

UINTAH COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

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SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

GREG MARSING, C.P.A.
DOUGLAS RASMUSSEN, C.P.A.
CRAIG G. SMUIN, C.P.A.
R. KIRT RICH, C.P.A.
TRACY LUDINGTON, C.P.A.

MEMBERS

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

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Uintah County
Vernal, Utah 84078

Report on the Financial Statements

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, 2016, 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 and Uintah Transportation Special Service District, which represent 11.35 percent, 5.38 percent and 29.77 percent, respectively, of Uintah County's component units and Uintah County's assets, net position and revenues of the Statement of Net Position and the Statement of Activity. Those statements were audited by other auditors whose reports has been furnished to us, and our opinion insofar as it relates to the amounts included for Uintah Basin Tri-County Mental Health & Substance Abuse Authority, Uintah Recreation Special Service District and Uintah Transportation Special Service District, is based solely on the report of the 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 County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County, as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of American require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and pages 80 through 82 and the schedule of the proportionate share of the net pension liability, schedule of contributions and notes to required supplementary information 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

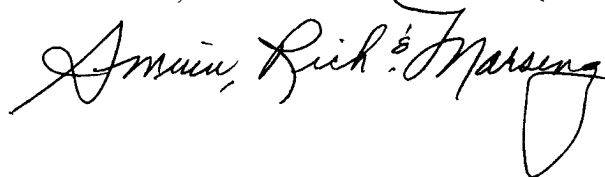
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of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

The combining and individual nonmajor fund financial statements 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements 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 July 12, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

SMUIN, RICH & MARSING

A handwritten signature in black ink, appearing to read "Smuin, Rich & Marsing", with a large, stylized loop at the end.

Price, Utah

July 12, 2017

**UINTAH COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

This discussion of Uintah County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2016. 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 inflow of resources as of the close of the most recent year by \$405,414 (*net position*). Of this amount, \$44,837 (*unrestricted net position*) may be used to meet the governments' ongoing obligations to citizens and creditors.
- The government's total net position increased due to operations by \$5,178. 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 \$63,656, an increase of \$2,908 in comparison with the prior year. Approximately 62 percent of this total amount, \$38,885 is available for spending at the government's discretion (*unrestricted fund balance*).
- At the end of the current year, unassigned fund balance for the general fund was \$13,050 or 83.11 percent of total general fund expenditures and transfers.
- Uintah County made an early bond principal payment of \$468,000 on Lease Revenue Bonds, Series 2008 B.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Uintah County's basic financial statements. Uintah County's basic financial statements are comprised of 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 deferred outflow of resources and liabilities and deferred inflow of resources, 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 (business-type activities). 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 statements.

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, proprietary 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 balances 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 nineteen 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, and capital projects fund all of which are considered to be major funds. Data from the other seventeen 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 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 one type of proprietary fund. *Enterprise funds* 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 method 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.

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.

Component Units

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Uintah County. The combining statements referred to earlier in connection with budget to actual comparison statements for the General and any major special revenue funds, as well as non-major governmental and non-major enterprise funds 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 and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$405,414 at the close of the most recent fiscal year.

By far the largest portion of Uintah County's net position (77.84 percent) is reflected in 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 net investment in 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 (11.1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$44,837) may be used to meet the government's ongoing 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 Primary Government | |
|---|------------------------------------|----------------|-------------------------------------|---------------|-------------------------------------|----------------|
| | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 |
| Current and other assets | \$ 72,317 | \$ 77,376 | \$ 24,453 | \$ 23,687 | \$ 96,770 | \$ 101,063 |
| Capital assets | 361,178 | 365,073 | 10,036 | 9,785 | 371,214 | 374,858 |
| Deferred outflow of resources | 7,114 | 12,075 | 156 | 588 | 7,270 | 12,663 |
| Total assets and deferred outflow of resources | \$ 440,609 | \$ 454,524 | \$ 34,645 | \$ 34,060 | \$ 475,254 | \$ 488,584 |
| Long-term liabilities | \$ 69,687 | \$ 72,865 | \$ 745 | \$ 1,389 | \$ 70,432 | \$ 74,254 |
| Other liabilities | 2,998 | 7,313 | 92 | 134 | 3,090 | 7,447 |
| Deferred inflow of resources | 1,412 | 1,366 | 85 | 103 | 1,497 | 1,469 |
| Total liabilities and deferred inflow of resources | \$ 74,097 | \$ 81,544 | \$ 922 | \$ 1,626 | \$ 75,019 | \$ 83,170 |
| Net position: | | | | | | |
| Net investment in capital assets, | \$ 299,368 | \$ 305,859 | \$ 9,936 | \$ 9,710 | \$ 309,304 | \$ 315,569 |
| Restricted | 22,925 | 24,770 | 20,375 | 20,237 | 43,300 | 45,007 |
| Unrestricted (deficit) | 44,219 | 42,351 | 3,412 | 2,487 | 47,631 | 44,838 |
| Total net position | \$ 366,512 | \$ 372,980 | \$ 33,723 | \$ 32,434 | \$ 400,235 | \$ 405,414 |

Governmental activities

Governmental wide activities increased Uintah County's net position by \$5,178. Key elements of this increase are as follows:

Table 2
Change in Net Position

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--------------------------------------|------------------------------------|------------------|-------------------------------------|-------------------|-------------------------------------|------------------|
| | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 9,615 | \$ 6,002 | \$ 1,253 | \$ 1,148 | \$ 10,868 | \$ 7,150 |
| Operating grants and contrib. | 4,435 | 3,843 | | | 4,435 | 3,843 |
| Capital grants and contrib. | 7,294 | 11,668 | | | 7,294 | 11,668 |
| General Revenues: | | | | | | |
| Property taxes | 18,201 | 17,474 | 3 | 1 | 18,204 | 17,475 |
| Sales taxes | 6,267 | 5,507 | 958 | 662 | 7,225 | 6,169 |
| Grants & contrib.-not restrict. | 2,933 | 3,010 | | | 2,933 | 3,010 |
| Other general revenues | 479 | 944 | 268 | 210 | 747 | 1,154 |
| Total revenues | <u>\$ 49,224</u> | <u>\$ 48,448</u> | <u>\$ 2,482</u> | <u>\$ 2,021</u> | <u>\$ 51,706</u> | <u>\$ 50,469</u> |
| Program expenses | | | | | | |
| General government | \$ 10,513 | \$ 11,182 | | | \$ 10,513 | \$ 11,182 |
| Public safety | 14,391 | 12,980 | | | 14,391 | 12,980 |
| Public health | 4,162 | 4,548 | | | 4,162 | 4,548 |
| Highways and public improve. | 5,181 | 4,845 | | | 5,181 | 4,845 |
| Parks and recreation | 4,159 | 4,501 | | | 4,159 | 4,501 |
| Conservation & econ. dev. | 2,316 | 1,998 | | | 2,316 | 1,998 |
| Capital outlay | 161 | 53 | | | 161 | 53 |
| Interest on long term-debt | 2,490 | 1,787 | | | 2,490 | 1,787 |
| Western Park | | | \$ 1,933 | \$ 2,080 | 1,933 | 2,080 |
| Care Center | | | 129 | 300 | 129 | 300 |
| Landfill | | | 776 | 788 | 776 | 788 |
| Tele-communications | | | 181 | 229 | 181 | 229 |
| Total expenses | <u>\$ 43,373</u> | <u>\$ 41,894</u> | <u>\$ 3,019</u> | <u>\$ 3,397</u> | <u>\$ 46,392</u> | <u>\$ 45,291</u> |
| Excess (deficiency) before transfers | \$ 5,851 | \$ 6,554 | \$ (537) | \$ (1,376) | \$ 5,314 | \$ 5,178 |
| Special item: Contr to & Reimb. | 220 | | | | 220 | |
| Transfers | | (87) | | 87 | | |
| Change in net position | <u>\$ 6,071</u> | <u>\$ 6,467</u> | <u>\$ (537)</u> | <u>\$ (1,289)</u> | <u>\$ 5,534</u> | <u>\$ 5,178</u> |
| Net position - beginning | \$ 360,441 | \$ 366,512 | \$ 34,260 | \$ 33,723 | \$ 394,701 | \$ 400,235 |
| Net position - ending | <u>366,512</u> | <u>372,979</u> | <u>33,723</u> | <u>32,434</u> | <u>400,235</u> | <u>405,413</u> |
| Change in net position | <u>\$ 6,071</u> | <u>\$ 6,467</u> | <u>\$ (537)</u> | <u>\$ (1,289)</u> | <u>\$ 5,534</u> | <u>\$ 5,178</u> |

Overall, revenues for Uintah County have decreased during 2016 while expenditures have also decreased. Different categories of revenue have increased, such as, capital grants and contributions and unrestricted grants and contributions. All other revenue categories have decreased. Expenditures for some governmental functions have increased during the current year such as general government, public health, and parks and recreation. The expenditures for the governmental activities have also decreased during the year and the County as a whole had a substantial increase in net position for the same year. Some of the changes can be attributed to the continued economic activity because of the demand for energy, which has a major impact on the area. Beginning in 2015, the price of oil and natural gas has been decreasing and has had a significant negative effect on the revenue in Uintah County. The energy prices have recovered some during 2016 but if prices don't continue to improve it is anticipated that revenues of the County could continue to be affected because assessed valuation of property in the County would be reduced having an economic impact on the County's revenue.

Business-type activities

Business-type activities net position decreased during the current year for Uintah County. The main reason for the decrease was due to the decrease in oil and natural gas prices, which has reduced the economic activity in Uintah County. Because of reduced economic activity sales tax and charges for services, the two main revenue categories of business-type activities, have decreased. The Telecommunications fund has shown an increase in net position because of a transfer into this fund while the Western Park, Landfill and Care Center funds have had decreases in net position. The County has had the opportunity to build reserves in business-type funds in previous years which will benefit the operation of these funds in the future. Key elements of the change in net position of the business-type activities 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, assigned and committed fund balances* may serve as useful measures 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 \$63,656, an increase of 2,908, in comparison with the prior year. Approximately 50.1 percent of this amount (\$31,903) constitutes *unassigned and assigned fund balances*, which is available for spending at the government's discretion. The remainder of fund balances are *restricted and committed* to indicate that they are not available for new spending because it has already been restricted or committed. 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 \$13,050. 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. Unassigned fund balance represents 83.11 percent of total general fund expenditures and transfers.

