	-	-	-	199,773			
Taxes receivable	420,084	4,716	288,790	82,232	49,668	83,531	-	-	-	-	-	-	384,596	3,783	-	1,382,437			
Restricted cash and investments	-	-	-	408,220	-	-	-	-	-	-	-	-	-	8,112,831	-	8,521,051			
Total Assets	1,684,685	1,895,364	2,658,493	2,352,282	800,721	480,645	54,721	30,159	1,524,346	1,191,275	217,756	520,552	1,323,900	8,116,614	391,127	23,022,640			
LIABILITIES AND FUND BALANCES																			
Warrants payable	-	-	41,287	50,172	29,641	-	342	-	-	-	-	2,592	-	-	-	125,034			
Accounts payable	-	-	46,728	53,709	52,887	1,100	6,233	-	-	-	-	10,980	-	-	-	171,637			
Salaries payable	-	-	8,536	23,979	3,069	-	2,628	-	-	-	-	2,921	-	-	-	41,423			
Accrued liabilities	-	-	6,844	2,100	7,313	-	-	-	-	-	-	2,417	-	-	-	18,674			
Deferred inflows of resources	-	-	-	18,052	-	-	-	-	-	-	-	-	-	-	-	18,052			
Total Liabilities	-	-	103,095	148,012	92,900	1,100	9,203	-	-	-	-	18,910	-	-	1,000	374,820			
FUND BALANCE																			
Restricted:																			
Assessing and Collecting	1,684,685	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,684,685			
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	390,127	390,127			
Flood Control	-	1,895,364	-	-	-	-	-	-	-	-	-	-	-	-	-	1,895,364			
Library	-	-	2,554,798	-	-	-	-	-	-	-	-	-	-	-	-	2,554,798			
Tri-County Health	-	-	-	2,204,270	-	-	-	-	-	-	-	-	-	-	-	2,204,270			
Transient Room	-	-	-	-	487,821	-	-	-	-	-	-	-	-	-	-	487,821			
Food Service	-	-	-	-	-	479,545	-	-	-	-	-	-	-	-	-	479,545			
Tort Liability	-	-	-	-	-	-	-	-	-	1,191,275	-	-	-	-	-	1,191,275			
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	1,323,900	-	-	1,323,900			
Permanent Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	8,116,614	-	8,116,614			
Committed:																			
Regional History Center	-	-	-	-	-	-	-	-	-	-	217,756	-	-	-	-	217,756			
911 Emergency Service	-	-	-	-	-	-	-	-	1,524,346	-	-	-	-	-	-	1,524,346			
Assigned																			
Drug Court	-	-	-	-	-	-	45,518	-	-	-	-	-	-	-	-	45,518			
Historical Preservation	-	-	-	-	-	-	-	30,159	-	-	-	-	-	-	-	30,159			
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Fund Balances	1,684,685	1,895,364	2,554,798	2,204,270	487,821	479,545	45,518	30,159	1,524,346	1,191,275	217,756	501,642	1,323,900	8,116,614	390,127	22,647,820			
Total Liabilities and Fund Balance	\$ 1,684,685	\$ 1,895,364	\$ 2,658,493	\$ 2,352,282	\$ 800,721	\$ 480,645	\$ 54,721	\$ 30,159	\$ 1,524,346	\$ 1,191,275	\$ 217,756	\$ 520,552	\$ 1,323,900	\$ 8,116,614	\$ 391,127	\$ 23,022,640			

Utah County **Combining Statement of Revenues, Expenditures, and Changes in Fund Balances** **Nonmajor Governmental Funds** **For the Year Ended December 31, 2020**

	Special Revenue Funds										Debt Service		Permanent Funds			Total Non-major Governmental Funds
	Assessing and Collecting	Flood Control	Library	Tri-County Health	Transient Room	Food Service Tax	Drug Court	Historic Preservation	Emergency 911 Services	Tort Liability	Regional History	County/City Cemetery Assoc.	Debt Service	Tax Stability Trust	Cemetery Board Funds	
REVENUES																
Taxes	\$ 2,710,746	\$ 36,220	\$ 1,922,431	\$ 547,300	\$ 458,595	\$ 505,549	\$ -	\$ -	\$ -	\$ 429,770	\$ -	\$ -	\$ 2,516,900	\$ 26,905	\$ -	\$ 9,174,416
Charges for services	-	-	11,328	23,350	201,593	-	39,829	-	-	-	3,680	154,820	-	-	23,340	457,940
Intergovernmental revenues	-	-	15,223	3,626,287	127,300	-	20,000	-	-	-	-	82,074	-	-	-	3,870,884
Interest income	18,235	19,072	21,077	12,156	7,310	4,763	1,014	306	15,524	8,086	2,190	7,390	12,438	176,238	4,263	310,062
Miscellaneous	-	-	9,198	19,603	8,892	-	-	-	-	43,000	127	1,089	-	-	-	43,254
Total Revenues	2,748,981	55,292	1,979,257	4,228,696	803,690	510,312	60,888	306	15,524	442,156	5,997	245,573	2,529,338	203,143	27,603	13,856,556
EXPENDITURES																
Current:																
General government	2,605,736	21,163	-	-	-	-	-	-	-	421,085	-	-	-	5,097	-	3,053,081
Public safety	-	-	-	-	-	-	130,617	-	-	-	-	-	-	-	-	130,617
Public health	-	-	-	3,769,758	-	77,940	-	-	-	-	-	-	-	-	-	3,847,698
Parks, recreation, and public property	-	759	1,786,477	-	-	-	-	-	-	-	1,596	577,876	-	-	52,855	2,419,563
Conservation and economic development	-	-	-	-	1,704,758	-	-	-	-	-	-	-	-	-	-	1,704,758
Capital outlay	-	-	86,968	-	-	-	-	-	-	-	-	-	-	-	1,000	87,968
Debt Service:																
Principal retirement	-	-	-	-	-	-	-	-	-	-	-	-	1,380,000	-	-	1,380,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	1,106,955	-	-	1,106,955
Total Expenditures	2,605,736	21,922	1,873,445	3,769,758	1,704,758	77,940	130,617	-	-	421,085	1,596	577,876	2,486,955	5,097	53,855	13,730,640
Excess Revenues Over (Under)																
Expenditures	143,245	33,370	105,812	458,938	(901,068)	432,372	(69,729)	306	15,524	21,071	4,401	(332,503)	42,383	198,046	(26,252)	125,916
Other financing sources (uses)																
Transfers in	-	-	-	-	400,000	-	70,000	-	-	-	-	460,000	-	(130,956)	-	930,000
Transfers (out)	-	-	-	-	(400,000)	(400,000)	(70,000)	-	-	-	-	(460,000)	-	(120,956)	-	(520,956)
Total Other Financing Sources and Uses	-	-	-	-	-	(400,000)	70,000	-	-	-	-	460,000	-	(120,956)	-	409,044
Excess of Revenues and Other Sources																
Over (under) expenditures and other uses	143,245	33,370	105,812	458,938	(501,068)	32,372	271	306	15,524	21,071	4,401	127,497	42,383	77,090	(26,252)	534,960
Fund Balances - Beginning	1,541,440	1,861,994	2,448,986	1,745,332	988,889	447,173	45,247	29,853	1,508,822	1,170,204	213,355	374,145	1,281,517	803,924	-	21,696,481
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,379
Fund Balances - Ending	\$ 1,684,685	\$ 1,895,364	\$ 2,554,798	\$ 2,204,270	\$ 487,821	\$ 479,545	\$ 45,518	\$ 30,159	\$ 1,524,346	\$ 1,191,275	\$ 217,756	\$ 501,642	\$ 1,323,900	\$ 8,116,614	\$ 390,127	\$ 22,647,820

Uintah County
Combining Statement of Cemetery Board Funds
For the Year Ended December 31, 2020

	Avalon Cemetery	Dryfork Cemetery	Gusher Cemetery	Hayden Cemetery	Jensen Cemetery	LaPoint Cemetery	Leota Cemetery	Maeser Cemetery	Rockpoint Cemetery	Tridell Cemetery	Total Cemetery Funds
ASSETS											
Cash and cash equivalents	\$ 2,885	\$ 52,493	\$ 630	\$ 11,030	\$ 82,582	\$ 1,117	\$ 3,020	\$ 123,892	\$ 110,111	\$ 3,367	\$ 391,127
Total Assets	2,885	52,493	630	11,030	82,582	1,117	3,020	123,892	110,111	3,367	391,127
LIABILITIES AND FUND BALANCES											
Warrants payable	-	-	-	-	1,000	-	-	-	-	-	1,000
Total Liabilities	-	-	-	-	1,000	-	-	-	-	-	1,000
FUND BALANCE											
Total Cemeteries	\$ 2,885	\$ 52,493	\$ 630	\$ 11,030	\$ 81,582	\$ 1,117	\$ 3,020	\$ 123,892	\$ 110,111	\$ 3,367	\$ 390,127

Uintah County
Combining Statement of Changes in Cemetery Board Funds
For the Year Ended December 31, 2020

	Avalon Cemetery	Dryfork Cemetery	Gusher Cemetery	Hayden Cemetery	Jensen Cemetery	LaPoint Cemetery	Leota Cemetery	Maeser Cemetery	Rockpoint Cemetery	Tridell Cemetery	Total Cemetery Funds
<u>ADDITIONS</u>											
Contributions:											
Charges for services	\$ -	\$ -	\$ -	\$ 1,200	\$ 900	\$ (660)	\$ -	\$ 7,800	\$ 14,100	\$ -	\$ 23,340
Interest income	30	533	7	102	828	53	31	1,250	1,080	349	4,263
Total Revenues	30	533	7	1,302	1,728	(607)	31	9,050	15,180	349	27,603
<u>DEDUCTIONS</u>											
Cemetery maintenance	-	-	-	-	-	3,875	-	9,200	4,800	34,980	52,855
Capital Outlay	-	-	-	-	1,000	-	-	-	-	-	1,000
Total Expenditures	-	-	-	-	1,000	3,875	-	9,200	4,800	34,980	53,855
Change in net position	30	533	7	1,302	728	(4,482)	31	(150)	10,380	(34,631)	(26,252)
Fund Balances - Beginning	2,855	51,960	623	9,728	80,854	5,599	2,989	124,042	99,731	37,998	416,379
Fund Balances - Ending	\$ 2,885	\$ 52,493	\$ 630	\$ 11,030	\$ 81,582	\$ 1,117	\$ 3,020	\$ 123,892	\$ 110,111	\$ 3,367	\$ 390,127

Uintah County

Entity	Year-End Real Property Value	Year-End Centrally Assessed Property Value	Total Adjusted			Total			Current Year Real & Centrally Assessed Property Value (5 + 8)	Prior Year Property Value (6 - 7)	Current Year Tax Rate (2 * 10)	Prior Year Tax Rate (3 * 10)	Centrally Assessed Property Taxes Charged (3 * 10)
			Total Adjusted Real & Centrally Assessed RDA Value (2 + 3 - 4)	Real & Centrally Assessed Value (2 + 3 - 4)	Personal Property RDA Value (6 - 7)	Adjusted Personal Property Value (6 - 7)	Total Adjusted Personal Property Value (5 + 8)						
								Year-End Personal Property Value					
Unintah County Funds:													
County General	\$ 1,848,539,401	\$ 2,087,430,800	\$ -	\$ 3,935,970,201	\$ 130,702,182	\$ -	\$ 130,702,182	\$ 4,066,672,383	0.002885	0.002885	\$ 5,333,036	\$ 6,022,238	
Assessing and Collecting - State	1,848,539,401	2,087,430,800	-	3,935,970,201	130,702,182	-	130,702,182	4,066,672,383	0.000637	0.000577	1,177,520	1,329,693	
Assessing and Collecting - County	1,848,539,401	2,087,430,800	-	3,935,970,201	130,702,182	-	130,702,182	4,066,672,383	0.000012	0.000009	22,182	25,049	
Total County Funds													
UINTAH SCHOOL DIST	1,848,539,401	2,087,430,800	-	3,935,970,201	130,702,182	-	130,702,182	4,066,672,383	0.0005543	0.0005806	10,246,454	11,570,629	
STATE SUPP SCHOOLS	1,848,539,401	2,087,430,800	-	3,935,970,201	130,702,182	-	130,702,182	4,066,672,383	0.001628	0.001661	3,009,422	3,398,337	
STATE CHARTER SCHOOL LEWY	1,848,539,401	2,087,430,800	-	3,935,970,201	130,702,182	-	130,702,182	4,066,672,383	0.000152	0.000128	280,978	317,289	
Cities and Towns:													
VERNAL CITY	585,984,474	35,545,561	-	621,630,035	41,737,526	-	41,737,526	663,367,561	0.000655	0.000678	383,820	23,348	
NAPLES CITY	206,920,823	9,562,385	-	216,483,208	34,256,441	-	34,256,441	250,739,649	0.000327	0.000328	67,663	3,127	
BALLARD CITY	79,600,412	15,317,851	-	94,918,263	4,716,292	-	4,716,292	99,634,555	0.002577	0.002381	205,130	39,474	
Total Cities and Towns													
656,613 65,949													
Other Special Districts:													
ASHLEY VALLEY WATER	821,952,949	56,782,708	-	878,735,657	50,811,076	-	50,811,076	929,546,733	0.000176	0.000179	144,664	9,994	
BALLARD WATER	83,786,618	16,107,730	-	99,894,348	4,716,292	-	4,716,292	104,610,640	0.000547	0.000514	45,831	8,811	
CENTRAL UTAH WATER	1,848,539,401	2,087,430,800	-	3,935,970,201	130,702,182	-	130,702,182.00	4,066,672,383	0.000400	0.000400	739,416	834,972	
JENSEN WATER	92,827,895	33,585,999	-	126,413,894	7,547,968.00	-	7,547,968.00	133,961,862	0.000791	0.000742	73,427	26,567	
JOHNSON WATER	5,850,210	23,196,220	-	29,046,430	-	-	-	29,046,430	0.000000	0.000000	-	-	
MAESER WATER	174,939,612	7,816,674	-	182,756,286	818,410.00	-	818,410.00	183,574,696	0.000461	0.000475	80,647	3,603	
MOSQUITO ABRATEMENT	1,848,539,401	2,087,430,800	-	3,935,970,201	130,702,182	-	130,702,182.00	4,066,672,383	0.000260	0.000250	480,620	542,732	
OURAY PARK	15,159,288	89,518,460	-	104,677,748	22,948.00	-	22,948.00	104,700,696	0.000915	0.000876	13,871	81,909	
TRIDELL-LAPOINT	47,805,601	15,106,297	-	62,911,898	300,906.00	-	300,906.00	63,212,804	0.000668	0.000653	31,934	10,091	
UINTAH WATER CONSERV	1,734,891,565	2,006,989,770	-	3,741,881,335	125,985,890	-	125,985,890	3,867,867,225	0.000549	0.000495	952,455	1,101,837	
Total Other Special Districts													
2,562,865 2,620,517													
GRAND TOTALS													
\$ 23,289,071 \$ 25,349,702													

Uintah County
 Schedule of Current Taxes Levied, Collected, and Treasurer's Relief
 For the Year Ended December 31, 2020

ENTITY	PERSONAL PROPERTY TAXES CHARGED (8 x 11)	TAXES CHARGED (12 + 13)	UNPAID TAXES	ABATEMENTS	OTHER	TOTAL RELIEF	TAXES COLLECTED (14 - 18)	ANNUAL COLLECTION RATE	REALLOCATION OF PERSONAL PROPERTY	FEE-IN-LIEU REVENUE/ AGE BASED REVENUE	MISC. COLLECTIONS	DELINQUENT & REDEMPTION TAXES	INTEREST & PENALTIES	TAX INCREMENT PAID (SUBTRACT)	Refunds (Subtract)	Total Disbursed
Uintah County Funds:																
County General	\$ 377,076	\$ 11,732,350	\$ 78,971	\$ 55,943	\$ 229,649	\$ 364,563	\$ 11,367,787	96.89%	\$ 8,753	\$ 511,148	\$ 29,928	\$ 397,786	\$ 181,550	\$ 44,253	\$ 116,484	12,336,215
Assessing and Collecting - State	75,415	2,582,628	17,437	12,352	42,859	72,648	2,509,980	97.19%	17,416	112,860	7,670	77,858	4,774	-	21,839	2,708,719
Assessing and Collecting - County	1,176	48,408	328	233	557	1,118	47,290	97.69%	811	2,126	26	1,333	91	-	439	51,238
Total County Funds	453,667	14,363,386	96,736	68,528	273,065	438,329	13,925,057	96.95%	26,980	626,134	37,624	476,977	186,415		138,762	15,096,172
UINTAH SCHOOL DIST	758,857	22,575,940	151,729	107,484	475,588	734,801	21,841,139	96.75%	(51,056)	982,075	91,209	783,477	46,606	85,024	202,846	23,405,580
Grand County School District in Sai	217,096	6,624,856	44,563	31,569	133,889	210,021	6,414,835	96.83%	(3,577)	288,439	16,527	231,217	14,280	-	67,955	6,893,766
STATE-CHARTER SCHOOL LEVY	16,730	614,997	4,161	2,947	8,971	16,079	598,918	97.39%	6,655	26,930	6,043	14,592	757	2,332	507	651,056
Cities and Towns:	992,683	29,815,793	200,453	142,000	618,448	960,901	28,854,892		(47,978)	1,297,444	113,779	1,029,286	61,643		271,308	30,950,402
VERNAL CITY	28,298	435,466	5,098	2,804	10,520	18,422	417,044	95.77%	(1,012)	26,927	4,077	17,019	1,261	10,047	66	455,203
NAPLES CITY	11,236	82,026	1,344	532	1,559	3,435	78,591	95.81%	142	6,735	896	9,628	855	-	9	96,838
BALLARD CITY	11,229	255,834	4,796	1,183	8,972	14,951	240,883	94.16%	1,320	7,955	2,530	12,869	721	-	2	266,276
Total Cities and Towns	50,764	773,326	11,238	4,519	21,051	36,808	736,518	95.24%	450	41,617	7,503	39,516	2,837		77	818,317
Other Special Districts:																
ASHLEY VALLEY WATER	9,095	163,753	2,274	1,554	4,132	7,960	155,793	95.14%	(101)	15,618	1,779	11,872	859	-	33	185,787
BALLARD WATER	2,424	57,066	990	258	2,296	3,544	53,522	93.79%	230	1,818	562	3,450	200	-	-	59,782
CENTRAL UTAH WATER	52,281	1,626,669	10,949	7,756	31,844	50,549	1,576,120	96.89%	1,214	70,869	4,126	55,896	3,470	-	16,237	1,695,458
JENSEN WATER	5,601	105,594	2,280	834	2,072	5,186	100,408	95.09%	707	5,864	1,011	7,102	315	-	8	115,399
JOHNSON WATER	-	-	-	-	-	-	-	0.00%	-	-	-	-	-	-	-	-
MAESER WATER	389	84,639	621	1,359	1,243	3,223	81,416	96.19%	(136)	10,073	961	1,606	116	-	19	94,017
MOSQUITO ABATEMENT	32,676	1,056,028	7,117	5,042	19,393	31,552	1,024,476	97.01%	3,370	46,065	3,171	33,964	2,067	-	9,578	1,103,535
OURAY PARK	20	95,800	201	228	324	753	95,047	99.21%	30	771	969	432	30	-	2,047	95,232
TRIDELL-LAPOINT	196	42,222	672	267	1,244	2,183	40,039	94.83%	102	4,052	459	2,647	181	-	1	47,479
UINTAH WATER CONSERV	62,363	2,116,656	13,798	10,217	33,178	57,193	2,059,463	97.30%	15,135	94,335	5,225	63,393	3,944	-	18,896	2,222,599
Total Other Special Districts	165,045	5,348,427	38,902	27,515	95,726	162,143	5,186,284	96.97%	20,551	249,465	18,263	180,362	11,182		46,819	5,619,288
Total	\$ 1,662,159	\$ 50,300,931	\$ 347,329	\$ 242,562	\$ 1,008,290	\$ 1,598,181	\$ 48,702,750		\$ 3	\$ 2,214,660	\$ 177,169	\$ 1,726,141	\$ 262,077		\$ 456,966	\$ 52,484,178

Uintah County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Direct or Pass-Through Grantors Contract	Expenditures	Passed Through to Subrecipients	Non-cash assistance
U.S. Department of Health and Human Services					
Passed through Utah Department of Health					
PH Preparedness	93.069	212700122	171,984		
TB Elimination	93.116	202700583	4,200		
Immunization VFC	93.268	192701013	27,364		
Hospital Preparedness	93.889	212700122	79,872		
Covid19 Contact Tracing	21.019	212700014	133,771		
Covid19 Response	21.019	202700756	388,219		
Community Health Workers	21.019	212700096	47,215		
Comprehensive Tobacco	93.305	162700018	14,710		
Flu Clinic Capacity	93.268	202701059	929		
ELC Covid19	93.268	202700956	-		
Medical Reserve Corps	93.889	212700122	3,229		
Hospital Preparedness Covid19	93.889	202700061	16,694		
EPICC 1815A Diabetes	93.426	192700380	3,363		
EPICC 1815B CVD	93.426	192700380	4,739		
HIV Prevention	93.94	182700670	86		
MCH Services	93.994	162700348	63,540		
Community Based CSHCN	93.994	182700579	64,425		
CHEC Administration	93.778	162700979	7,621		
CHEC Professional	93.778	162700979	-		
STD Prevention	93.977	192700669	3,626		
Vaccine Preventable Disease	93.323	202700512	740		
Enhanced HCV/HBV	93.27	192700570	350		
Early Childhood Development	93.778	162700996	1,579		
Asthma	93.778	202700481	21,369		
Prion Disease	93.323	202700512	-		
OD Data to Action	93.136	212700665	7,593		
Epi Outbreak & Response	93.323	202700512	1,824		
MCH Injury	93.994	202700014	14,102		
Fall Prevention	93.761	202700014	-		
Consumer Education & Assistance	93.778	202700276	14,409		
EPICC PBG	93.991	192700380	37,468		
PBG Injury	93.991	202700014	4,735		
Opioid Overdose (ccrt)	16.754	202700014	3,980		
Sexual Violence	93.136	192700951	9,656		
Abstinence Education	93.235	212700574	65,809		
EPICC 1807 PAN	93.439	192700380	604		
EPICC 1817A Diabetes	93.435	192700380	14,941		
EPICC 1817B CVD	93.435	192700380	16,761		
Total passed-through Utah Department of Health			1,251,506	-	-
Total U.S. Department of Health and Human Services			1,251,506	-	-
U.S. Department of Agriculture					
** WIC Administration	10.557	202700364	82,569		82,569
** WIC Nutrition	10.557	202700364	62,723		62,723
** WIC Breastfeeding	10.557	202700364	25,557		25,557
** WIC Client Services	10.557	202700364	89,515		89,515
** WIC Peer Counseling	10.557	202700364	6,952		6,952
** WIC Technology Services	10.557	202700364	5,857		5,857
** WIC Food Vouchers	10.557	202700364	559,364		559,364
Total passed-through through Utah Department of Health			832,536	-	832,536
NRCS	10.904	NR198D43xxxxC004	458,042	458,042	
USDA	10.025		8,200	-	
Total U.S. Department of Agriculture			1,298,779	458,042	832,536

Uintah County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

U.S. Department of Homeland Security

Passed-through State of Utah				
Emergency Management Performance Grant	97.042	EMPG-2019-DEM-048	4,685	
Homeland Security Program	97.067	DEM-2017-SHSP-005	40,119	
Homeland Security Program	97.067	DEM-2018-SHSP-005	-	
Homeland Security Program	97.067	DEM-2019-SHSP-005	41,831	
Total passed-through State of Utah			86,635	-
Total U.S. Department of Homeland Security			86,635	-