Proprietary funds

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

Total unrestricted net position of the Government-wide financial statements at the end of the year amounted to \$2,487.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of \$624 can be briefly summarized as follows:

- \$457 increase in general government
- \$116 increase in public safety
- \$0 change in public health
- \$30 increase in highways and public improvements
- \$0 increase in transfers to other funds
- \$21 increase in parks, recreation and public property
- \$0 change in conservation and economic development

The increase in the general fund budget for the function of general government, was thought to be necessary to cover additional expenditures anticipated in the departments of public defender and attorney's office. The remaining departments in the general fund had increases in their respective budgets of public safety, highways and public improvements, parks, recreation and public property and transfers out, because of anticipated greater increases in the level of spending in these functions. Public safety expenditures were down as were also the categories of Highways and public improvements, Conservation & economic development, capital outlay and interest on long-term debt. The budget for general fund revenues increased a small amount due to the anticipation of increases in State grants and money from the Basin Energy Summit. Most of the other categories of revenues remained the same. During the year, however, actual total revenues were less than budgeted revenues by \$1,391 and actual expenditures were less than budgeted expenditures by \$3,057. The overall increase in general fund, fund balance was \$1,101.

Capital Asset and Debt Administration

Capital Assets

Uintah County's investment in capital assets for its governmental activities as of December 31, 2016, amounts to \$365,073 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment, and infrastructure, which includes roads, highways, bridges and construction in progress. The total net increase in Uintah County's investment in government-wide capital assets for the current year was \$3,644.

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

- Capital asset purchases of \$8,270 and dispositions of \$35 for governmental activities along with depreciation of \$4,340 are the transactions that account for the net change in capital assets of governmental activities of \$3,895.
- In the business-type activities the County had no spending on capital assets for the year ending December 31, 2016. The County did have \$251 of depreciation during the current year. The county had no disposition of capital assets of business type assets that had not been fully depreciated. The transactions reflected a net decrease in capital assets for business-type funds of \$251.

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.

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

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--------------------------------------|------------------------------------|-------------------|-------------------------------------|-----------------|-------------------------------------|-------------------|
| | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 |
| Right of ways | \$ 3,050 | \$ 3,050 | | | \$ 3,050 | \$ 3,050 |
| Land | 14,708 | 14,708 | \$ 6,316 | \$ 6,316 | 21,024 | 21,024 |
| Water rights | 281 | 281 | | | 281 | 281 |
| Buildings | 92,531 | 89,886 | 2,437 | 2,297 | 94,968 | 92,183 |
| Improvements other than buildings | 1,749 | 1,568 | 1,077 | 1,016 | 2,826 | 2,584 |
| Equipment | 5,785 | 5,084 | 206 | 156 | 5,991 | 5,240 |
| Infrastructure | 239,578 | 239,451 | | | 239,578 | 239,451 |
| Work in progress | 3,496 | 11,045 | | | 3,496 | 11,045 |
| | <u>\$ 361,178</u> | <u>\$ 365,073</u> | <u>\$ 10,036</u> | <u>\$ 9,785</u> | <u>\$ 371,214</u> | <u>\$ 374,858</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 and notes payable outstanding of \$58,440. The debt represents revenue bonds secured by specified revenue sources and G.O. bonds backed by the full faith of the County.

Table 4
Outstanding Debt at Year-end

| | Governmental Activities | | Business-type Activities | | Totals | |
|-------------------|------------------------------------|------------------|-------------------------------------|-----------------|------------------|------------------|
| | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 |
| Bond premium | \$ 3,219 | \$ 3,050 | | | \$ 3,219 | \$ 3,050 |
| Bonds payable | 58,340 | 55,970 | \$ 100 | \$ 75 | 58,440 | 56,045 |
| Net pension liab. | 6,161 | 13,859 | 369 | 1,043 | 6,530 | 14,902 |
| Total debt | <u>\$ 67,720</u> | <u>\$ 72,879</u> | <u>\$ 469</u> | <u>\$ 1,118</u> | <u>\$ 68,189</u> | <u>\$ 73,997</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 \$118,985. At this time Uintah County has \$32,200 in 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 economic future of Uintah County received a major boost with the announcement of a new upgrader planned for Uintah County. Much like a refinery, the upgrader is the latest project of the company Uintah Advantage. 1,000 jobs are anticipated during the peak of construction and once complete the upgrader will staff around 150 high paying full time jobs. The anticipated 30 month construction period is expected to begin in the 1st quarter of 2018. Actual startup of the operation is expected in the 4th quarter of 2020. The project's minor source air permit has already been approved and the zoning is already in place for its location on Leland Bench on private property. The economic implications of the project are significant for the economy by leveling the playing field and creating a competitive advantage for the local oil and gas industry.
- Residential building permits were down from 2015 and they were the lowest of the past seven years. The number of commercial permits decreased from 18 in 2015 to 10 in 2016. Non-residential construction decreased from \$7,562,841 in 2015 to \$2,477,200 in 2016. 2017 is looking to be a better year for new construction.
- The unemployment rate for Uintah County, as of December 31, 2016 was 8%. This is a 1.2% decrease from 2015's 9.2%. The State of Utah's rate was 3.2% and the national average was 4.7% for the year ending December 31, 2016.
- Anadarko Uintah Midstream LLC filed a 2016 Centrally Assessed tax appeal with the Utah State Tax Commission. Uintah County was ordered to refund \$727,304.31. This amount will be paid back over a period of 7 years at \$103,900.62 per year with no interest. The yearly amount will be shared by fund according to their individual tax rates.
- Uintah County's labor market seems to be past its deepest slump and is showing signs of stabilizing. Not surprisingly, the loss of employment is reflected in a relatively high unemployment rate. Construction permitting has also reacted to the commodity slump. Gross taxable sales mirrored the labor market slowdown with steep declines in all broadly defined sectors. However, fourth quarter data shows a stabilizing trend in the employment statistics and offers some hope for 2017.
- Uintah County lost 1,089 jobs, or almost 8 percent of its base, on a year-to-date as of the fourth quarter of 2016. Note that this a substantial improvement over the first quarter statistics.

All of these factors were considered in preparing Uintah County's budget for the year, the county reduced its general operating budget from 2016 to 2017 by 8.3%.

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 offices 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
STATEMENT OF NET POSITION
DECEMBER 31, 2016

| | PRIMARY GOVERNMENT | | | |
|--|---------------------------------|---------------------------------|----------------|--------------------|
| | GOVERN- MENTAL ACTIVITIES | BUSINESS- TYPE ACTIVITIES | TOTAL | COMPONENT UNITS |
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ 59,186,550 | \$ 3,244,107 | \$ 62,430,657 | \$ 23,872,781 |
| Investments | | | | 4,026,771 |
| Taxes receivable | 3,165,621 | | 3,165,621 | |
| Accounts receivable - net | 21,590 | 16,011 | 37,601 | 838,681 |
| Other receivables | 1,082 | | 1,082 | |
| Contract receivable - current portion | 198,500 | | 198,500 | |
| Internal balances | (175,550) | 175,550 | | |
| Due from other governmental units | 3,989,847 | | 3,989,847 | 6,164,446 |
| Inventory | | 13,220 | 13,220 | 115,198 |
| Prepaid expenses | | | | 472,053 |
| Restricted cash and cash equivalents | 7,661,193 | 20,236,714 | 27,897,907 | 6,386,194 |
| Other investments | | | | 1,478,690 |
| Contract receivable - noncurrent portion | 3,306,834 | | 3,306,834 | |
| Net pension asset | 20,289 | 1,528 | 21,817 | 8,582 |
| Capital assets (net of accumulated depreciation): | | | | |
| Land | 14,708,241 | 6,315,656 | 21,023,897 | 2,280,267 |
| Rights of Way | 3,050,400 | | 3,050,400 | |
| Water rights | 280,995 | | 280,995 | 39,990 |
| Buildings | 89,886,392 | 2,296,713 | 92,183,105 | 44,582,535 |
| Improvements other than buildings | 1,567,740 | 1,015,952 | 2,583,692 | 1,813,096 |
| Equipment | 5,083,552 | 156,731 | 5,240,283 | 2,431,424 |
| Infrastructure | 239,450,812 | | 239,450,812 | |
| Work in progress | 11,044,988 | | 11,044,988 | 23,458 |
| Total assets | \$ 442,449,076 | \$ 33,472,182 | \$ 475,921,258 | \$ 94,534,166 |
| Deferred outflow - refunding bonds | 4,264,050 | | 4,264,050 | |
| Deferred outflow of resources related to pensions | 7,810,349 | 587,875 | 8,398,224 | 2,570,170 |
| Total assets and deferred outflow of resources | \$ 454,523,475 | \$ 34,060,057 | \$ 488,583,532 | \$ 97,104,336 |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 3,825,113 | \$ 43,761 | \$ 3,868,874 | \$ 3,563,013 |
| Warrants payable | 633,542 | 18,280 | 651,822 | |
| Salaries payable | 515,579 | 35,301 | 550,880 | 769,738 |
| Accrued liabilities | 177,675 | 11,645 | 189,320 | |
| Client trust payable | | | | 33,959 |
| Deposit payable | | | | 1,530 |
| Unearned revenue | | | | 70,041 |
| Bond interest payable | 193,791 | 142 | 193,933 | 171,629 |
| Revenue and G.O. bonds payable - Due within one year | 1,986,943 | 25,000 | 2,011,943 | 2,983,000 |
| Capital leases payable - Due within one year | | | | 238,500 |
| Revenue and G.O. bonds payable - Due in more than one year | 57,033,338 | 50,000 | 57,083,338 | 24,597,000 |
| Capital leases payable - Due in more than one year | | | | 3,736,893 |
| Compensated absences | 1,953,359 | 295,920 | 2,249,279 | 574,742 |
| Net pension liability | 13,859,122 | 1,043,160 | 14,902,282 | 3,994,361 |
| Total liabilities | \$ 80,178,462 | \$ 1,523,209 | \$ 81,701,671 | \$ 40,734,406 |
| Deferred inflow from other resources | | | | 26,970 |
| Deferred inflow of resources related to pensions | 1,365,561 | 102,785 | 1,468,346 | 534,981 |
| Total liabilities and deferred inflow of resources | \$ 81,544,023 | \$ 1,625,994 | \$ 83,170,017 | \$ 41,296,357 |