U.S. Department of Justice

Direct Program				
Bullet Proof Vest	17		1,070	
Total Direct Programs			1,070	
Passed-through Utah Department of Commission on Criminal and Juvenile Justice				
JAG- Justice Assistance Grant	17A185		4,312	
Internet Crimes Against Children (ICAC)	MOU		11,789	
Victims of Crime	16.575	19-VOCA0165 / 20VOCA065	172,878	
Victims of Crime	16.575	16VOCA016	248,048	
Total passed-through Utah Department of Commission on Criminal and Juvenile Justice			437,027	-
Total U.S. Department of Justice			438,097	-

U.S. Department of Interior

VFAST	Contract	M-19-D81-0-000051	6,028	
Total U.S. Department of Interior			6,028	-

U.S. Department of Transportation

Runway Reconstruction	20.106	AIP 3-49-0037-33	79,864	
Ground Water Mitigation	20.106	AIP 3-49-0037-038-2020	190,566	
Passed-through State of Utah Department of Transportation				
Runway Relocation	20.106	AIP 3-49-0037-34	50,542	50,542
Master Plan Update	20.106	AIP 3-49-0037-035-2019	174,958	174,958
VEL Mott Land Acquisition	20.106	AIP 3-49-0037-036-2019	64,333	64,333
Airport CARES Act	20.106	AIP 3-49-0037-039-2020	781,329	781,329
Total passed-through State of Utah of Department of Transportation			1,071,162	1,071,163
Total U.S. Department of Transportation			1,341,592	1,071,163

U.S. Department of Treasury

* CARES ACT	21.019		21,791	
* CARES ACT	21.019		3,637,210	
* CARES ACT	21.019		951,772	
Total U.S. Department of Treasury			4,610,773	-

U.S. Environmental Protection Agency

Passed-through Utah Department of Environmental Quality				
Environmental Quality Programs	66.605	210347	350,658.74	
Total U.S. Environmental Protection Agency			350,658.74	-

Total Expenditures of Federal Awards

9,384,068	1,529,205	832,536
------------------	------------------	----------------

* Denotes a major program

** Non-cash

Uintah County
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

Reporting Entity

Uintah County, for purpose of the financial statements, includes all of the funds of the primary government as defined by Governmental Accounting Standards Board.

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes federal grant activity of the County under programs of the federal government for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). All awards are identified on the schedule as direct or indirect. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net asset or cash flows of the County.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Federal Awards reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Loans Outstanding

The County did not have any federally insured loans outstanding at year-end.

Non-Cash Assistance

The County receives non-cash assistance in the form of WIC vouchers, see schedule of expenditures of federal awards.



**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***

Honorable County Commission
Uintah County
Vernal, Utah 84078

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 Uintah County, Utah, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Uintah County's basic financial statements and have issued our report thereon dated October 1, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Uintah 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 Uintah County's internal control. Accordingly, we do not express an opinion on the effectiveness of Uintah 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 entity's financial statements will not be prevented, or detected, and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Uintah 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
October 1, 2021

This page intentionally left blank



**INDEPENDENT AUDITOR'S REPROT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

Honorable County Commission
Uintah County
Vernal, Utah 84078

Report On Compliance with General State Compliance Requirements

We have audited Uintah County's compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on Uintah County for the year ended December 31, 2020.

State compliance requirements were tested for the year ended December 31, 2020 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes and Other Related Revenues
- Open and Public Meetings Act
- Fraud Risk Assessment
- Cash Management
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Impact Fees
- Utah Retirement Systems
- Public Treasurer's Bond

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on Uintah 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 Uintah County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Uintah County's compliance with those requirements.

Opinion on Compliance

In our opinion, Uintah County complied, in all material respects, with the compliance requirements referred to above for the year ended December 31, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the attached schedule of findings and question. Our opinion on compliance is not modified with respect to these matters.

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the 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. 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.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
October 1, 2021



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERANAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Honorable County Commission
Uintah County
Vernal, Utah 84078

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAMS

We have audited Uintah County, Utah's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Uintah County's major federal programs for the year ended December 31, 2020. Uintah County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Uintah County's major federal programs based on our audit of the types of 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Uintah 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 major federal program. However, our audit does not provide a legal determination of Uintah County's compliance.

Opinion on Each Major Federal Program

In our opinion, Uintah County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of Uintah County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Uintah County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Uintah 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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program 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. Finding UG-2020.1 in the accompanying schedule of findings and questioned costs is considered a material weakness in internal control. We did not identify any other 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 over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
October 1, 2021

Uintah County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Summary of the Auditor's Results

- 1- Type of auditor's report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles:

Governmental activities	Qualified
Business-type activities	Unmodified
Governmental funds	Unmodified
Business-type funds	Unmodified
Discretely presented component units	Unmodified
Aggregate remaining fund information	Unmodified
- 2- No reportable conditions related to the audit of the financial statements are reported in the Auditor's Report on Internal Controls and Compliance with Laws and Regulations, however, significant deficiencies were identified and reported in the schedule of findings and questioned costs hereafter.
- 3- No instances of noncompliance material to the financial statements of the County were disclosed during the audit.
- 4- Material weaknesses relating to the audit of the major federal award program is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with Uniform Guidance.
- 5- The independent auditor's report on compliance for the major federal award programs for the County, expresses an unmodified opinion.
- 6- The audit disclosed audit findings that are required to be reported under 2 CFR section 200.516(a).
- 7- The programs tested as a major program include:

Coronavirus, Aid, Relief, and Economic Security Act or the CARES Act 21.019
- 8- The threshold for distinguishing Types A and B programs is \$750,000 of federal awards expended.
- 9- The County was determined to be a low-risk auditee.

Uintah County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Utah State Compliance Findings

SC-2020.1 Open and public meetings act

Criteria: *Utah Code 52-4-202(1)(a)(i)* A public body shall give not less than 24 hours public notice of each meeting.

Condition: As part of our testing of the open and public meetings act, we are required to select two public meetings and document the County's compliance. One of those meetings selected did not give at least 24 hours' notice on the Utah Public Notice Website. The agenda for the meeting was posted to the website 9 days after the meeting was held.

Cause of condition: Oversight by management.

Potential effect of condition: Noncompliance with the open and public meetings act.

Recommendation: We recommend that management post all agendas for public meetings on the UPN website at least 24 hours prior to the meeting.

Client response: This was an oversight, we are not sure exactly what happened on the week that you sampled, we are guessing that something went wrong with the initial posting, and it was corrected and updated pushing the date out. Will watch more closely to see that it does not happen again.

SC-2020.2 Open and public meetings act

Criteria: *Utah Code 17-36* requires counties to provide a 7-day notice of the public hearing wherein the budget will be discussed and adopted, as well as making the budget available to the public for inspection at least 10 days prior to adoption.

Condition: Uintah County's 2021 final budget was adopted on December 28, 2020. Notices for the budget public hearings were posted to the UPN website on October 28, for the November meeting to discuss the budget, however, no notice was posted to the UPN website for the public hearing wherein the budget was adopted. The county didn't provide a 7-day notice prior to the meeting of December 30, 2020.

Cause of condition: Oversight by management.

Potential effect of condition: Noncompliance with open and public meetings act.

Recommendation: We recommend that management ensures that the county provide notice of public hearings in excess of the minimum required time frame outline by Utah Code.

Client response: Uintah County respectfully disagree with your interpretation of the public hearing requirements contained in Utah Code 17-36 relating to the adoption of the budget and we believe the county complied with the public hearing requirements of Utah Code 17-36. According to our reading of Utah Code 17-36, the governing body is required to hold a (singular) public hearing on the adoption of the budget. Accordingly, on November 16, 2020 Uintah County held a public hearing on the adoption of the budget where all interested persons were given an opportunity to be heard for or against the budget. This public hearing was properly noticed, as required in Utah Code 17-36-12:

1. In a newspaper of general circulation within the county on November 3, 2020,
2. The Utah Public Notice Website on October 28, 2020, and
3. The County's website on October 28, 2020.

In accordance with Utah Code 17-36-15, on December 28, 2020, the governing body adopted the budget.

Additionally, you have not provided any reasoned justification for your recommendation that the county provide notice of **the required** public hearings in excess of the **requirements set forth in Utah Code**. It is our position that the notice time frame outlined in Utah Code is legally required and was in all points followed.

Following are the relevant sections of Utah Code 17-36:

17-36-12; "The governing body shall determine the time and place for **the public hearing** on the adoption of the budget."

17-36-13; "At the specified time and place or at any time and place to which such public hearing may be adjourned, the governing body shall hold **a public hearing** on the budget where all interested persons shall have an opportunity to be heard for or against the estimates of revenue and expenditures and performance data or any item in any fund".

Uintah County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

17-36-14; "After the public hearing the governing body shall make final adjustments to the tentative budget as it deems appropriate, giving due consideration to matters discussed at the hearing. Nevertheless, there shall be no decrease in the amount appropriated, as provided in Section [17-36-17](#), for reduction of any deficit which exists, nor shall any budget increase exceed the estimated revenue for such budget".

17-36-15 "On or before the last day of each fiscal period, the governing body by resolution shall adopt the budget".

Financial Statement/Control Findings

IC-2020.1 Control environment (Significant deficiency)

Criteria: In accordance with the Green Book and COSO, the control environment is the foundation for an internal control system. It provides the discipline and structure, which affect the overall quality of internal control. It influences how objectives are defined and how control activities are structured. Those charged with governance and management establish and maintain an environment throughout the County that sets a positive attitude towards internal controls.

Condition: Although control systems are designed and implemented over financial reporting, the County lacks a policy and/or controls regarding the control environment that are non-financial controls.

Cause of condition: The effect of the lack of controls over the environment will result in inefficiencies, inaccuracies, misinformation, disregard for established controls, and generally low morale of County employees. These effects have the potential to materially affect the overall compliance with state and federal requirements and financial reporting, as well as increasing the County's risk of fraud and/or litigation.

Recommendation: The County should implement policies and controls in relation to the control environment. These policies should include the following at a minimum; the oversight body and management should demonstrate a commitment to integrity and ethical values, which should be communicated both verbally and by example on a frequent basis; a code of conduct, which is communicated often and periodically updated as necessary. The code of conduct and commitment to integrity and ethical values policies should also explicitly prohibit inappropriate management override of established controls.

Client response: Uintah County disagrees completely with this finding. References to the Green Book and COSO are inapplicable to local government entities such as Uintah County.

First, the "Green Book" is the nickname for the Standards for Internal Control in the Federal Government. This document is prepared by the Comptroller General to issue standards for internal control in the federal government. *See generally*, Section 3512 (c) and (d) of Title 31 of the United States Code (commonly known as the Federal Managers' Financial Integrity Act (FMFIA)). In fact, the Green Book itself states "[it] may also be adopted by state, local...governmental entities...as a framework for an internal control system. Nothing in state law requires local governments to adopt the Green Book or its framework. Thus, reference to it herein is a distraction and misrepresents the legal requirements imposed on local governments by the Utah State Legislature.

Second, COSO model was developed to address corporate settings. It would be much more productive for this audit to review relevant provisions of laws enacted by the Utah State Legislature rather than just mirroring audits performed on whole different entities and requirements imposed thereon.

IC-2020.1 is unsupported by any citations to actual events or documents. Thus, a detailed reply would be simply an exercise in conjecture and speculation. However, a few simple responses are warranted.

1. The Auditor seems to be unaware of the structure and dynamics of county government. The only issues at play are partisan politics and interpersonal relationships. Neither of which is addressed by these findings.
2. The theories included in the Green Book and COSO assume the entire leadership of the County has the same goal. In Uintah County government there is a faction that believes service to the taxpayer is the first priority and there is a faction which has different priorities.
3. Because of the unique position elected officials hold within the County structure, there are limited control mechanisms available for ensuring compliance and accountability to County policy. The references which are provided and the recommendations presented are dependent upon accountability.

Uintah County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

4. As stated in paragraph 1, there are no concrete examples cited with this finding which may explain why there are no tangible recommendations.

5. Most all of the discussion is an amalgamation of 'maybe', 'possibly', 'might' and 'could' scenarios that seem to make these findings more performance related. Not only were your services not retained to prepare a performance audit, the manner in which the Audit was conducted does not provide reliable performance information.

6. The Auditor was asked the specific question of whether the approval of a budget was a de facto approval of all line items within that budget irrespective of County Policy and State Code. The Audit does not seem to have addressed that question although this would have been the Finding in which to report.

Some of the Audit findings specifically identify "Commissioners", "the Commission" and "the County" (which implies "the Commission") but the findings related to other elected officials are submerged within such generic terms as "management" and "governance". This type of description is not helpful to the public or the County. Specifics help all of those involved to make the necessary corrections.

This finding seems to fail both as a financial audit finding and a performance audit finding.

For these reasons, Uintah County rejects this finding in its entirety.

IC-2020.2 Conflicts of interest (Significant deficiency)

Criteria: In accordance with the Green Book and COSO, documentation and disclosure of conflicts of interest by both governance and management is a critical control especially within a governmental entity that is entrusted with public funds.

Condition: It was noted that those charged with governance and key members of management did not sign and document conflicts of interest during the period under audit.

Cause of condition: Lack of training and/or knowledge of governance on key internal controls.

Potential effect of condition: Having no documented and signed conflict of interest statements has the potential to negatively impact the County and its decisions in appearance to the public to whom they are responsible. This control deficiency increases the fraud risk within the County.

Recommendation: The County should require those charged with governance, as well as management to document and sign to actual or potential conflicts of interests on a standardized form at a minimum on an annual basis. Governance as well as management should be aware of all conflicts of interest and document and retain that documentation when one or more individuals have recused themselves from discussions or decisions involving those to whom there is an actual or potential conflict of interest.

Client response: See above problems with referencing the Green Book and COSO. Uintah County agrees that Annual Conflict of Interest Statements should have been filed for 2020, as required by Title 17 Chapter 16a County Officers and Employees Disclosure Act. The record plainly shows that prior to 2020 and in 2021 Statements were in fact filed. Unusual circumstances combined to cause a lack of compliance in 2020. There is no evidence showing the temporary lapse resulted in any violations or impeded corrective actions.

The Commission is developing a desk reference with this and other key actions which are required each year.

IC-2020.3 Information technology policies and procedures (Significant deficiency)

Criteria: In order to prevent unwarranted access, prevent fraudulent behavior, unauthorized management override, and to protect sensitive data, there must be written policies and procedures regarding information technology (IT) in place and followed. The COSO model outlines the principles that should be addressed within the policies and procedures.

Condition: When communicating with members of management and those charged with governance, we noted that significant policies and procedures related to IT have not been implemented. More specifically, policies addressing access controls, off-site data back-up and storage, separation of duties in relation to design vs. testing when reporting system is modified, termination of access, and the ability to change and override transactions by those who are not authorized to make those changes within the system.

Uintah County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

Cause of condition: Oversight by management and governance to place high priority on system security, which should be an ongoing discussion.

Potential effect of Condition: Having outdated or weak controls over IT security can result in material deficiencies in financial reporting, unsecure access to sensitive data both from within the County and external parties, potential misappropriation of assets, and/or theft of data.

Recommendation: The county currently has draft policies regarding information technology. Our recommendation is that the County implement those policies as soon as possible. We also recommend that the County assign the IT manager to research the most current methods of securing information, user access, and data back-up and storage. The following are some controls to identify and implement; multi-factor authentication, password controls, off-site storage and back-up in addition to the back-up at the public safety building, limiting user access to only required roles within the financial reporting software, and separating duties when designing changes to the software, testing those changes, and implementing those changes.

Client response: Uintah County agrees with the recommendation to complete implementation of the draft IT policies. These policies have been under review by Human Resources and the County Attorney and should be ready for implementation. Multi-factor authentication and password controls are among the draft policies.

Off-site cloud storage has been considered on several occasions including earlier this year at the local Strata facility. Cloud is still more expensive than physical records but there may be other secure options at reasonable prices. The County will continue to work on this item.

IT staff limitations are a concern given that the County requires redundancy for each program area. The County has begun exploring options to meet the needs of end users while maintaining the integrity and security of the entire system. Options currently being explored include additional staffing including technician level positions and third party solutions.

IC-2020.4 Financial reporting year-end closing and financial statement preparation (Significant deficiency)

Criteria: Best practices, COSO principles, and properly functioning controls required that management and governance properly close financial reporting periods shortly after those periods, typically less than 60 days. Accounting standards and governmental auditing standards also require that a member of governance have the skills, knowledge, and experience (SKE) to either prepare financial statements and accompanying notes or assume responsibility for those statements.

Condition: Currently, the county relies on the auditor to prepare financial statements and related notes to the financial statements.

Cause of condition: Management has relied on the auditors in the past to assist in the preparation of the financial statements and related notes. Management had not assumed that responsibility as the auditors had performed those duties in the past.

Potential effect of condition: By relying on the auditors to prepare financial reports and potentially propose material entries can result in material misstatements within the financial reporting software prior to the audit and throughout the reporting period. This also has the potential to blur the independence lines the auditor is required to follow.

Recommendation: We recommend that management close the books within a reasonable time after year-end in order to begin the audit process earlier, and to be completed on time. We also recommend that management obtain the knowledge and training to prepare financial reports and related notes. Current auditors are willing to provide that training.

Client response: As stated in the findings the county has always relied on the auditors to prepare the financial statements and related notes from balance sheets, revenue and expense summaries and trial balance worksheets that were provided to the auditors each year. The County Clerk-Auditor will work with the current auditors to implement this recommendation for the 2021 audit.

Uintah County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

UG-2020.1 Questioned costs (Material weakness)

Grant title: Coronavirus, Aid, Relief, and Economic Security Act

Grant CFDA: 20.019

Criteria: Per 2 CFR 200 Subparts D&E, the County must establish and maintain effective internal controls over the Financial Award that provides reasonable assurance that the management of the federal award is in compliance with Federal statutes, regulations and the terms and conditions of the federal award.

Condition: The County distributed \$3,495,267 in economic recovery grants to small businesses within the County. In review of these disbursements, we noted that there was a lack of documentation on how the assigned committee determined the financial need of the businesses and how they had been adversely affected by the COVID-19 pandemic. The committee did not require that these businesses submit financial reports that specified their financial need, nor did they document any other procedures that verified the accuracy of the information that the businesses did provide. In addition to a lack of due diligence on the part of the committee, it was noted that the County distributed \$127,000 of that amount to parties, that in appearance or actuality, are related to or owned by Commissioners of the County. As noted in finding IC-2020.2 the County did not require or maintain conflict of interest statements by Commissioners or key management, as some of these members were also members of the committee assigned to distribute the grants. There is also no record or documentation that any of these members recused themselves in decisions regarding approval of and amounts paid to related parties.

Cause of condition: The questioned costs resulted from the override of controls by Commissioners and member of the assigned committee. Members of the committee and Commissioners disregarded or misinterpreted federal grant requirements. Additionally, the County did not appear to have any policies and procedures over federal awards as required by federal regulations (2 CFR 200 subparts D&E), which contributed to the misinterpretation and disregard of grant compliance requirements.

Potential effect of condition: Noncompliance with federal award requirements, potential loss of future federal awards, and a general diminish of public trust in County governance and its management.

Recommendation: The County must establish written general policies and procedures over the expenditure of federal awards. Written policies, procedures and controls over the expenditure of federal awards related to specific awards granted to the County, which are contained in all grant agreements. Compliance requirements should be discussed when any federal awards are expended. As noted in finding IC-2020.2 the County should require conflict of interest statements be signed at a minimum on an annual basis by governance and management. Along with the retention of conflict-of-interest statements, documentation should be retained to document the recusal of individuals when discussions or decisions are made regarding parties that are related to those individuals.

Client response: Uintah County agrees in part and disagrees in part with this finding.

Within the “**Condition**” and “**Cause of Condition**” the Auditor has relied on incorrect or irrelevant information. The County, in concert with the cities of Ballard, Naples and Vernal followed the procedures set out by the State of Utah and the Federal Government in distributing the Federal funds to local businesses and other projects. In both rounds of distribution the County/Cities group followed the process. The selection committee received copies of IRS Schedule C and Utah Tax Form TC-40, collected information for IRS Form W-9 and informed the applicant that the grant was taxable and subject to IRS audit.

The “**Condition**” also states, in part, “... it was noted that the County distributed \$127,000 of that amount to parties, that in appearance or actuality, are related to or owned by Commissioners of the County”. This statement is incorrect in part and irrelevant in total. One Commissioner was a partial owner in one business which applied. That Commissioner recused himself from the Selection Committee deliberation and left the room. In the Commission meetings of December 28, 2020 and January 4, 2021, both Commissioner Haslem and Commissioner Horrocks recused themselves, on the record, from consideration of any approval for a business owned by a family member. The Uintah County Clerk/Auditor and Deputy County Attorney were both present in the meetings and were interactive.

Information about this process was available through GRMA and through public meeting minutes of the Uintah County Commission. There does not seem to be any violation of statute or policy regarding the approval of the grants. The reference to “appearance” implies it is not a fact but a perception. Perception is not reality. The Commission can *explain* these items for people but the Commission cannot *understand* these items for people.

Uintah County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

With respect to written general policies and procedures for federal awards, the County has followed the same procedure for years through different grant administrators and commissioners. Custom is not an acceptable defense but it is an explanation. No one brought this issue to the attention of the Commission. To state that the Commission “overrode the controls” is not accurate. That statement implies the Commission knew the process and intended to circumvent that process.

Uintah County does agree that now that we are aware of the shortcomings of our past processes that all personnel involved in the federal grants program will receive the necessary training from any and all legitimate sources. As that knowledge base grows written policy and procedure will be implemented with local training for County employees.

UG-2020.2 Preparation of the Schedule of Expenditures of Federal Awards

Criteria: In accordance with generally accepted accounting principles, management is responsible for the preparation of the schedule of expenditures of federal awards (SEFA) in a format appropriate for presentation as supplementary information in the annual financial report. Additionally, management should ensure that the SEFA is properly prepared in relation to the expenditures and revenue recognized in the current period financial reports.

Condition: Currently, county personnel do not have sufficient experience and training to ensure that the SEFA is prepared in an appropriate format required by generally accepted accounting principles, and tied back to revenues and expenditures contained in the financial reporting system.

Cause of condition: The County has had significant turnover for personnel administering federal grant programs. Current personnel have limited experience and training, and former employees providing training likely also had limited experience and training themselves.

Potential effect of condition: Without proper training and experience, the County may not have appropriate controls in place over the tracking and preparation of the SEFA. Without proper training and experience the SEFA could contain material misstatements.

Recommendation: The County should obtain and provide necessary training to current personnel that are tasked with the responsibility of tracking and reporting expenditures of federal awards, and accurate preparation of the SEFA to include in the annual financial report. Additionally, the County should implement controls over the SEFA preparation.

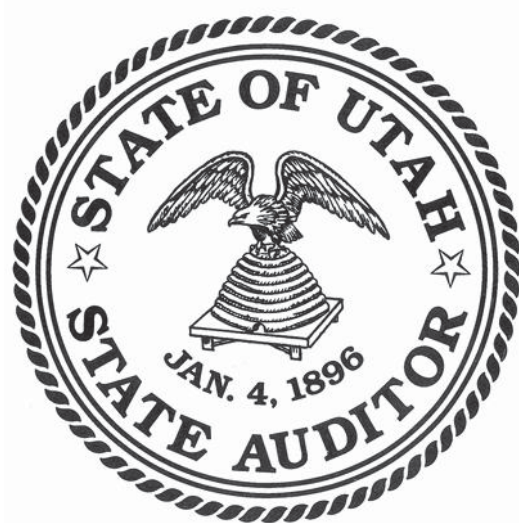
Client response: Uintah County agrees that the cause of the condition is accurate. Uintah County had a period with high turnover, and at the time we hired Zeke Atwood as the Grants Administrator, prior staff had moved on, and there was no one here to help train him on proper SEFA preparations. The State Auditor's office recently offered training to Zeke and his assistant on this matter. Zeke has reached out to the State Auditor's Office to set up training with them. Additionally, he has started the process to create and implement controls over the SEFA preparation. The county's goal is to have appropriate controls in place over the tracking and preparation of the SEFA. With the work that has already begun, we are confident we will achieve these goals.