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

UINTAH COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2016

| | PRIMARY GOVERNMENT | | | COMPONENT UNITS |
|--------------------------------|---------------------------------|---------------------------------|-----------------------|----------------------|
| | GOVERN- MENTAL ACTIVITIES | BUSINESS- TYPE ACTIVITIES | TOTAL | |
| <u>NET POSITION</u> | | | | |
| Net invested in capital assets | \$ 305,859,048 | \$ 9,709,910 | \$ 315,568,958 | \$ 39,037,468 |
| Restricted for: | | | | |
| Class "B" roads | 5,922,292 | | 5,922,292 | |
| Statutory minimum | | | | 20,018 |
| Uintah Care Center | | 20,070,159 | 20,070,159 | |
| Client trust | | | | 33,959 |
| Capital projects/Construction | | | | 750,476 |
| Municipal building authority | 2,699,324 | | 2,699,324 | |
| Flood control | 1,488,300 | | 1,488,300 | |
| Transient room | 420,907 | | 420,907 | |
| Food services | 467,616 | | 467,616 | |
| Tort liability | 1,050,577 | | 1,050,577 | |
| Library | 3,689,505 | | 3,689,505 | |
| Landfill post closure reserve | | 150,388 | 150,388 | |
| Permanent funds | 6,336,680 | | 6,336,680 | |
| Tri-County Health | 642,352 | | 642,352 | |
| Assessing and collecting | 1,058,079 | | 1,058,079 | |
| Debt Service | 994,934 | 16,167 | 1,011,101 | 5,470,080 |
| Unrestricted | 42,349,838 | 2,487,439 | 44,837,277 | 10,495,978 |
| Total net position | <u>\$ 372,979,452</u> | <u>\$ 32,434,063</u> | <u>\$ 405,413,515</u> | <u>\$ 55,807,979</u> |

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

UINTAH COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

| Function/Programs | PROGRAM REVENUES | | | | NET (EXPENSE) REVENUE & CHANGES IN NET POSITION | | | |
|--|------------------|----------------------------|---|---|---|-----------------------------|-----------------|--------------------|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | PRIMARY GOVERNMENT | | | COMPONENT UNITS |
| | | | | | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL | |
| Primary government: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 11,182,337 | \$ 652,473 | \$ 85,000 | | \$ (10,444,864) | | \$ (10,444,864) | |
| Public safety | 12,979,833 | 3,394,675 | 396,192 | \$ 750,000 | (8,438,966) | | (8,438,966) | |
| Public health | 4,547,550 | 1,052,350 | 2,504,664 | | (990,536) | | (990,536) | |
| Highways and public improvements | 4,845,420 | 232,825 | 3,240 | 10,916,889 | 6,307,534 | | 6,307,534 | |
| Parks and recreation | 4,501,024 | 419,249 | 632,056 | | (3,449,719) | | (3,449,719) | |
| Conservation and economic development | 1,998,157 | 250,266 | 221,938 | 642 | (1,525,311) | | (1,525,311) | |
| Capital outlay | 53,256 | | | | (53,256) | | (53,256) | |
| Interest on long-term debt | 1,786,724 | | | | (1,786,724) | | (1,786,724) | |
| Total governmental activities | \$ 41,894,300 | \$ 6,001,838 | \$ 3,843,090 | \$ 11,667,531 | \$ (20,381,841) | \$... | \$ (20,381,841) | |
| Business-type activities: | | | | | | | | |
| Western Park | \$ 2,079,972 | \$ 301,620 | | | | \$ (1,778,352) | \$ (1,778,352) | |
| Care Center | 300,000 | | | | | (300,000) | (300,000) | |
| Landfill | 788,014 | 676,643 | | | | (111,371) | (111,371) | |
| Telecommunications | 228,874 | 169,324 | | | | (59,550) | (59,550) | |
| Total business-type activities | \$ 3,396,860 | \$ 1,147,587 | \$... | \$... | \$... | \$ (2,249,273) | \$ (2,249,273) | |
| Total primary government | \$ 45,291,160 | \$ 7,149,425 | \$ 3,843,090 | \$ 11,667,531 | \$ (20,381,841) | \$ (2,249,273) | \$ (22,631,114) | |
| Component Units: | | | | | | | | |
| Uintah Transportation Special Service District | \$ 19,790,287 | | | \$ 8,148,556 | | | | \$ (11,641,731) |
| Tri-County Mental Health & Sub. Abuse | 6,556,178 | \$ 5,859,738 | \$ 2,101,836 | | | | | 1,405,396 |
| Uintah Recreation District | 5,690,945 | 1,533,106 | 2,145,361 | | | | | (2,012,478) |
| Uintah Health Care Spec. Serv. Dist. | 8,431,612 | 4,926,788 | 3,526,346 | | | | | 21,522 |
| Animal Control Special Service District | 764,361 | 47,209 | 451,034 | | | | | (266,118) |
| Uintah Impact Mitigation Special Service Dist | 2,365,449 | | 65,000 | | | | | (2,300,449) |
| Fire Suppression Special Service District | 1,536,004 | 18,035 | 46,011 | | | | | (1,471,958) |
| Total component units | \$ 45,134,836 | \$ 12,384,876 | \$ 8,335,588 | \$ 8,148,556 | \$... | \$... | \$... | \$ (16,265,816) |
| General revenues: | | | | | | | | |
| Property taxes | | | | | \$ 16,944,636 | \$ 841 | \$ 16,945,477 | |
| Delinquent taxes | | | | | 529,084 | | 529,084 | |
| Sales taxes | | | | | 4,989,803 | 661,745 | 5,651,548 | |
| Transient room tax | | | | | 508,528 | | 508,528 | |
| Aviation fuel tax | | | | | 8,780 | | 8,780 | |
| Payment in lieu of taxes | | | | | 3,009,706 | | 3,009,706 | |
| Grants and contributions not restricted to specific programs | | | | | | | | \$ 7,610,217 |
| Contribution to other governments | | | | | | | | (923,719) |
| Unrestricted investment earnings | | | | | 706,669 | 209,767 | 916,436 | 395,397 |
| Gain/(Loss) on disposal of assets | | | | | 53,374 | | 53,374 | |
| Miscellaneous | | | | | 185,210 | 1,136 | 186,346 | 126,295 |
| Transfers | | | | | (86,700) | 86,700 | | |
| Total general revenues, special items and transfers | | | | | \$ 26,849,090 | \$ 960,189 | \$ 27,809,279 | \$ 7,208,190 |
| Change in net position | | | | | \$ 6,467,249 | \$ (1,289,084) | \$ 5,178,165 | \$ (9,057,626) |
| Net position - beginning | | | | | 366,512,203 | 33,723,147 | 400,235,350 | 64,865,605 |
| Net position - ending | | | | | \$ 372,979,452 | \$ 32,434,063 | \$ 405,413,515 | \$ 55,807,979 |

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

**UINTAH COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | GENERAL FUND | CAPITAL PROJECTS | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|----------------------|----------------------|--------------------------------|--------------------------------|
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents | \$ 12,884,879 | \$ 18,672,318 | \$ 23,402,445 | \$ 54,959,642 |
| Receivables (net): | | | | |
| Accounts | | | 21,590 | 21,590 |
| Taxes | 1,550,473 | | 1,615,148 | 3,165,621 |
| Due from other governments | 146,551 | 3,038,550 | 804,746 | 3,989,847 |
| Restricted cash and investments | | | 7,561,193 | 7,561,193 |
| Total assets | <u>\$ 14,581,903</u> | <u>\$ 21,710,868</u> | <u>\$ 33,405,122</u> | <u>\$ 69,697,893</u> |
| <u>LIABILITIES, DEFERRED OUTFLOW OF RESOURCES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 372,018 | \$ 3,044,704 | \$ 217,994 | \$ 3,634,716 |
| Warrants payable | 150,281 | | 483,231 | 633,512 |
| Salaries payable | 330,278 | | 185,301 | 515,579 |
| Accrued liabilities | 108,334 | | 69,341 | 177,675 |
| Total liabilities | \$ 960,911 | \$ 3,044,704 | \$ 955,867 | \$ 4,961,482 |
| Deferred inflows of resources - taxes | 570,446 | | 510,327 | 1,080,773 |
| Total liabilities and deferred inflows of resources | <u>\$ 1,531,357</u> | <u>\$ 3,044,704</u> | <u>\$ 1,466,194</u> | <u>\$ 6,042,255</u> |
| Fund balances: | | | | |
| Restricted: | | | | |
| Class "B" Road | | | \$ 5,922,292 | \$ 5,922,292 |
| Municipal Building Authority | | | 2,699,324 | 2,699,324 |
| Tri-County Health | | | 642,352 | 642,352 |
| Permanent funds | | | 6,336,680 | 6,336,680 |
| Assessing and collecting | | | 1,058,079 | 1,058,079 |
| Flood control | | | 1,488,300 | 1,488,300 |
| Transient room | | | 420,907 | 420,907 |
| Food service | | | 467,616 | 467,616 |
| Tort liability | | | 1,050,577 | 1,050,577 |
| Library | | | 3,689,505 | 3,689,505 |
| Debt Service | | | 994,934 | 994,934 |
| Committed: | | | | |
| Municipal Services | | | 4,958,862 | 4,958,862 |
| Regional History Center | | | 197,790 | 197,790 |
| 911 emergency service | | | 1,824,799 | 1,824,799 |
| Assigned: | | | | |
| Historical preservation | | | 28,082 | 28,082 |
| Drug court | | | 1,845 | 1,845 |
| Capital Projects | | \$ 18,666,164 | | 18,666,164 |
| Perpetual care | | | 156,984 | 156,984 |
| Unassigned: | | | | |
| General fund | \$ 13,050,546 | | | 13,050,546 |
| Total fund balances | <u>\$ 13,050,546</u> | <u>\$ 18,666,164</u> | <u>\$ 31,938,928</u> | <u>\$ 63,655,638</u> |
| Total liabilities, deferred inflow of resources and fund balances | <u>\$ 14,581,903</u> | <u>\$ 21,710,868</u> | <u>\$ 33,405,122</u> | <u>\$ 69,697,893</u> |