The following attachment are findings noted by the Utah State Auditor in their audit of the same period. These findings, recommendations, and responses should also be noted in conjunction with our findings and recommendations.

Uintah County

Management Letter *For the Year Ended December 31, 2020*

Report No. 21-02



Office of the State Auditor

AUDIT LEADERSHIP:

Hollie Andrus, CPA, Deputy State Auditor
Andrew Driggs, CPA, Financial Audit Supervisor
Jordan Kattelman, CPA, Financial Audit Senior

Uintah County

For the Year Ended December 31, 2020

Table of Contents

Management Letter			Page
			1
Findings and Recommendations:	Federal Program	Type/ Applicability	
1. County Lacks an Effective Financial Control Environment	N/A	MW-c	4
2. Multiple Significant Financial Statement Adjustments Due to Inadequate Financial Close-out Controls	N/A	SD-c	5
3. Lack of Procedures to Ensure Accurate Recording and Tracking of Capital Assets	N/A	MW-c	6
4. Accounting for Assets Reported Under the Modified Infrastructure Approach Not in Accordance with Generally Accepted Accounting Principles	N/A	SD-c	7
5. Improper Spending of Coronavirus Relief Fund Monies	Coronavirus Relief Fund	MW-c, MN-c, MW-f, MN-f	8
6. Circumvention of Established County Purchasing Policy	N/A	SD-c, RN-c	9
7. Ineffective Federal Program Management	N/A	SD-f	11
8. Multiple Errors in SEFA Preparation Due to Lack of Sufficient Capability and Controls	N/A	SD-c	11
9. Accounting System Inadequate to Capture Data Critical to Internal Controls	N/A	SD-c	12
10. Inadequate Separation of Duties Related to Accounting System Development, Deployment, and Change Management	N/A	SD-c	13
11. County Officials Did Not Disclose Conflicts of Interest During 2020	N/A	RN-c	13
12. County Did Not Properly Oversee Submission of Required Reports to Federal Government	Airport Improvement Program	MW-f, MN-f	14
13. Electronic Approvals in Payroll System Cannot Be Verified	N/A	Other Matter	15
County's Response			16
Auditor's Concluding Comment			38

Finding Type:

MW Material Internal Control Weakness
SD Significant Deficiency of Internal Control
MN Material Noncompliance
RN Reportable Noncompliance or Illegal Acts

Applicable To:

c County Financial Statements
f Federal Program

Management Letter No. 21-02

September 30, 2021

Mr. Brad Horrocks, Chair, County Commission
Mr. Michael Wilkins, Clerk/Auditor
Uintah County
Vernal, UT 84078-2110

Dear Commissioner Horrocks and Clerk/Auditor Wilkins:

This management letter is issued as a result of our audit on Uintah County's (the County) basic financial statements as of and for the year ended December 31, 2020. It is also issued as a result of the County's federal compliance audit (Single Audit) for the year ended December 31, 2020. Our audit was conducted 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.

Our final reports on internal controls and on compliance required under *Government Auditing Standards* and federal *Uniform Guidance* will be issued under separate cover. These reports will also provide further detail as to considerations made during the course of the audit regarding internal controls and compliance, both at the financial statement and at the federal program level, and the limited purposes of those considerations. The purpose of this letter is to communicate with County management concerns identified during the course of our audit.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees to prevent or to detect and correct on a timely basis misstatements, errors, or instances of noncompliance. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements, errors, or noncompliance are not prevented or are not detected and corrected on a timely basis.

Based on the audit procedures performed, we identified certain deficiencies in internal control which we consider to be material weaknesses. We also identified deficiencies in internal control which, while not considered material, we consider to be significant enough to merit the further attention of management and those charged with governance. We also identified instances of noncompliance which we are required to report under *Government Auditing Standards* or *Uniform Guidance*.

In addition, during our audit, we also became aware of a certain deficiency in internal control that is an opportunity to establish or strengthen internal controls.

The County's written responses to and Corrective Action Plans for these findings will be included in the final reports identified in the second paragraph above.

The purpose of this communication is solely to describe the scope of our testing of internal control over compliance and the results of that testing and not to provide an opinion on the effectiveness of the County's internal control over compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

We appreciate the assistance County personnel extended to us during the course of our audit. If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Hollie Andrus".

Hollie Andrus, CPA
Deputy State Auditor
801-808-0467
handrus@utah.gov

cc: Bill Stringer, Uintah County Commissioner
Bart Haslem, Uintah County Commissioner
Wendi Long, Uintah County Treasurer

Finding 1. County Lacks an Effective Financial Control Environment

Uintah County (County) struggles to establish and maintain internal control that would ensure accurate recording and reporting of financial activity and safeguarding of County assets.

The Committee of Sponsoring Organizations (COSO) established a “best practices” integrated framework of internal control, founded on the central concept of “control environment” or tone at the top, to help an organization achieve strategic objectives. Through an effective control environment, a governing body and management set a tone and expectation throughout the organization with regard to internal control and adherence to established policies.

The following are instances that highlight the County’s struggle to establish effective financial internal controls.

- Certain County officials circumvented established policies, creating a perception that those internal controls were not important. See findings #6 and #11.
- The County Clerk/Auditor lacks the requisite skills, knowledge, and expertise necessary to oversee the preparation of the County’s financial report in accordance with generally accepted accounting principles. See findings #2 and #4.
- Changes to the County’s operational structure failed to improve financial internal controls and failed to appropriately mitigate perceived accounting risks.
 - The County Commission appointed a Budget Officer to improve oversight of special service district budgets under the Commission’s direct supervision. This action has the potential to impair required federal independence. Such impairments in independence could negatively impact the federal payments in lieu of taxes (“PILT”) and mineral lease monies the County and its special service districts receive.
 - The County Commission moved County budget responsibilities from the Clerk/Auditor to the Commission. The intent was to strengthen budget oversight within the County, but the action blurred lines of accountability and lacked clarity of budgetary responsibilities.
 - The County Commission directly oversaw the County’s use of Coronavirus Relief Funds. This action circumvented the federal grant administrator’s responsibilities.
 - The County’s road department was not functioning effectively. As a result, the County Commission restructured that department, creating a new fleet/purchasing department. Unfortunately, this change still has not

improved the County's accounting of its capital assets. See findings #3 and #4 for further discussion.

- Nine different revisions to the County's early retirement/termination benefit policies during 2020 made it difficult to properly account for these benefits and to accurately reflect the benefits in the financial report.

Recommendation:

We recommend the County establish an effective financial control environment and improve its tone at the top by:

- 1. Enforcing established policies;**
- 2. Realigning operational structure to strengthen internal control; and**
- 3. Working to improve the financial skills, knowledge, and expertise of key personnel.**

Finding 2. Multiple Significant Financial Statement Adjustments Required Due to Inadequate Financial Close-out Controls

The County did not have adequate internal controls over financial close-out processes to ensure it appropriately recorded material transactions in the accounting system. We proposed the adjustments below to align the audited financial statements with generally accepted accounting principles (GAAP):

- \$3.4 million in additional capital assets that were not properly reflected in the County's records;
- \$6.0 million in depreciation expenditures because the County no longer qualified to use GAAP's "modified approach." See finding #4 for further discussion.
- \$9.2 million of miscellaneous corrections to correctly reflect tax revenues, interfund activity, and year-end payable accruals.

The County should have an effective system of internal control to prevent or detect and correct material errors in financial close-out processes. Material errors noted above occurred because of county-wide control environment challenges (See finding #1); neglect and disregard of control activities, especially those over capital asset management (see findings #3 and #4); inadequate financial skills, knowledge, or expertise; and an over-reliance on contracted accounting services.

Management relies on an accounting firm to prepare the financial statements and to identify errors because it does not possess adequate skills, knowledge, or experience to prepare the financial statements. While it is not uncommon for a local government to rely

on an accounting firm for financial statement preparation, County management should have identified the errors noted above during its close-out processes. Absent or ineffective internal control systems can cause material misstatements to occur in the County's annual financial report.

Recommendation:

We recommend the County establish internal controls over its financial close-out processes to identify, record, and report material transactions for external financial reporting purposes.

Finding 3. Lack of Procedures to Ensure Accurate Recording and Tracking of Capital Assets

The County does not have adequate procedures in place to ensure that capital assets are properly recorded or tracked. The following issues occurred during 2020:

- County personnel responsible for maintaining capital asset listings and accounting records did not perform an annual capital asset inventory.
- The County did not record \$2.99 million for donated land and a new bridge.
- The County misidentified and expensed \$424,861 of assets that should have been capitalized in its records.
- The County did not account for significant road or infrastructure activity during the year.
- The County does not have centralized control procedures to ensure that asset acquisitions or dispositions are recorded or that assets are properly safeguarded.

County personnel have a duty to safeguard County assets through proper tracking and recording. The decentralization of the County's departments, compounded with high turnover and restructuring, increase the likelihood of capital asset activity not being reflected in accounting records. Failure to properly identify, record, and track capital assets resulted in material adjustments to the County's 2020 annual financial report and to a qualified opinion in the Independent Auditor's Report.

Recommendation:

We recommend the County:

- **At least annually, perform capital asset inventory procedures;**
- **Establish centralized processes over asset acquisition, tracking, and disposition of capital assets; and**
- **Ensure that County policies and procedures are applied consistently throughout all departments.**

Finding 4. Accounting for Assets Reported Under the Modified Infrastructure Approach Not in Accordance with Generally Accepted Accounting Principles

The County has not used an asset management system that properly maintains its road, bridge, and other infrastructure inventory, performs condition assessments, or provides annual estimates of maintenance of its road infrastructure in fiscal year 2020 and previous periods. As a result, an adjustment of \$6.0 million was recorded to reflect these assets' depreciation expense for 2020.

Generally Accepted Accounting Principles (GAAP) establishes the requirements an entity must follow in order to not depreciate its roads, bridges, and other infrastructure, or to use the "modified approach." Key requirements include:

1. an asset management system that maintains an up-to-date inventory and performs condition assessment, and
2. the preservation of roads, bridges, and other eligible infrastructure assets at (or above) a condition level.

At some point prior to fiscal year 2019, the County stopped using its asset management system (called IWorQ) to manage road infrastructure and instead, provided estimates based on judgment to the County's Clerk/Auditor for financial reporting purposes. The County Clerk/Auditor did not consider the effects on the County's financial statements when this change occurred. If the County does not meet the GAAP requirements, it must depreciate its road infrastructure prospectively.

Recommendation:

We recommend the County either depreciate its roads, bridges, and other infrastructure or follow GAAP's "modified approach" requirements by using an appropriate asset management system.

Finding 5. Improper Spending of Coronavirus Relief Fund Monies

Federal Agencies: US Department of Treasury

CFDA Numbers and Titles: 21.019 Coronavirus Relief Fund

Federal Award Numbers: N/A

Questioned Costs: \$3,739,018

Pass-through Entity: State of Utah Governor's Office of Management and Budget

Prior Year Single Audit Report Finding Numbers: N/A

During 2020, the County received funding from the State of Utah's Governor's Office of Management & Budget (GOMB) as part of the federal Coronavirus Relief Fund (CRF) Grant. According to federal government guidance, all costs were to be incurred for "necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19)." Further the agreement between the County and the State requires recipients "to provide summary and detailed documentation supporting the use of funds."