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

UINTAH COUNTY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2016

Total fund balances - governmental fund types: \$ 63,655,638

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. These assets consist of:

| | |
|-----------------------------------|--------------------|
| Land | \$ 14,708,241 |
| Rights of Way | 3,050,400 |
| Water rights | 280,995 |
| Buildings | 89,886,392 |
| Improvements other than buildings | 1,567,740 |
| Equipment | 5,083,552 |
| Infrastructure | 239,450,812 |
| Work in progress | <u>11,044,988</u> |
| Total | 365,073,120 |

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

| | |
|--|---------------------|
| Deferred charge on bonding | \$ 4,264,050 |
| Revenue and G.O. bonds payable - > one year | (57,033,338) |
| Revenue and G.O. bonds payable - due within one year | (1,986,943) |
| Bond interest payable | (193,791) |
| Net pension liability | (13,859,122) |
| Deferred inflow of resources related to pensions | (1,365,561) |
| Deferred outflows of resources related to pensions | 7,810,349 |
| Compensated absences | <u>(1,953,359)</u> |
| Total | (64,317,715) |

The net pension asset is not an available resources, therefore, is not reported in the governmental funds. 20,289

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. 3,505,334

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. 4,157,958

Deferred tax revenue reduced and reported as income because revenue has been earned but was received over 60 days after the end of the year. 1,080,773

Accumulated effect of crossover amounts charged in prior years to business type activities from Internal Service Fund activity. (195,945)

Net position of government activities \$ 372,979,452

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

UINTAH COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | GENERAL FUND | CAPITAL PROJECT | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|-----------------|--------------------|--------------------------------|--------------------------------|
| REVENUES: | | | | |
| Taxes | \$ 12,686,670 | | \$ 10,038,715 | \$ 22,725,385 |
| Licenses and permits | 71,100 | | 147,784 | 218,884 |
| Intergovernmental revenues | 609,845 | \$ 7,356,895 | 10,468,587 | 18,435,327 |
| Charges for services | 2,585,525 | 12,050 | 2,807,852 | 5,405,427 |
| Fines and forfeitures | 289,173 | | | 289,173 |
| Interest income | 68,516 | 159,010 | 267,244 | 494,770 |
| Miscellaneous | 492,616 | 15,285 | 145,951 | 653,852 |
| Total revenues | \$ 16,803,445 | \$ 7,543,240 | \$ 23,876,133 | \$ 48,222,818 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | \$ 6,090,679 | | \$ 3,933,357 | \$ 10,024,036 |
| Public safety | 6,337,976 | | 4,039,116 | 10,377,092 |
| Highways and public improvements | 616,002 | | 3,214,599 | 3,830,601 |
| Public health | 433,284 | | 3,631,431 | 4,064,715 |
| Parks, recreation, and public property | 496,190 | | 2,743,160 | 3,239,350 |
| Conservation and economic development | 559,080 | | 1,389,369 | 1,948,449 |
| Capital outlay | | \$ 7,767,624 | | 7,767,624 |
| Debt Service: | | | | |
| Principal retirement | | | 2,369,500 | 2,369,500 |
| Interest and fiscal charges | | | 1,607,161 | 1,607,161 |
| Total expenditures | \$ 14,533,211 | \$ 7,767,624 | \$ 22,927,693 | \$ 45,228,528 |
| Excess revenues over (under) expenditures | \$ 2,270,234 | \$ (224,384) | \$ 948,440 | \$ 2,994,290 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | | \$ 1,000,000 | \$ 407,900 | \$ 1,407,900 |
| Transfers out | \$ (1,169,600) | | (325,000) | (1,494,600) |
| Total other financing sources (uses) | \$ (1,169,600) | \$ 1,000,000 | \$ 82,900 | \$ (86,700) |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ 1,100,634 | \$ 775,616 | \$ 1,031,340 | \$ 2,907,590 |
| FUND BALANCES - beginning of year | 11,949,912 | 17,890,548 | 30,907,588 | 60,748,048 |
| FUND BALANCES - end of year | \$ 13,050,546 | \$ 18,666,164 | \$ 31,938,928 | \$ 63,655,638 |

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

**UINTAH COUNTY
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

Net changes in fund balances - total governmental funds \$ 2,907,590

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 capital outlay exceeded depreciation in the current period.

| | | | |
|--|--------|--------------------|---------------|
| General government | \$ | 10,850 | |
| Public safety | | 239,251 | |
| Highways | | 126,561 | |
| Parks and recreation | | 27,003 | |
| Conservation and economic development | | 151,489 | |
| Capital Projects Fund | | <u>7,714,368</u> | |
| Total assets shown as expenditures | \$ | 8,269,522 | |
| Less: depreciation | | <u>(4,339,764)</u> | |
| Difference between expenditures and depreciation | | | 3,929,758 |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

| | | | |
|---|----|---------------|--------------|
| Adjust miscellaneous revenue for sale of capital assets | \$ | (88,008) | |
| Loss on disposal of capital assets | | <u>53,374</u> | |
| Net change in capital asset transactions | | | (34,634) |

The governmental fund reports bond proceeds as an other financing source, while repayment of the bond principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is 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 | | 2,369,500 | |
| Change in bond interest expense | | <u>57,329</u> | |
| | | | 2,359,380 |

Governmental funds do not accrue net pension assets or liabilities. In the statement of activities the net effect of reporting pension activity reduced pension expense. (2,465,390)

To reduce charges for service revenue for payment made on contract receivable (198,500)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Increase in compensated absences) 13,232

Tax revenue increased because revenue had been earned and reported in the current year but collected and to be reported as revenue in subsequent years (deferred tax revenue). 246,665

The net income (loss) of certain activities of internal service funds is reported with governmental activities. (290,852)

Change in net position of governmental activities \$ 6,467,249

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

**UINTAH COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | | INTERNAL SERVICE FUND |
|--|---|----------------|-------------------|---------------|-----------------------------|
| | WESTERN PARK | CARE CENTER | NONMAJOR FUNDS | TOTAL BTAs | |
| <u>ASSETS</u> | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 1,357,327 | | \$ 1,886,780 | \$ 3,244,107 | \$ 4,226,908 |
| Receivables - net | | | | | |
| Account | 59 | | 15,952 | 16,011 | |
| Miscellaneous | | | | | 1,082 |
| Inventory | 13,220 | | | 13,220 | |
| Restricted cash and investments | 16,167 | 20,070,159 | 150,388 | 20,236,714 | 100,000 |
| Total current assets | \$ 1,386,773 | \$ 20,070,159 | \$ 2,053,120 | \$ 23,510,052 | \$ 4,327,990 |
| Noncurrent assets: | | | | | |
| Net pension asset | \$ 993 | | \$ 535 | \$ 1,528 | |
| Land | 6,264,356 | | 51,300 | 6,315,656 | |
| Buildings | 5,027,467 | | 46,791 | 5,074,258 | |
| Improvements other than buildings | 1,370,358 | | 54,136 | 1,424,494 | |
| Furniture, fixtures and equipment | 916,631 | | 1,215,366 | 2,131,997 | |
| Accumulated depreciation | (3,883,127) | | (1,278,226) | (5,161,353) | |
| Total noncurrent assets | \$ 9,696,678 | \$... | \$ 89,902 | \$ 9,786,580 | \$... |
| Total assets | \$ 11,083,451 | \$ 20,070,159 | \$ 2,143,022 | \$ 33,296,632 | \$ 4,327,990 |
| Deferred outflow of resources: | | | | | |
| Deferred outflow - related to pensions | \$ 382,119 | | \$ 205,756 | \$ 587,875 | |
| Total deferred outflow of resources | \$ 382,119 | \$... | \$ 205,756 | \$ 587,875 | \$... |
| Total assets and deferred outflow of resources | \$ 11,465,570 | \$ 20,070,159 | \$ 2,348,778 | \$ 33,884,507 | \$ 4,327,990 |
| <u>LIABILITIES</u> | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | \$ 33,594 | | \$ 10,167 | \$ 43,761 | \$ 190,397 |
| Warrants payable | 16,138 | | 2,142 | 18,280 | 30 |
| Accrued interest payable | 142 | | | 142 | |
| Accrued wages payable | 22,149 | | 13,152 | 35,301 | |
| Accrued liabilities | 7,070 | | 4,575 | 11,645 | |
| Current portion of long term debt | 25,000 | | | 25,000 | |
| Total current liabilities | \$ 104,093 | \$... | \$ 30,036 | \$ 134,129 | \$ 190,427 |

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

UINTAH COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | | INTERNAL SERVICE FUND |
|---|---|----------------|-------------------|---------------|-----------------------------|
| | WESTERN PARK | CARE CENTER | NONMAJOR FUNDS | TOTAL BTAs | |
| Noncurrent liabilities: | | | | | |
| Net pension liability | \$ 678,054 | | \$ 365,106 | \$ 1,043,160 | |
| Compensated absences | 168,920 | | 127,000 | 295,920 | |
| Revenue bonds payable | 50,000 | | | 50,000 | |
| Total noncurrent liabilities | \$ 896,974 | \$... | \$ 492,106 | \$ 1,389,080 | \$... |
| Total liabilities | \$ 1,001,067 | \$... | \$ 522,142 | \$ 1,523,209 | \$ 190,427 |
| Deferred inflow of resources: | | | | | |
| Deferred inflow - related to pensions | \$ 66,810 | | \$ 35,975 | \$ 102,785 | |
| Total deferred inflow of resources | \$ 66,810 | \$... | \$ 35,975 | \$ 102,785 | \$... |
| Total liabilities and deferred inflow of resources | \$ 1,067,877 | \$... | \$ 558,117 | \$ 1,625,994 | \$ 190,427 |
| Net Position: | | | | | |
| Net invested in capital assets | \$ 9,620,543 | | \$ 89,367 | \$ 9,709,910 | |
| Restricted | 16,167 | \$ 20,070,159 | 150,388 | 20,236,714 | \$ 4,137,563 |
| Unrestricted | 760,983 | | 1,550,906 | 2,311,889 | |
| Total net position | \$ 10,397,693 | \$ 20,070,159 | \$ 1,790,661 | \$ 32,258,513 | \$ 4,137,563 |
| Adjustment to reflect the consolidation of ISF activities related to enterprise funds | | | | 175,550 | |
| Net position of business-type activities | | | | \$ 32,434,063 | |

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

UINTAH COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS | | | | INTERNAL SERVICE FUND |
|---|--|----------------|-------------------|----------------|-----------------------------|
| | WESTERN PARK | CARE CENTER | NONMAJOR FUNDS | TOTAL BTAs | |
| Operating revenues: | | | | | |
| Charges for sales and services | \$ 301,620 | | \$ 845,967 | \$ 1,147,587 | \$ 4,032,694 |
| Total operating revenues | \$ 301,620 | \$... | \$ 845,967 | \$ 1,147,587 | \$ 4,032,694 |
| Operating expenses: | | | | | |
| Employee salaries and benefits | \$ 1,185,124 | | \$ 660,562 | \$ 1,845,686 | |
| Office supplies | 9,307 | | 282 | 9,589 | |
| Other supplies and services | 133,551 | | 26,879 | 160,430 | |
| Contractual services | 46,071 | | 28,179 | 74,250 | \$ 4,386,398 |
| Utilities | 175,895 | | 11,209 | 187,104 | |
| Fuel and oil | 9,410 | | 26,925 | 36,335 | |
| Repairs and maintenance | 51,103 | | 40,998 | 92,101 | |
| Depreciation | 245,509 | | 5,269 | 250,778 | |
| Rental | 45,000 | | 95,000 | 140,000 | |
| Miscellaneous | 10,541 | | 5,196 | 15,737 | |
| Advertising | 1,984 | | | 1,984 | |
| Event costs | 132,923 | | | 132,923 | |
| Travel | 1,689 | | | 1,689 | |
| Telephone and internet | 20,057 | | 103,499 | 123,556 | |
| State assessment | | | 3,850 | 3,850 | |
| Total operating expenses | \$ 2,068,164 | \$... | \$ 1,007,848 | \$ 3,076,012 | \$ 4,386,398 |
| Operating income (loss) | \$ (1,766,544) | \$... | \$ (161,881) | \$ (1,928,425) | \$ (353,704) |
| Nonoperating revenues (expenses): | | | | | |
| Taxes | \$ 661,745 | \$ 841 | | \$ 662,586 | |
| Interest revenue | 33,930 | 158,097 | \$ 17,740 | 209,767 | \$ 42,457 |
| Miscellaneous revenue | 1,136 | | | 1,136 | |
| Interest expense | (453) | | | (453) | |
| Contribution to other governments | | (300,000) | | (300,000) | |
| Total nonoperating revenues (expenses) | \$ 696,358 | \$ (141,062) | \$ 17,740 | \$ 573,036 | \$ 42,457 |
| Income (loss) before contributions, and transfers | \$ (1,070,186) | \$ (141,062) | \$ (144,141) | \$ (1,355,389) | \$ (311,247) |

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

UINTAH COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS | | | | INTERNAL SERVICE FUND |
|---|--|----------------------|---------------------|-----------------------|-----------------------------|
| | WESTERN PARK | CARE CENTER | NONMAJOR FUNDS | TOTAL BTAs | |
| Contributions and Transfers In (Out): | | | | | |
| Transfers in (out) | | | \$ 86,700 | \$ 86,700 | |
| Total contributions and transfers in (out) | \$... | \$... | \$ 86,700 | \$ 86,700 | \$... |
| Change in net position | \$ (1,070,186) | \$ (141,062) | \$ (57,441) | \$ (1,268,689) | \$ (311,247) |
| Total net position - beginning | 11,467,879 | 20,211,221 | 1,848,102 | | 4,448,810 |
| Total net position - ending | <u>\$ 10,397,693</u> | <u>\$ 20,070,159</u> | <u>\$ 1,790,661</u> | | <u>\$ 4,137,563</u> |
| Adjustment to reflect the consolidation of ISF activities related to enterprise funds | | | | (20,395) | |
| Changes in net position of business-type activities | | | | <u>\$ (1,289,084)</u> | |

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

UINTAH COUNTY
STATEMENT OF CASH FLOWS
PROPERETARY FUNDS AND INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | | INTERNAL SERVICE FUNDS |
|--|---|-----------------------------|----------------------------|-----------------------------|------------------------------|
| | WESTERN PARK | CARE CENTER | NON- MAJOR | TOTAL BTA's | |
| Cash Flows From Operating Activities: | | | | | |
| Receipts from customers | \$ 301,170 | | \$ 848,917 | \$ 1,150,087 | \$ 4,031,612 |
| Payments to suppliers | (625,926) | | (349,814) | (975,740) | (4,332,955) |
| Payments to employees | (974,711) | | (576,759) | (1,551,470) | |
| Net cash provided (used) by operating activities | <u>\$ (1,299,467)</u> | <u>\$...</u> | <u>\$ (77,656)</u> | <u>\$ (1,377,123)</u> | <u>\$ (301,343)</u> |
| Cash Flows From Noncapital Financing Activities: | | | | | |
| Tax revenue | \$ 661,745 | \$ 1,104 | | \$ 662,849 | |
| Private contributions | 1,136 | | | 1,136 | |
| Contribution to other governments | | (300,000) | | (300,000) | |
| Transfers to other funds | | | \$ 86,700 | 86,700 | |
| Net cash provided (used) by noncapital financing activities | <u>\$ 662,881</u> | <u>\$ (298,896)</u> | <u>\$ 86,700</u> | <u>\$ 450,685</u> | <u>\$...</u> |
| Cash Flows From Capital and Related Financing Activities: | | | | | |
| Principal paid on capital debt | \$ (25,000) | | | \$ (25,000) | |
| Interest paid on capital debt | (500) | | | (500) | |
| Net cash provided (used) by capital and related financing activities | <u>\$ (25,500)</u> | <u>\$...</u> | <u>\$...</u> | <u>\$ (25,500)</u> | <u>\$...</u> |
| Cash Flows From Investing Activities: | | | | | |
| Interest and dividends received | <u>\$ 33,930</u> | <u>\$ 158,097</u> | <u>\$ 17,740</u> | <u>\$ 209,767</u> | <u>\$ 42,457</u> |
| Net cash provided (used) by investing activities | <u>\$ 33,930</u> | <u>\$ 158,097</u> | <u>\$ 17,740</u> | <u>\$ 209,767</u> | <u>\$ 42,457</u> |
| Net increase (decrease) in cash and cash equivalents | <u>\$ (628,156)</u> | <u>\$ (140,799)</u> | <u>\$ 26,784</u> | <u>\$ (742,171)</u> | <u>\$ (258,886)</u> |
| Cash and cash equivalents, January 1 | <u>2,001,650</u> | <u>20,210,958</u> | <u>2,010,384</u> | <u>24,222,992</u> | <u>4,585,794</u> |
| Cash and cash equivalents, December 31 | <u><u>\$ 1,373,494</u></u> | <u><u>\$ 20,070,159</u></u> | <u><u>\$ 2,037,168</u></u> | <u><u>\$ 23,480,821</u></u> | <u><u>\$ 4,326,908</u></u> |

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

UINTAH COUNTY
STATEMENT OF CASH FLOWS
PROPERETARY FUNDS AND INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | | INTERNAL SERVICE FUNDS |
|---|---|----------------|---------------|----------------|------------------------------|
| | WESTERN PARK | CARE CENTER | NON- MAJOR | TOTAL BTA's | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | | |
| Operating income (loss) | \$ (1,766,544) | \$... | \$ (161,881) | \$ (1,928,425) | \$ (353,704) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation expense | \$ 245,509 | | \$ 5,269 | \$ 250,778 | |
| (Increase) Decrease in accounts receivable | (35) | | 2,950 | 2,915 | \$ (1,082) |
| (Increase) Decrease in inventories | (415) | | | (415) | |
| (Increase) Decrease in net pension resources | 194,068 | | 67,328 | 261,396 | |
| Increase (Decrease) in accounts payable | 4,685 | | (3,628) | 1,057 | 188,893 |
| Increase (Decrease) in warrants payable | 6,920 | | (4,169) | 2,751 | (135,450) |
| Increase (Decrease) in salaries payable | 22,149 | | 13,152 | 35,301 | |
| Increase (Decrease) in compensated absences | (8,416) | | 2,789 | (5,627) | |
| Increase (Decrease) in accrued liabilities | 2,612 | | 534 | 3,146 | |
| Total adjustments | \$ 467,077 | \$... | \$ 84,225 | \$ 551,302 | \$ 52,361 |
| Net cash provided (used) by operating activities | \$ (1,299,467) | \$... | \$ (77,656) | \$ (1,377,123) | \$ (301,343) |

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

UINTAH COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016

| | <u>PRIVATE PURPOSE FUNDS</u> | | |
|-----------------------------------|------------------------------|-----------------------|-------------------------|
| | <u>CEMETERY TRUST</u> | <u>GIRT TRUST</u> | <u>AGENCY FUNDS</u> |
| <u>ASSETS</u> | | | |
| Cash and cash equivalents | \$ 431,374 | \$ 151,350 | \$ 6,768,061 |
| Receivables (net): | | | |
| Accounts | 1,300 | 4,569 | |
| Taxes | | | 471,607 |
| Investments | | | 203,736 |
| Restricted cash | | | 502,467 |
| | <hr/> | <hr/> | <hr/> |
| Total assets | \$ 432,674 | \$ 155,919 | \$ 7,945,871 |
| | <hr/> | <hr/> | <hr/> |
| <u>LIABILITIES</u> | | | |
| Warrants outstanding | | | \$ 6,848 |
| Due governments and organizations | | | 495,619 |
| Due taxing units | | | 7,443,404 |
| | <hr/> | <hr/> | <hr/> |
| Total liabilities | \$... | \$... | \$ 7,945,871 |
| | <hr/> | <hr/> | <hr/> |
| <u>NET POSITION</u> | | | |
| Held in trust | <u>\$ 432,674</u> | <u>\$ 155,919</u> | <u>\$...</u> |