The County failed to demonstrate how the following expenditures were necessary and incurred as a response to the COVID-19 pandemic, as follows:

Small Business Economic Recovery Grants

- The County could not demonstrate that recipients had been adversely affected for the \$3,495,267 distributed in the small business economic recovery grants. All information used to determine eligible recipients was self-reported and the County did not perform any procedures to verify the accuracy of the information. Although providing economic recovery grants to businesses negatively impacted by COVID-19 was allowable, the County did not maintain documentation that validated the pandemic's impact on applicants.
- The County distributed \$117,000 to companies owned by certain County officials and their immediate family members. These related party distributions were not disclosed in the notes to the Schedule of Expenditures of Federal Awards as they should have been; and, these conflicts of interest were not disclosed as required (see finding #11). These County officials sat on the committee that directed these disbursements.

Buckskin Hills Ski & Snow Tubing Hill

- \$215,761 of CRF funds were used to purchase equipment for the Buckskin Hills Ski & Snow Tubing Hill (Hill) – an outdoor recreational facility. The 2020 Office of Management & Budget (OMB) *Compliance Supplement* requires documentation for all equipment purchases justifying why "more cost-effective methods such as leasing or improving equipment already owned, would not meet the needs of the public health emergency." The County did not maintain the required documentation for the equipment purchases.

- An additional \$27,990 of CRF funds were spent for the Hill, but adequate documentation was not maintained to show how the funds were spent in response to the pandemic, as required by the County's agreement with GOMB.

Recipients of federal funding have a duty to ensure that federal funds are used in accordance with federal compliance requirements. The large influx of federal pandemic relief money coupled with the County's general inexperience with federal programs and a perceived disregard for federal grant requirements resulted in these expenditures not complying with federal program requirements. Questioned costs may be subject to repayment.

Recommendation:

We recommend the County:

1. Ensure personnel managing federal programs understand program objectives and requirements,
2. Maintain sufficient documentation to demonstrate federal grant expenditures comply with program requirements,
3. Establish control procedures over federal programs to ensure compliance with program requirements, and
4. Verify self-certified information for grant expenditures.

Finding 6. Circumvention of Established County Purchasing Policy

During 2020, the County circumvented established purchasing policy by splitting an invoice, ignoring open bid requirements, awarding contracts outside public meetings, and later retroactively modifying its purchasing policy. At the time, the County purchasing policy required that purchases exceeding \$20,000 go through a sealed bidding process and be awarded in a public meeting. The following occurred during 2020:

- The County purchased 6 snow guns and associated parts for the Buckskin Hills Ski & Snow Tubing Hill, totaling \$146,862, including \$3,000 in shipping costs. They were all purchased from one vendor at one time. The following table summarizes these details:

Asset Description	Value	Invoice Date	Bill of Lading Shipping Date
Snow Gun #1	\$19,999	12/10/2020	12/16/2020
Snow Gun #2	\$19,999	12/10/2020	12/16/2020
Snow Gun #3	\$19,999	12/10/2020	12/16/2020
Snow Gun #4	\$19,999	12/10/2020	12/16/2020

Uintah County

Findings and Recommendations
For the Year Ended December 31, 2020

Snow Gun #5	\$19,999	12/10/2020	12/16/2020
Snow Gun #6	\$19,999	12/10/2020	12/16/2020
Hydrant – Sledding Hill	\$9,919	12/10/2020	12/16/2020
Pit Electrants/Pumps	\$13,949	12/10/2020	12/16/2020
Shipping Fees	\$3,000	12/11/2020	12/16/2020

On December 8, 2020, one Commissioner authorized these purchases and approximately one week later on December 14, 2020, the Commission waived the purchasing policy for the purchase of these items.

- The County authorized and purchased a \$159,000 full body scanner for its jail on November 11, 2020. The vendor providing the equipment had an existing federal general services administration (GSA) contract. The department head and the Commission authorized the purchase without a bidding process. The County's purchasing policy did not exempt an existing GSA contract from the bidding process. On November 16, 2020, after the purchase had been authorized, the Commission amended the purchasing policy to allow using a GSA contract to avoid the bidding process and gave a retroactive authorization for this purchase. Retroactively amending policies creates a perception that following established policies is not important.
- The County paid \$42,200 for social media and other similar services to a single vendor with whom the County did not have a contract. During the year, the County issued a bid for communication services and received two bids, one of which was from this vendor. The bid was never officially awarded in a public meeting, as required by County policy, but the County continued to make payments authorized by the Commission and department heads.
- The County issued an RFP for asphalt, but did not receive any bids in March 2020. The Commission authorized the Road Department Director to solicit for the lowest amount. Approximately 8 months later, one of the Commissioners, acting as the Road Department Director, began authorizing payments to a vendor for asphalt, citing the previous authorization from the Commission. The bid was never awarded in a public meeting, as required by County Policy. The total amount paid for these asphalt purchases was \$90,970.

Management overrode the existing purchasing policy, which undercuts effective internal controls. The key purpose behind the establishment of purchasing principles is ensure to taxpayers the best use of funds.

Recommendations:

We recommend the County follow its established purchasing policy or analyze and amend its policies, as needed, in advance.

Finding 7. Ineffective Federal Program Management

Federal Agencies: Various

CFDA Numbers and Titles: Various

Federal Award Numbers: Various

Questioned Costs: \$0

Pass-through Entity: Various

Prior Year Single Audit Report Finding Numbers: N/A

The County does not manage federal programs, including federal money passed to the County from the State, in accordance with federal regulations, potentially jeopardizing future funding and reducing its ability to assist the intended beneficiaries of federal programs. 2 CFR 200.303(a) states a “non-federal entity must establish and maintain effective internal control over the Federal award” that assures it “is managing the federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.” It further states that “these internal controls should be in compliance with guidance” in the Federal Green Book or “the Internal Control Integrated Framework, issued by” COSO. The lack of internal controls over the County’s federal awards, particularly its Coronavirus Relief Fund money, resulted in material noncompliance and questioned costs of approximately \$3.7 million.

Recommendation:

We recommend the County:

- **Gain an understanding of the federal “Green Book” or “COSO Framework”, and**
- **Establish and maintain effective internal control over its federal awards.**

Finding 8. Multiple Errors in SEFA Preparation Due to Lack of Sufficient Capability and Controls

County personnel do not have sufficient experience and training to properly prepare the Schedule of Expenditures of Federal Awards (SEFA) in accordance with 2 CFR 200.510(b). As the grant administrator reports directly to the Commission, the Commission lacked controls over the SEFA to ensure accuracy of the schedule and did not detect the errors identified below. The following table lists the significant adjustments needed to properly reflect the County’s federal expenditures for fiscal year 2020.

Uintah County

Findings and Recommendations
For the Year Ended December 31, 2020

Adjustments	Adjustment Amount
Removed state, local, and private grant expenditures from SEFA	\$996,295
Added value of Women, Infants, and Children (WIC) Vouchers to SEFA under US Department of Agriculture (USDA)	\$559,334
Moved WIC programs from Health & Human Services (HHS) to be reported under USDA	\$273,172
Added a note to the SEFA to disclose related-party Small Business Grant Recovery expenditures	\$117,000

Recommendation:

We recommend the County:

- Develop and follow written policies and procedures for SEFA preparation,
- Provide training to those individuals preparing the SEFA, and
- Implement control procedures over the SEFA preparation.

Finding 9. Accounting System Inadequate to Capture Data Critical to Internal Controls

The County's accounting system allows financial transactions to be entered or altered without any posting dates. It also lacks an audit trail. Posting data should be adequately controlled and tied to the system dates, times, and user login information and should never be editable or overridden by a system user. This issue was caused by the lack of appropriate system controls exacerbated by the County's lack of understanding of minimum system standards to ensure reliability and integrity of financial transactions. Without application of minimum system standards and proper internal controls over transactions entered in the system, amounts reported in the County's annual financial report may not accurately reflect the County's financial activities.

Recommendation:

We recommend the County gain an understanding of minimum system standards and implement appropriate internal controls in the accounting system.

Finding 10. Inadequate Separation of Duties Related to Accounting System Development, Deployment, and Change Management

The County's accounting system allows developers/IT administrators the ability to alter system functions without validating their accuracy. The County has not established proper separation of duties related to its application development/change management process to ensure a developer cannot migrate application source code from the development/test environment into production. Developers should not be allowed to move code into the production environment. This issue is the result of the County's uncertainty of how to implement application development/change separation of duties controls with limited IT personnel. Without adequate separation of duties between developers and migrators, the risk of unauthorized changes to the system is increased.

Recommendation:

We recommend the County implement proper separation of duties related to the accounting system development, deployment, and change management processes.

Finding 11. County Officials Did Not Disclose Conflicts of Interest During 2020

None of the County's appointed officers or elected officials completed sworn statements disclosing any business interests for 2020. *Utah Code* Section 17-16a-6 states that "every ... appointed or elected officer who is an officer, director, agent or employee, or owner of a substantial interest in any business entity which is subject to the regulation of the county...shall disclose the position held and the precise nature and value of the officer's interest upon first becoming...elected, and again during January of each year thereafter... The disclosure shall be made in a sworn statement filed with the county legislative body." We understand "subject to regulation of the county" to include any business requiring at least a county business license. Several County elected officials owned businesses that had (or were required to have) County business licenses.

Historically, the County has annually required all elected officials to file conflict of interest disclosure statements with the County's Human Resources Department (HR). The County hired a new HR director December 2019 who did not collect these disclosure statements for 2020. However, elected officials are ultimately responsible for required disclosures and compliance with state law. As a result, certain elected officials appeared to be in violation of *Utah Code*.

Recommendation:

We recommend the County obtain annual conflict of interest disclosure statements from all appointed or elected officials subject to *Utah Code Section 17-16a-6*.

Finding 12. County Did Not Properly Oversee Submission of Required Reports to Federal Government

Federal Agencies: US Department of Transportation

CFDA Numbers and Titles: 20.106 Airport Improvement Programs

Federal Award Numbers: Various

Questioned Costs: \$0

Pass-through Entity: N/A

Prior Year Single Audit Report Finding Numbers: N/A

The County did not monitor the submission of required reports for its Airport Improvement Program (AIP) grants. The grant agreements state that the County “will comply with all federal financial reporting requirements...including submittal of timely and accurate reports.” Part 4 of the 2020 OMB *Compliance Supplement* lists the required reports.

County personnel over federal compliance was unaware of AIP grant requirements. A third party vendor was purported as having submitted these reports. When initially questioned, the County had not completed or ensured timely submission of these reports. The County is the prime recipient of the AIP grants and ultimately responsible for timely and accurate submission of required reports. Untimely or inaccurate reporting could result in noncompliance with federal grant requirements and limit the County’s future funding opportunities.

Recommendation:

We recommend the County either:

- **Prepare and submit the required reports, or**
- **Ensure the accurate and timely submission of the required reports.**

Finding 13. Electronic Approvals in Payroll System Cannot Be Verified

The Oracle Apex payroll system overwrote past approval dates with the most current approval dates each time an approval was completed. Therefore, we were unable to determine the actual approval dates of payroll transactions within the system. To help

ensure appropriate record keeping, financial systems should accurately capture and retain pertinent information, including original approval dates.

When the County switched from Oracle Forms to Oracle Apex in fiscal year 2020, a query used during the payroll approval process was not appropriately updated in the new system, causing the overwriting. Internal controls over the system development/change process did not detect the problem. Without proper internal controls over the system development/change process, there is an increased risk that systems will fail to function as intended.

Recommendation:

We recommend the County implement adequate internal controls over the payroll system development and change management processes.

County's Response



UINTAH COUNTY CLERK-AUDITOR

147 East Main
Vernal, Utah 84078
Phone: (435) 781-5360
Fax (435) 781-6701

Michael W. Wilkins
Clerk-Auditor

September 22, 2021

Uintah County Clerk-Auditor Response to the 2020 Utah State Auditor findings:

Finding 1. County Lacks an Effective Financial Control Environment:

The County Clerk-Auditor will respond to Bullet point finding #2 only and will allow the County Commission to respond to the balance of finding #1.