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

UINTAH COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | <u>PRIVATE PURPOSE FUNDS</u> | |
|----------------------------------|------------------------------|--------------|
| | <u>CEMETERY</u> | <u>GIRT</u> |
| | <u>TRUST</u> | <u>TRUST</u> |
| ADDITIONS: | | |
| Contributions: | | |
| Private and public contributions | \$ 900 | \$ 4,569 |
| Charges for goods and services | 36,710 | |
| From other governments | 25,800 | |
| Investment Earnings: | | |
| Interest | 3,834 | 1,342 |
| | <hr/> | <hr/> |
| Total contributions and interest | \$ 67,244 | \$ 5,911 |
| | <hr/> | <hr/> |
| DEDUCTIONS: | | |
| Cemetery maintenance | \$ 57,283 | |
| | <hr/> | <hr/> |
| Total deductions | \$ 57,283 | \$... |
| | <hr/> | <hr/> |
| Change in net position | \$ 9,961 | \$ 5,911 |
| | <hr/> | <hr/> |
| Net position - beginning of year | 422,713 | 150,008 |
| | <hr/> | <hr/> |
| Net position - end of year | \$ 432,674 | \$ 155,919 |
| | <hr/> | <hr/> |

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

**UINTAH COUNTY
STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2016**

| | UINTAH BASIN TRI-COUNTY MENTAL HEALTH & SUBSTANCE ABUSE AUTHORITY | UINTAH RECREATION 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 OUTFLOW OF RESOURCES | | | | | | | | |
| Cash and cash equivalents | \$ 2,093,669 | \$ 5,754,563 | \$ 9,269,665 | \$ 989,497 | \$ 247,096 | \$ 4,881,439 | \$ 636,852 | \$ 23,872,781 |
| Investments | 4,026,771 | | | | | | | 4,026,771 |
| Accounts receivable - net | 16,956 | | | 821,725 | | | | 838,681 |
| Inventory | | | | 115,198 | | | | 115,198 |
| Prepaid expenses | 468,939 | | | | | 3,114 | | 472,053 |
| Due from other governmental units | 255,799 | 156,061 | 5,307,070 | 241,775 | 26,123 | 116,287 | 61,331 | 6,164,446 |
| Restricted cash and cash equivalents | 33,959 | 39,000 | 4,715,716 | | 131,679 | 1,465,840 | | 6,386,194 |
| Other investments | 322,924 | 1,155,766 | | | | | | 1,478,690 |
| Net pension asset | 147 | 99 | 26 | 274 | 15 | | 8,021 | 8,582 |
| Capital assets (net of accumulated depreciation): | | | | | | | | |
| Land | 403,401 | 1,420,810 | | 350,000 | | | 106,056 | 2,280,267 |
| Water rights | | 34,990 | | | | | 5,000 | 39,990 |
| Buildings | 2,319,803 | 14,280,928 | | 7,048,700 | | 19,298,369 | 1,634,735 | 44,582,535 |
| Improvements other than buildings | | 1,199,864 | | | 506,122 | | 107,110 | 1,813,096 |
| Equipment | 257,268 | 514,176 | 3,109 | 86,163 | 27,847 | 20,062 | 1,522,799 | 2,431,424 |
| Work in progress | | | | | | | 23,458 | 23,458 |
| Total assets | \$ 10,199,636 | \$ 24,556,257 | \$ 19,295,586 | \$ 9,653,332 | \$ 938,882 | \$ 25,785,111 | \$ 4,105,362 | \$ 94,534,166 |
| Deferred outflow of resources related to pensions | 640,158 | 452,012 | 56,428 | 1,183,096 | 117,571 | 65,714 | 55,191 | 2,570,170 |
| Total assets and deferred outflows of resources | \$ 10,839,794 | \$ 25,008,269 | \$ 19,352,014 | \$ 10,836,428 | \$ 1,056,453 | \$ 25,850,825 | \$ 4,160,553 | \$ 97,104,336 |
| LIABILITIES AND DEFERRED INFLOW OF RESOURCES | | | | | | | | |
| Accounts payable | \$ 58,341 | \$ 93,255 | \$ 2,935,242 | \$ 276,463 | \$ 17,240 | \$ 48,627 | \$ 133,845 | \$ 3,563,013 |
| Accrued wages and liabilities | 354,368 | 98,240 | | 257,134 | 24,280 | 11,607 | 24,109 | 769,738 |
| Deposit payable | | | | | 1,530 | | | 1,530 |
| Unearned revenue | | 70,041 | | | | | | 70,041 |
| Bond interest payable | | | 141,720 | | | 29,909 | | 171,629 |
| Client trust payable | 33,959 | | | | | | | 33,959 |
| Bonds payable - Due within one year | | 173,000 | 1,637,000 | | | 1,173,000 | | 2,983,000 |
| Capital leases payable - Due within one year | 72,500 | 166,000 | | | | | | 238,500 |
| Bonds payable - Due in more than one year | | 804,000 | 17,508,000 | | | 6,285,000 | | 24,597,000 |
| Capital leases payable - Due in more than one year | 563,891 | 3,173,002 | | | | | | 3,736,893 |
| Net pension liability | 1,259,443 | 668,026 | 23,621 | 1,722,518 | 192,434 | 104,461 | 23,858 | 3,994,361 |
| Compensated absences | | 239,445 | | 219,551 | 30,571 | 79,058 | 6,117 | 574,742 |
| Total liabilities | \$ 2,342,502 | \$ 5,485,009 | \$ 22,245,583 | \$ 2,475,666 | \$ 266,055 | \$ 7,731,662 | \$ 187,929 | \$ 40,734,406 |
| Other deferred inflows of resources | | | | 26,970 | | | | 26,970 |
| Deferred inflows of resources related to pensions | 165,357 | 85,725 | 38,312 | 185,894 | 23,214 | 11,721 | 24,758 | 534,981 |
| Total liabilities and deferred inflows of resources | \$ 2,507,859 | \$ 5,570,734 | \$ 22,283,895 | \$ 2,688,530 | \$ 289,269 | \$ 7,743,383 | \$ 212,687 | \$ 41,296,357 |
| NET POSITION | | | | | | | | |
| Net invested in capital assets | \$ 2,344,081 | \$ 13,441,766 | \$ 3,109 | \$ 7,484,863 | \$ 533,969 | \$ 11,830,522 | \$ 3,399,158 | \$ 39,037,468 |
| Restricted for: | | | | | | | | |
| Statutory minimum | | | 20,018 | | | | | 20,018 |
| Client trusts and Club House funds | 33,959 | | | | | | | 33,959 |
| Construction projects | | | 750,476 | | | | | 750,476 |
| Debt Service | | 39,000 | 3,965,240 | | | 1,465,840 | | 5,470,080 |
| Unrestricted | 5,953,895 | 5,956,769 | (7,670,724) | 663,035 | 233,215 | 4,811,080 | 548,708 | 10,495,978 |
| Total net position | \$ 8,331,935 | \$ 19,437,535 | \$ (2,931,881) | \$ 8,147,898 | \$ 767,184 | \$ 18,107,442 | \$ 3,947,866 | \$ 55,807,979 |

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

UTAH COUNTY
 STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2016

| NET (EXPENSE) REVENUE & CHANGES IN NET POSITION | | | | | | | | | | | | |
|--|---------------|------------------|--------------|--------------|-----------------|----------------|-----------------|--------------|-----------------|-----------------|-----------------|-----------------|
| Function/Programs | EXPENSES | PROGRAM REVENUES | | | UINTAH BASIN | | UINTAH | UINTAH | UINTAH COUNTY | UINTAH | UINTAH | TOTAL |
| | | CHARGES | OPERATING | CAPITAL | MENTAL HEALTH | UINTAH | TRANSPORTATION | HEALTH CARE | ANIMAL CONTROL | IMPACT | FIRE | |
| | | FOR | GRANTS AND | GRANTS AND | & SUBSTANCE | RECREATION | SPECIAL | SPECIAL | & SHELTER | MITIGATION | SUPPRESSION | |
| | | SERVICES | CONTRIB | CONTRIB. | ABUSE AUTHORITY | DISTRICT | SERVICE | SERVICE | SPECIAL SERVICE | SPECIAL SERVICE | SPECIAL SERVICE | |
| Governmental activities: | | | | | | | | | | | | |
| Uintah Transportation Special Service District | | | | | | | | | | | | |
| Highways and public improvements | \$ 19,506,848 | | | \$ 8,148,556 | | | \$ (11,358,292) | | | | | \$ (11,358,292) |
| Interest on long term liabilities | 283,439 | | | | | | (283,439) | | | | | (283,439) |
| Uintah Impact Mitigation Special Service Dist. | | | | | | | | | | | | |
| Community and Economic development | 2,365,449 | | \$ 65,000 | | | | | | | \$ (2,300,449) | | (2,300,449) |
| Uintah Fire Suppression Special Service Dist. | | | | | | | | | | | | |
| General government | 529,465 | | | | | | | | | | \$ (529,465) | (529,465) |
| Public safety | 1,006,539 | \$ 18,035 | 46,011 | | | | | | | | (942,493) | (942,493) |
| Total governmental activities | \$ 23,691,740 | \$ 18,035 | \$ 111,011 | \$ 8,148,556 | \$... | \$... | \$ (11,641,731) | \$... | \$... | \$ (2,300,449) | \$ (1,471,958) | \$ (15,414,138) |
| Business-type activities: | | | | | | | | | | | | |
| Uintah Basin Tri-County Mental | | | | | | | | | | | | |
| Health & Substance Abuse Auth. | \$ 6,556,178 | \$ 5,859,738 | \$ 2,101,836 | | \$ 1,405,396 | | | | | | | \$ 1,405,396 |
| Uintah Recreation District | 5,690,945 | 1,533,106 | 2,145,361 | | | \$ (2,012,478) | | | | | | (2,012,478) |
| Uintah Health Care Special Service District | 8,431,612 | 4,926,788 | 3,526,346 | | | | | \$ 21,522 | | | | 21,522 |
| Animal Control & Shelter Special Service District | 764,361 | 47,209 | 451,034 | | | | | | \$ (266,118) | | | (266,118) |
| Total business-type activities | \$ 21,443,096 | \$ 12,366,841 | \$ 8,224,577 | \$... | \$ 1,405,396 | \$ (2,012,478) | \$... | \$ 21,522 | \$ (266,118) | \$... | \$... | \$ (851,678) |
| Total component units | \$ 45,134,836 | \$ 12,384,876 | \$ 8,335,588 | \$ 8,148,556 | \$ 1,405,396 | \$ (2,012,478) | \$ (11,641,731) | \$ 21,522 | \$ (266,118) | \$ (2,300,449) | \$ (1,471,958) | \$ (16,265,816) |
| General revenues: | | | | | | | | | | | | |
| Mineral lease revenue | | | | | | | \$ 5,389,052 | | | | | \$ 5,389,052 |
| Grants and contributions not restricted to specific programs | | | | | | | 218,018 | | \$ 47,741 | \$ 1,352,162 | \$ 603,244 | 2,221,165 |
| Gain/(Loss) on disposal of assets | | | | | | | | | | | | - |
| Contribution to other governments | | | | | | \$ (29,982) | | \$ (893,737) | | | | (923,719) |
| Investment earnings | | | | | \$ 38,499 | 82,845 | 191,401 | 3,462 | 3,318 | 68,622 | 7,250 | 395,397 |
| Miscellaneous | | | | | | 16,278 | 75,584 | 20,104 | 907 | 2,595 | 10,827 | 126,295 |
| Total general revenues | | | | | \$ 38,499 | \$ 69,141 | \$ 5,874,055 | \$ (870,171) | \$ 51,966 | \$ 1,423,379 | \$ 621,321 | \$ 7,208,190 |
| Change in net position | | | | | \$ 1,443,895 | \$ (1,943,337) | \$ (5,767,676) | \$ (848,649) | \$ (214,152) | \$ (877,070) | \$ (850,637) | \$ (9,057,626) |
| Net position - beginning | | | | | 6,888,040 | 21,380,872 | 2,835,795 | 8,996,547 | 981,336 | 18,984,512 | 4,798,503 | 64,865,605 |
| Net position - ending | | | | | \$ 8,331,935 | \$ 19,437,535 | \$ (2,931,881) | \$ 8,147,898 | \$ 767,184 | \$ 18,107,442 | \$ 3,947,866 | \$ 55,807,979 |