Bullet point #2 "The County Clerk/Auditor lacks the requisite skills, knowledge, and expertise necessary to oversee the preparation of the County's financial report in accordance with generally accepted accounting principles. See findings #2 and #4

The County Clerk/Auditor does not agree with this statement, as you do not know my skills, knowledge, and expertise in preparation of the County's Financial reports. See response to findings #2 and #4.

Finding 2. Multiple Significant Financial Statement Adjustments Required Due to Inadequate Financial Close-out Controls.

Bullet Point #1 This finding was pointed out to the State Auditor's office by the County Clerk-Auditor that the County had built a new Bridge in conjunction with the UDOT, and that half of the Bridge should belong to UDOT as it connects a state highway on the north and half way through the road changes to a county road. The Land that was picked up as additional capital assets was land that was patented to the County by the United States congress to protect the watershed that feeds the Ashley Springs area that provides drinking water to the entire Ashley Valley area to say that it was donated to the County could be in error, as we had worked with our US Senators and Congressmen to get this legislation to put the land in Uintah County's name so that the BLM would not lease the ground to mining companies that could and would more than likely start mining with

explosives and jeopardize our spring to the valley. So, to put any kind of value on this property would be impossible because it is irreplaceable to our area.

Bullet Point #2 Changing from the 'Modified Approach' to the depreciation approach was a decision that the Utah State Auditor's office determined. This is a result of our past road superintendent being let go mid-year of 2020 and a Commissioner taking over the management of the road department (see open bullet point #4 in finding #1) and not keeping the records of the status and condition of the roads as the past road superintendent had.

Bullet Point #3 is a result of a new sales tax that went into effect in January of 2020, where part of the sales tax was distributed to local cities and to the local mass transit, from an Audit alert from the Utah State Auditor's office that came out several years ago. The funds that went directly to the cities and mass transit has to be reflected in the county's financial statements, this also was pointed out to the state auditor's office by the Clerk-Auditor.

The county has always worked with the independent accounting firm to prepare the financial statements, this is very common with all local governments throughout the state of Utah. Also, once the Financial Statements are given to the independent accounting firm (or the State Auditor's office in this case) the County, in order to keep the financial statements integrity, does not make any additional adjusting entries to the statements. All adjustments that are identified by the county are not entered until after they are presented to the independent accounting firm so as to keep the integrity of the financial statements.

The County Clerk-Auditor will establish additional internal controls over its financial close-out processes.

Finding #3. Lack of procedures to Ensure Accurate Recording and Tracking of Capital Assets.

Bullet Point #1 In 2020 the county was attempting to use a new asset management program that eventually did not pan out. We went back to the system that we had used in the past and in doing so we found ourselves behind in getting the assets recorded in a timely manner.

Bullet Point #2 Was pointed out to the Utah State Auditor by the County Clerk-Auditor that the County had built a new Bridge in conjunction with UDOT, and that half of the Bridge should belong to UDOT as it connects a state highway on the north and half way through the road changes to a county road. The Land that was picked up as additional capital assets was land that was patented to the County by the United States Congress to protect the watershed that feeds the Ashley Springs area, that provides drinking water to the entire Ashley Valley area. To say that it was donated to the County could be in error, as we had worked with our Utah Senators and Congressmen to get this legislation to put the land in Uintah County's name so that the BLM could not lease the ground to mining companies that could and would more than likely start mining with explosives and jeopardize our spring to the valley. So, to put any kind of value on this property would be impossible, because it is irreplaceable to our area. We have since added this property to our capital asset report with the value that was determined by our County Assessor.

Bullet Point #3 The assets mentioned here relate to the snow hill equipment that was purchased with CARES funding, it has since been added to our Capital Asset list.

The County Clerk-Auditor acknowledges our responsibility to safeguard the assets and will strive harder to maintain an accurate inventory list.

Finding #4. Accounting for Assets Reported Under the Modified Infrastructure Approach Not in Accordance with Generally Accepted Accounting Principles.

The County in the past had used (IWorQ) to manage the road infrastructure under the past Road Department Supervisor that was let go in 2020. The County will begin to use the depreciation method to report its roads, bridges and other infrastructure to comply with GAAP.

Finding #5. Improper Spending of Coronavirus Relief Fund Monies:

This finding will be responded to by the County Commission.

Finding #6. Circumvention of Established County Purchasing Policy:

This finding will be responded to by the County Commission.

Finding #7. Ineffective Federal Program Management:

This finding will be responded to by the County Commission.

Finding #8. Multiple Errors in SEFA Preparation Due to Lack of Sufficient Capability and Controls:

This finding will be responded to by the County Commission.

Finding #9. Accounting System Inadequate to Capture Data Critical to Internal Controls:

This finding will be responded to by County Commission. I am aware that additional audit tables have already been added to the program.

Finding #10. Inadequate Separation of Duties Related to Accounting System Development, Deployment, and Change Management:

This finding will be responded to by County Commission.

Finding 11. County Officials Did Not Disclose Conflicts of Interest During 2020:

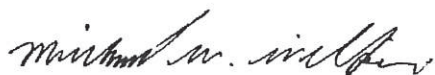
This finding will be responded to by the County Commission.

Finding 12. County Did Not Properly Oversee Submission of Required Reports to Federal Government:

This finding will be responded to by the County Commission.

Finding 13. Electronic Approvals in Payroll System Cannot Be Verified.

This finding will be responded to by the County Commission. I am aware that this has already been corrected.



Michael W. Wilkins
Clerk-Auditor

Response to State Auditor Findings and Recommendations for Year 2020

Commission Response

The Office of the State Auditor transmitted the Findings and Recommendations from its Audit of Uintah County with a cover letter designated as Management Letter No. 21-01, dated September 10, 2021, to the. The Management Letter states, in part, "This management letter is issued as a result of our audit on Uintah County's (the County) basic financial statements as of and for the year ended December 31, 2020. It is also issued as a result of the County's federal compliance audit (Single Audit) for the year ended December 31, 2020".

County Response: This audit was of the State Auditor's own choosing after not being able to push Uintah County into violating Utah State code as referenced by multiple written communications to the State Auditor. Uintah County has engaged the services of Larson & Company, P.C. to complete its end of year financial audit and Single Audit of federal grants and awards.

By email, dated February 3, 2021, Uintah County, through counsel, specifically referred State Auditor John Dougall, and his assigned staff, to U.C.A. §67-3-1(4)(b), which states, "The [State] auditor may not conduct performance and special purpose audits, examinations, and reviews of any entity that receives public funds if the entity: (i) has an elected auditor; and (ii) has, within the entity's last budget year, had the entity's financial statements or performance formally reviewed by another outside auditor." Uintah County obviously satisfies both standards; thus, it is unlawful for the State Auditor to perform a performance or special purpose audit on Uintah County.

The Utah State Legislature has defined the term "performance audit" to include: (a) the honesty and integrity of financial and other affairs; (b) the accuracy and reliability of financial and management reports; (c) the adequacy of financial controls to safeguard public funds; (d) the management and staff adherence to statute, ordinance, policies, and legislative intent; (e) the economy, efficiency, and effectiveness of operational performance; (f) the accomplishment of intended objectives; and (g) whether management, financial, and information systems are adequate and effective.

After reviewing the September 10, 2021 draft management letter no. 21-02 it is abundantly clear that of the thirteen findings, only Finding #3 falls outside of the legislative definition of a performance audit. It is concerning that the State Auditor's Office, even after being made aware that such inquiries were against the law, persisted with its conduct.

Now, even though Uintah County wholly disagrees with the lawfulness of the State Auditor's actions, it has reviewed the draft findings and has provided the responses below.

Finding 1. County Lacks an Effective Financial Control Environment

Recommendation:

We recommend the County establish an effective financial control environment and improve its tone at the top by:

1. Enforcing established policies;
2. Realign operational structure to strengthen internal control; and
3. Working to improve the financial skills, knowledge and expertise of key personnel.

County Response: Overall, the County finds the State Auditor's findings to be vague and in some cases incorrect. Some of the findings do not pertain to the financial condition of the County and as such do not require a response from the County. It seems that this Finding and its Recommendations are outside of the scope of the April 28, 2021, Scope of Work Letter. That being the case the County feels there is no obligation to address this Finding.

In the interest of investigating potentially constructive comments the County will voluntarily address some of the observations on functional issues. That being said, the County can't help but notice that the methodology employed by the Office of the State Auditor was not sufficient to produce reliable findings in some areas. There is evidence to suggest that the State Auditor accepted data without verifying its authenticity resulting in incorrect findings and conclusions.

The County does not dispute the overall notion that there has been an ineffective "Financial Control Environment". Such an environment has existed within the County for a long time. Unfortunately the Commission has only been made aware of the extent of the problem within the last 18-24 months. The actions of the Commission the past 2 years have been aimed at learning the true nature of the problems and taking steps to correct them. The Commission has encountered resistance as it moves to create an effective Financial Control Environment.

Any reference to the Green Book and COSO are inapplicable to local government entities such as Uintah County.

First, the "Green Book" is the nickname for the Standards for Internal Control in the Federal Government. This document is prepared by the Comptroller General to issue standards for internal control in the federal government. See generally, Section 3512 (c) and (d) of Title 31 of the United States Code (commonly known as the Federal Managers' Financial Integrity Act (FMFIA)). In fact, the Green Book itself states "[it] may also be adopted by state, local...governmental entities...as a framework for an internal control system.

Nothing in state law requires local governments to adopt the Green Book or its framework. Thus, reference to it herein is a distraction and misrepresents the legal requirements imposed on local governments by the Utah State Legislature.

Second, COSO model was developed to address corporate settings. It would be much more productive for this audit to review relevant provisions of laws enacted by the Utah State Legislature than just parroting fluffy audit jargon.

A. There is no doubt that certain County officials have circumvented established policies. The Commission, the Sheriff's Office and the Department of Travel and Tourism violated the purchasing policy by collectively exceeding the threshold of funds paid for service to an individual without a contract. The Clerk/Auditor violated County Policy regarding personal conduct and 401k voluntary contributions.

Some of these instances were discussed with the State Auditor's Office during the onsite visit. As was pointed out to the State Auditor, violations of County Policy or State law which are committed by elected officials seem to have no consequences until the violations become criminal in nature.

Oddly enough, the penalties which attach to the violations most likely to be committed by elected officials are misdemeanors. Most city, county and state attorneys seem reluctant to pursue misdemeanor charges opting instead to pursue felonies. The County was disappointed to find no reference to these issues in the Findings of the Audit. Perhaps the office of the State Auditor ought to consider looking into that area.

The County disagrees that Findings #6 and #11 are cases in point as will be discussed in those individual findings.

B. The notion that the County Clerk/Auditor lacks the requisite skills, knowledge and expertise is an issue which likely plagues most of the medium and small counties within Utah. The complexity of the job increases every year. One very good solution to this problem is to replace those elected officials with minimal decision and policy making space with qualified career service employees. Given the two-tiered system of justice in Utah, it is much easier to hold unelected officials accountable.

C. The State Auditor's finding with respect to operational structure misses the mark so badly that it barely deserves a response but the County hopes to improve the State Auditor's understanding.

i) The County Budget Officer was not appointed to “improve oversight of special service districts (SSD’s) under the Commission’s direct supervision”. As the minutes of the Commission meeting wherein the Budget Officer was approved would show, the Budget Officer was to be tasked with finding out how to keep the SSD’s viable given the greatly reduced amount of mineral lease money flowing into them.

ii) If anything there is a need to push County funds toward the SSD’s on an as needed basis. The implication that the appointment was intended to “take over” SSD budgets is not supported by the minutes of any public meeting, written documentation or any other factual information. As the County is sure that the State Auditor must be aware, the supplementation of SSD’s with County funds violates no strictures of the Mineral Leasing Act of 1920 (MLA), as amended, nor does it run counter to the guidance provided by the U.S. Comptroller or the Department of the Interior Solicitor’s 1986 Opinion on use of mineral lease funds.