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

UINTAH COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

- The financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the County's overall financial position and results of operations.

Financial statements prepared using full-accrual accounting for all the County's activities.

- A change in the fund financial statements to focus on the major funds.

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

A. Reporting Entity

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

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

A. **Reporting Entity (Continued)**

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 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.

Municipal Building Authority of Uintah County was created by the County Commission as a body politic and corporate for the purpose of financing, owning, leasing, or 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 discretion.

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 include the financial data of these entities.

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

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 persons within the Mental Health District. The County Commissioners within the District appoint members of the board of directors. The District was audited and their report issued under separate cover. An audit report can be obtained from their administrative office in Vernal, Utah.

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

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 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 County Commissioners of Uintah County. The purpose of the District is to oversee, administer 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 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.

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

B. Government-Wide and Fund Financial Accounting

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

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.

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.

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.

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

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

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

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

The County reports the following major governmental funds:

- General Fund – The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is property taxes.
- 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.

The County's non-major governmental funds include other special revenue funds, 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 of the proprietary funds are reported similar to the government-wide financial statements in that they both use the economic resources measurement focus and the accrual basis of accounting.

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

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

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:

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

The County's non-major proprietary funds include the Landfill Fund and the Telecom Fund. The Landfill Fund accounts for resources used in the operation of the County landfill. The Telecom Fund accounts for the resources used in maintaining a 911 service 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 only has the following two types of fiduciary funds.

- Agency Funds – Agency Funds are used to account for assets held by the County as an agent for other governments, private organizations, or individuals. Agency Funds include Treasurer's Tax Collection and Special Deposits. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.
- Private Purpose Trust – The County has two private purpose trust funds. The Girt Trust fund is interest received by the county from a private contribution, which is used to help under privileged children. The Cemetery Trust fund accounts for revenue received and expenditures by various cemeteries in the County to maintain these cemeteries.

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

C. **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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.

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 agency fund. All annual appropriations lapse at fiscal year end. The following procedures are used in establishing the budgetary data reflected in the financial statements.

1. A formal budget is adopted for all funds, which require a budget: all general, special revenue, debt service, capital projects, 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.)

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

E. Cash and Cash Equivalents and Investments

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.

F. 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.

G. Compensated Absences

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 eleven or more years. Employees may accumulate earned but unused PTO up to 1,000 hours. Any amount of accumulated PTO over one thousand hours and not used at the end of the year will be purchased by the County at a rate of 70% of the employees current pay rate. 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 the 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.

Accrued unused PTO, which vest to the employee in the government-wide financial statements for governmental activities total \$1,953,359 and for proprietary funds total \$295,920.

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

H. 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.

I. 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.

When constructing capital assets, interest expense incurred relating to governmental or proprietary activities is 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:

| | |
|---------------------------|-------------|
| Buildings | 20-40 years |
| Improvements | 15-40 years |
| Equipment | 4-10 years |
| Infrastructure, (bridges) | 40 years |

The County has adopted an allowable alternative to reporting depreciation for its road network. Under this alternative method, referred to as the "modified approach," the County must maintain an asset management system and demonstrate that its roads are being preserved at or above condition levels established by County policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

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

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Deferred outflows/inflows of resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

L. 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 restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

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

2. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

| Primary Government Governmental activities: | <u>BEGINNING BALANCE</u> | <u>INCREASES</u> | <u>DECREASES</u> | <u>ENDING BALANCE</u> |
|--|------------------------------|-----------------------|-------------------|---------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 14,708,241 | | | \$ 14,708,241 |
| Water rights | 280,995 | | | 280,995 |
| Infrastructure (Roads) | 238,256,718 | | | 238,256,718 |
| Rights of Way | 3,050,400 | | | 3,050,400 |
| Work in progress | 3,495,708 | \$ 7,549,280 | | 11,044,988 |
| Total capital assets not being depreciated | <u>\$ 259,792,062</u> | <u>\$ 7,549,280</u> | <u>\$...</u> | <u>\$ 267,341,342</u> |
| Capital assets being depreciated: | | | | |
| Buildings | \$ 107,205,324 | \$ 129,158 | | \$ 107,334,482 |
| Improvements other than buildings | 6,081,272 | | | 6,081,272 |
| Machinery and equipment | 20,084,915 | 591,084 | \$ 169,841 | 20,506,158 |
| Infrastructure (Bridges) | 7,320,796 | | | 7,320,796 |
| Total capital assets being depreciated | <u>\$ 140,692,307</u> | <u>\$ 720,242</u> | <u>\$ 169,841</u> | <u>\$ 141,242,708</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ 14,674,227 | \$ 2,773,863 | | \$ 17,448,090 |
| Improvements other than buildings | 4,332,716 | 180,816 | | 4,513,532 |
| Machinery and equipment | 14,300,014 | 1,257,799 | \$ 135,207 | 15,422,606 |
| Infrastructure (Bridges) | 5,999,416 | 127,286 | | 6,126,702 |
| Total accumulated depreciation | <u>\$ 39,306,373</u> | <u>\$ 4,339,764</u> | <u>\$ 135,207</u> | <u>\$ 43,510,930</u> |
| Total capital assets, being depreciated, net | <u>\$ 101,385,934</u> | <u>\$ (3,619,522)</u> | <u>\$ 34,634</u> | <u>\$ 97,731,778</u> |
| Governmental activities capital assets, net | <u>\$ 361,177,996</u> | <u>\$ 3,929,758</u> | <u>\$ 34,634</u> | <u>\$ 365,073,120</u> |

2. CAPITAL ASSETS (Continued)

| | BEGINNING BALANCE | INCREASES | DECREASES | ENDING BALANCE |
|--|----------------------|--------------|-----------|-------------------|
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 6,315,656 | | | \$ 6,315,656 |
| Total capital assets not being depreciated | \$ 6,315,656 | \$... | \$... | \$ 6,315,656 |
| Capital assets being depreciated: | | | | |
| Buildings | \$ 5,074,258 | | | \$ 5,074,258 |
| Improvements other than buildings | 1,424,494 | | | 1,424,494 |
| Machinery and equipment | 2,131,997 | | | 2,131,997 |
| Total capital assets being depreciated | \$ 8,630,749 | \$... | \$... | \$ 8,630,749 |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ 2,637,154 | \$ 140,391 | | \$ 2,777,545 |
| Improvements other than buildings | 347,769 | 60,773 | | 408,542 |
| Machinery and equipment | 1,925,652 | 49,614 | | 1,975,266 |
| Total accumulated depreciation | \$ 4,910,575 | \$ 250,778 | \$... | \$ 5,161,353 |
| Total capital assets, being depreciated, net | \$ 3,720,174 | \$ (250,778) | \$... | \$ 3,469,396 |
| Business-type activities capital assets, net | \$ 10,035,830 | \$ (250,778) | \$... | \$ 9,785,052 |

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

| | |
|---------------------------------------|------------|
| General government | \$ 419,049 |
| Public safety | 1,654,418 |
| Public Health | 372,263 |
| Highways and public improvements | 808,933 |
| Parks and recreation | 1,077,220 |
| Conservation and economic development | 7,881 |

Total depreciation expense - governmental activities \$ 4,339,764

Business-type activities:

| | |
|--------------|------------|
| Western Park | \$ 245,509 |
| Landfill | 1,479 |
| Telecom | 3,790 |