While we are on the subject however, the Office of the State Auditor should be looking into the practices of the State of Utah in converting Federal Mineral Lease funds to “PILT” funds owed to the counties. PILT funds or Payment in Lieu of Taxes should be just that – Payments by the State for lands the counties cannot tax. Property taxes can be used as general funds for county purposes.

When the State of Utah “converts” federal mineral lease revenues to “PILT” payments for state owned lands they limit the use of that money and are certainly in questionable compliance with all of the provisions of the MLA while at the same time damaging county interests. It’s a little disheartening that the federal government treats counties more fairly than does the State of Utah.

iii) The move of budget responsibilities from the Clerk/Auditor to the Commission did result in much more accountability and greatly helped to begin establishing an “Effective Financial Control Environment”. Budget oversight has been greatly improved. Blurring of the lines, if any, is the result of interpersonal conflict and a lack of cooperation with certain elected officials not structure.

iv) As to the administration of the Coronavirus Relief Funds, the County followed the same processes for handling federal funds that it had followed for years. The County has been made aware of the State Auditor’s concerns.

v) Accounting for the County’s personal assets has not been handled properly for years. The efforts in the Road Department may have not yet yielded a final solution but the problem has now been clearly defined and solutions identified.

vi) The replacement of a retirement only policy with a retirement/early separation policy, like most policies, went through iterations in draft. The final policy which was approved by the County Commission was not subsequently revised 9 times. If the Office of the State Auditor was having trouble understanding how to account for these benefits perhaps the difficulty arises for another reason.

The County will take no actions in response to this Finding. The County will address the Finding identified as County Response C. iv) above, in County Responses to Finding(s) #5, #7, #8 and #12

Finding 2. Multiple Significant Financial Statement Adjustments Required Due to Inadequate Financial Controls.

Recommendation:

We recommend the County establish internal controls over its financial close-out processes to identify, record and report material transactions for external financial reporting purposes.

County Response: The lack of specificity in the State Auditor's Finding and Recommendation make it difficult to respond. In general, the County would agree that accuracy, clarity and completeness of records is important. The concern is that each elected officer has their area of responsibility. While the Commission has the general responsibility for governing the County, there is a necessary reliance on other officers to discharge their duties efficiently and effectively.

The County will continue the use of professional positions like the Budget Officer and any other positions necessary to address deficiencies within County Departments and Offices. The County will also encourage the Clerk/Auditor to establish a schedule for auditing county offices and programs.

Finding 3. Lack of Procedures to Ensure Accurate Recording and Tracking of Capital Assets

Recommendation:

We recommend that:

1. At least annually, perform capital asset inventory procedures;

2. Establish centralized processes over asset acquisition, tracking and disposition of capital assets; and

3. Ensure that County policies and procedures are applied consistently throughout all departments.

County Response: The County agrees with this Finding and Recommendations, with the understanding that “decentralization” of County government is required by state law. The County will investigate software systems which enhance the tracking of County property.

Finding 4. Accounting for Assets Reported Under the Modified Infrastructure Approach Not in Accordance with Generally Accepted Accounting Principles

Recommendation:

We recommend the County either depreciate its roads, bridges and other infrastructure or follow GAAP’s “modified approach” requirements by using an appropriate asset management system.

County Response: The County agrees with this Finding and Recommendation. The County sees the benefit of following GAAP’s “modified approach” requirements.

Finding 5: Improper Spending of Coronavirus Relief Fund Monies

Recommendation:

We recommend the County:

1. Ensure personnel managing federal programs understand program objectives and requirements;
2. Maintain sufficient documentation to demonstrate federal grant expenditures comply with program requirements;
3. Establish control procedures over federal programs to ensure compliance with program requirements; and
4. Verify self-certified information for grant expenditures.

County Response: The County disagrees with the Finding as it pertains to the Small Business Economic Recovery Grants and the Buckskin Hills Ski & Snow Tubing Hill. The Finding contains errors and misinformation. The County can either refute the Findings outright or demonstrate how the Finding strays from reality. It is almost as if the Office of the State Auditor failed to verify any of the information which they have presented. For convenience, unofficial transcripts of the commission meetings have been included in this response.

These minutes document the disclosure and recusal of board members and the reason to enhance outdoor recreation in the county during a pandemic. A very open process was followed and the State Auditor is frankly just choosing to ignore the facts.

The County agrees with the first three Recommendations relating specifically to the federal grants program. The County has been receiving federal grants for many years for a variety of programs. The current staff and management of the County have been administering the grants program the same way as did their predecessors. The current staff is doing as they were taught. That is not to say that the processes do not need to change. The County wants to “do it right”. The County is fully supportive of the staff in the Grants Department receiving the proper training to maintain effective control over federal awards.

As to the fourth Recommendation regarding verification of self-certified information for grant expenditures, the implication is that process should be undertaken in all cases. The Finding and Recommendation lacks specificity as to what constitutes “verification” so the County is left to decide that on its own. The County rejects the one-size-fits-all philosophy as do organizations such as the Internal Revenue Service and from all indications, the Office of the State Auditor.

The cities and county followed a four step process which included developing the criteria for eligibility, reviewing applications submitted under those criteria, making recommendation for award and awarding the successful applicants.

The first step in the process was taken by the County Commission, various economic development-related department heads, the grants administrator, Vernal Chamber of Commerce, Vernal City Mayor and Administrator, and the Naples City Mayor and Administrator and a professional grant writer. This group established the criteria to be used to evaluate applicants. For example, two of the criteria were property tax delinquency and valid business license.

The second step was for the Vernal City Administrator and the County Economic Development Director to screen applications to determine whether the application:

1. Was complete and met the selection criteria; or

2. Was incomplete and a determination as to what additional information was needed for completion; or

3. Did not meet the criteria which would allow it to be recommended for approval.

The third step was to present the recommendations to City and County leadership to discuss the recommended disposition of each application.

The fourth step was to include each application, which was recommended for approval, on the list of warrants to be approved in a County Commission meeting.

The whole point of the Coronavirus Relief Fund was to deliver relief to small businesses affected by the pandemic. The screening mechanism devised by the cities and county was drawn from the federal and state examples. Merely to be considered applicants had to provide data which was verified by the cities and county. The recommendation of the Office of the Auditor could be interpreted as a requirement to evaluate audited tax returns. If a tax return has not been audited then it is also self-reported information. The alternative would be to have the County undertake the audit process of tax returns and other financial data. The Cities and County do not have that capability and therefore could not have distributed any funds.

In the absence of a reasonable, acceptable process identified by this Finding, the County rejects the Finding as it pertains to verification of self-certified information for the Coronavirus Relief Fund.

Finding 6. Circumvention of established County Purchasing Policy

Recommendation:

We recommend the County follow its established purchasing policy or amend its policies, as needed, in advance.

County Response: The County disagrees with the majority of this Finding. With the exception of the social media issue, the Finding is incorrect.

The County agrees in part with the Recommendation. If there is not an obvious flaw or hole in the purchasing policy **and** there is not an element of emergency, an exception should not be allowed. If an exception is sought it should also be deliberated in an open public meeting.

There are limited circumstances wherein a flaw or hole detected in the purchasing policy should be amended not just for the instant case but because it needs to be corrected on a permanent basis. Coupled with what appears to be a hard deadline, a deliberation in an open public

meeting which includes input from the Clerk/Auditor and the County Attorney seems to be in order. The subsequent ratification in a later meeting is still required. See attached transcripts.

The purchasing policy was not followed properly in the case of social media services. The initial engagement did not violate any county policies. However the situation evolved into a violation when additional requests for services began to occur. The County will reinforce the necessity to follow the approved purchasing policy.

Finding 7. Ineffective Federal Program Management

Recommendation:

We recommend the County:

1. Gain an understanding of the federal "Green Book" or "COSO Framework"; and
2. Establish and maintain effective internal control over its federal awards.

County Response: The County agrees, in part, with this Finding and Recommendation. While the County does agree that there needs to be compliance with federal statutes and regulations the program has been far from "ineffective".

The County has been receiving federal grants for many years for a variety of programs without issue. The current staff administering the grants program has been doing it the same way as did their predecessors. The County wants to "do it right". The County is fully supportive of the staff in the Grants Department getting the proper training to maintain effective control over federal awards.

It seems the concern here is that prior to 2020, the County was not preparing the proper paperwork itself but was depending on the contract auditor up through 2019 to arrange the information for submission. There is no indication that the contract auditor found any deficiencies in the administration of the federal grants. It appears that their function in this area was to take the information the County had prepared in administering federal grants and place it into a format.

One may conclude from the evidence at hand that the County correctly managed and spent the federal grant monies but may not have arranged the information into final form. The Office of the State Auditor does not provide any evidence that the County committed any violations. As far as 2 CFR 200.303(a) is concerned there are no violations with respect to maintaining internal control.

Compliance with the Green Book or COSO is a recommendation as evidenced by the word “should” instead of “must” or “shall”. Also, the County has made its position on the Green Book and COSO clear.

As for “questioned costs” of approximately \$3.7 million, the County welcomes the question. This Finding does not support itself with any basis in fact.

Finding 8. Multiple Errors in SEFA Preparation Due to lack of Sufficient Capability and Controls

Recommendation:

We recommend the County:

1. Develop and follow written policies and procedures for SEFA preparation;
2. Provide training to those individuals preparing the SEFA; and
3. Implement control procedures over the SEFA preparation.

County Response: The County agrees with this Finding and Recommendations. The staff of the Grants Department has been advised to seek any and all training necessary to correct any bona fide shortcomings. The staff has also been advised that the Office of the State Auditor has offered to provide assistance with training.

Finding 9. Accounting System Inadequate to Capture Data Critical to Internal Controls

Recommendation:

We recommend the County gain an understanding of minimum system standards and implement appropriate internal controls in the accounting system.

County Response: The County agrees with this finding. Steps will be taken to implement an IT system that does not allow data to be overridden or altered by a system user.

Finding 10. Inadequate Separation of Duties Related to Accounting System Development, Deployment and Change Management.

Recommendation:

We recommend the County implement proper separation of duties related to the accounting system development, deployment, deployment and change management process.

County Response: The County agrees with this finding. The Information Technology Department has been advised to develop a proposed budget for 2022 which provides for staffing to address this situation.

Finding 11. County Officials Did Not Disclose Conflicts of Interest During 2020.

Recommendation:

We recommend the County obtain annual conflict of interest disclosure statements from all appointed or elected officials subject to Utah Code Section 17-16a-6.

County Response: The County agrees that Utah Code 17-16a-6 is clear in its intent that conflict of interest disclosures are to be filed annually. Disclosures were filed for the year 2021.

It is the intention of the County Commission to create a desk guide which highlights all of the training, disclosures and acts which must be performed each year. The next time there is a global pandemic, a new HR Director and a vacant HR Assistant position all at the same time, the County will be prepared to deal with the disclosure issue.

Finding 12. County Did Not Properly Oversee Submission of Required Reports to Federal Government.

Recommendation:

We recommend either:

1. Prepare and Submit the required reports; or
2. Ensure the accurate and timely submission of the required reports

County Response: The County does agree that reports which are required to be submitted to the federal government need to be timely and accurate. The Airport Improvement Program (AIP) grant reports are submitted by the engineering company contracted to the county under FAA procedures. The County will insure copies of the reports are received into the Grants Office for verification and filing locally.

Finding 13. Electronic Approvals in Payroll System Cannot Be Verified.

Recommendation:

We recommend the County implement adequate internal controls over the payroll system development and change management process.

County Response: The County agrees with this finding and recommendation. The County is exploring options to address this issue as part of the budget process for 2022.

Auditor's Concluding Comment

Auditor Concluding Comment

The Uintah County leadership's disagreement with the findings noted above highlights the lack of understanding and lack of responsibility with which they approach execution and oversight of financial reporting, which the auditor finds concerning.

A handwritten signature in cursive script that reads "Office of the State Auditor". The signature is written in black ink on a light gray rectangular background.

Office of the State Auditor

September 30, 2021