Total depreciation expense - Business-Type Activities \$ 250,778

Total depreciation expense \$ 4,590,542

3. LONG-TERM DEBT

Annual debt service requirements to maturity for bonds are as follows:

| Year Ending December 31, | <u>Governmental Activities</u> | | | <u>Business-type Activities</u> | | |
|-----------------------------|--------------------------------|----------------------|----------------------|---------------------------------|-----------------|------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2017 | \$ 1,817,500 | \$ 1,583,588 | \$ 3,401,088 | \$ 25,000 | \$ 375 | \$ 25,375 |
| 2018 | 1,986,952 | 1,522,213 | 3,509,165 | 25,000 | 250 | 25,250 |
| 2019 | 1,990,500 | 1,457,788 | 3,448,288 | 25,000 | 125 | 25,125 |
| 2020 | 2,057,500 | 1,390,063 | 3,447,563 | | | |
| 2021 | 2,520,500 | 1,319,038 | 3,839,538 | | | |
| 2022-2026 | 13,679,587 | 5,250,038 | 18,929,625 | | | |
| 2027-2031 | 15,322,765 | 3,069,237 | 18,392,002 | | | |
| 2032-2036 | 12,215,000 | 1,030,413 | 13,245,413 | | | |
| 2037-2041 | 3,640,000 | 178,950 | 3,818,950 | | | |
| 2042-2045 | 740,000 | | 740,000 | | | |
| | <u>\$ 55,970,304</u> | <u>\$ 16,801,328</u> | <u>\$ 72,771,632</u> | <u>\$ 75,000</u> | <u>\$ 750</u> | <u>\$ 75,750</u> |

Revenue and General Obligation Bonds payable at December 31, 2016 with their outstanding balances, are comprised of the following individual issues:

Governmental Activities:

Taxable Lease Revenue Bonds Series 2006A, issued December 19, 2006. The bonds are zero percent bonds with principal payments due beginning October 1, 2008 in the amount of \$166,000 and increasing to \$167,000 on October 1, 2018. The purpose of the bonds is to be used for the construction of a new recreation center in Vernal, Utah. \$ 3,506,000

Taxable Lease Revenue Bond Series 2005, issued on October 25, 2005. The purpose of the bond is to make improvements to Western Parks. Payments begin January 1, 2007 and continue through January 1, 2026. Each annual payment is \$45,000. The bond is a zero percent interest bond. \$ 405,000

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, 2011 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. \$ 514,765

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

Governmental Activities (Continued):

Lease Revenue Bond Series 2000D, due in annual installments of \$32,500, beginning September 1, 2002 and maturing September 1, 2021. The bond is a zero percent interest bond. The purpose of the bond is to purchase real property and pay for the construction of a building to house the Northeastern Counseling Center. \$ 162,500

Lease Revenue Bond Series 2014, due in annual installments of \$150,000 beginning July 1, 2016 and maturing July 1, 2045. The bond is a zero percent interest bond. The purpose of the bond is to finance the remodel and construction of shop buildings and related improvements and paying necessary expense incidental thereto for the Western Park Expansion. \$ 4,200,000

During the year ended December 31, 2007, the Uintah County Municipal Building Authority issued Taxable Lease Revenue Bond, Series 2007A. The principal amount of the original issue was \$443,000. The bonds are to be used to purchase equipment for the Road Department. Principal repayments on the bonds begin January 1, 2009 and mature January 1, 2018 with payments ranging from \$44,000 to \$47,000 annually and carry zero percent interest. \$ 49,452

During the year ended December 31, 2007, the Uintah County Municipal Building Authority issued Taxable Lease Revenue Bond, Series 2007B. The principal amount of the original issue was \$625,000. The bonds are to be used to purchase equipment for the Landfill. Principal repayments on the bonds begin April 1, 2009 and mature April 1, 2018 with payments ranging from \$58,000 to \$63,000 annually and carry zero percent interest. \$ 121,000

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 \$ 379,000

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. \$ 1,607,000

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

Governmental Activities (Continued):

During the year ended December 31, 2011, the County received approval to issue Lease Revenue Bonds, Series 2011C in the amount of \$3,000,000, of this amount \$1,889,808 was issued and used in the construction of the new library. The balance of the \$3,000,000 was issued during the year ended December 31, 2012 and used in final construction of the Uintah library. The bonds carry an interest rate of 2.5% per annum and begin to accrue interest on April 1, 2012 with principal and interest payments Beginning April 1, 2013 and continuing on each April 1 thereafter. \$ 2,716,000

On December 15, 2015, Uintah County issued \$33,385,000 of General Obligation Series 2015 refunding bonds to be used to advance refund taxable lease revenue bonds, series 2008A. The proceed from the series 2015 refunding bonds placed into an escrow account to advance refund the series 2008A bonds. Principal debt payments on the refunding bonds begin December 15, 2016 with payment amounts ranging from \$1,185,000 to \$2,390,000 annually. The bonds carry an interest rate ranging from 3.125% to 5.0%. Interest payments begin December 15, 2016 and continue every six while principal payment are made annually. Interest and principal payments continue until December 15, 2034. \$32,200,000

On July 31, 2008, Uintah County Municipal Building Authority issued \$10,000,000 of Lease Revenue Bonds, Series 2008B. The bonds are to be used for the construction and furnishing of a new Public Safety Facility. Principal payments on the debt will begin June 1, 2021 with payments ranging from \$391,000 to \$626,000. The bonds will carry a 2.5% interest rate. The first payment is due June 1, 2011 and additional interest only payments will Continue until June 1, 2021. \$9,592,000

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 payments on the bonds begin October 1, 2012 and mature October 1, 2026 with payments ranging from \$52,000 to \$57,000 annually and carry a zero percent interest rate. \$ 517,587

Total Governmental Activities Bond Debt \$55,970,304

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 nineteen years. Each year \$169,443 will be amortized and taken in to interest income. Premium is reported with debt. The balance at December 31, 2016 is as follows \$3,049,977

Total reported as debt obligations on financial statements \$59,020,281
Governmental Activities

3. LONG-TERM DEBT (Continued)

Business-type Activities

Limited Obligation Bond Series 1994, due in annual installments ranging from \$23,000 to \$25,000, beginning August 15, 1995 and maturing August 15, 2019. The bond is a .5% interest bond. The purpose of the bond was to finance the costs of improvements to the Uintah County Western Park complex.

\$ 75,000

Changes in long-term liabilities

Long-term liability activity for the year ended December 31, 2016 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------|----------------------|---------------------|----------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| G.O. & Revenue bonds | \$ 58,339,804 | | \$ 2,369,500 | \$ 55,970,304 | \$ 1,817,500 |
| Bond premium | 3,219,420 | | 169,443 | 3,049,977 | 169,443 |
| Net pension liability | 6,160,708 | \$ 10,221,528 | 2,523,114 | 13,859,122 | |
| Compensated Absences | 1,966,591 | | 13,232 | 1,953,359 | |
| | | | | | |
| Governmental activity long-term liabilities | <u>\$ 69,686,523</u> | <u>\$ 10,221,528</u> | <u>\$ 5,075,289</u> | <u>\$ 74,832,762</u> | <u>\$ 1,986,943</u> |
| Business-type activities: | | | | | |
| Bonds payable: | | | | | |
| Revenue bonds | \$ 100,000 | | \$ 25,000 | \$ 75,000 | \$ 25,000 |
| Net pension liability | 368,924 | \$ 864,148 | 189,912 | 1,043,160 | |
| Compensated Absences | 301,547 | | 5,627 | 295,920 | |
| | | | | | |
| Business-type activity long-term liabilities | <u>\$ 770,471</u> | <u>\$ 864,148</u> | <u>\$ 220,539</u> | <u>\$ 1,414,080</u> | <u>\$ 25,000</u> |

3. LONG-TERM DEBT (Continued)

Component Units

Long-term liability activity for the year ended December 31, 2016 was as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------|---------------|-----------------------|----------------------|------------------------|
| Business-type activities: | | | | | |
| Capital leases: | | | | | |
| Tri-County Mental Health | \$ 708,891 | | \$ (72,500) | \$ 636,391 | \$ 72,500 |
| Uintah Recreation District | 3,505,002 | | (166,000) | 3,339,002 | 166,000 |
| Bonds payable | | | | | |
| Uintah Recreation District | 1,149,000 | | (172,000) | 977,000 | 173,000 |
| Business-type activity long-term liabilities | <u>\$ 5,362,893</u> | <u>\$...</u> | <u>\$ (410,500)</u> | <u>\$ 4,952,393</u> | <u>\$ 411,500</u> |
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| Uintah Transportation SSD | \$ 20,788,000 | | \$ (1,643,000) | \$ 19,145,000 | \$ 1,637,000 |
| Uintah Impact Mitigation SSD | 8,606,000 | | (1,148,000) | 7,458,000 | 1,173,000 |
| Governmental activity long-term liabilities | <u>\$ 29,394,000</u> | <u>\$...</u> | <u>\$ (2,791,000)</u> | <u>\$ 26,603,000</u> | <u>\$ 2,810,000</u> |

Proprietary Debt

On March 16, 1994, Uintah County closed on a limited obligation bond in the amount of \$600,000 for the purpose of financing the costs of improvements to the Uintah County Western Park and to pay certain issuance expenses. The Bond bears interest at the rate of one-half of one percent (0.5%) per annum. Interest on the Bond shall accrue on the unpaid principal balance from August 15, 1994 and shall be payable annually on August 15, of each year commencing August 15, 1995 and ending on August 15, 2019. In order to defease the Bond and to provide funds for the payment of principal and interest on the Bond, the County has entered into an escrow agreement with Westone bank where funds have been deposited and invested in Government Obligations which together with interest earnings to accrue thereon, shall be sufficient to pay the principal of and interest on the Bonds as they become due and payable. The amount held in escrow at December 31, 2016, was \$16,167. The balance outstanding on the limited obligation bond is \$75,000 as of December 31, 2016.

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

General Governmental Type Debt

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 0% 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. The repayment schedule is as follows:

| <u>Principal Payment Date</u> | <u>Amount of Principal Payment</u> |
|-----------------------------------|--|
| September 1, 2017 | \$ 32,500 |
| September 1, 2018 | 32,500 |
| September 1, 2019 | 32,500 |
| September 1, 2020 | 32,500 |
| September 1, 2021 | 32,500 |
| | <u>\$ 162,500</u> |

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

General Governmental Type Debt (Continued)

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>Principal Payment Date</u> | <u>Amount of Principal Payment</u> |
|-----------------------------------|--|
| January 1, 2017 | \$ 45,000 |
| January 1, 2018 | 45,000 |
| January 1, 2019 | 45,000 |
| January 1, 2020 | 45,000 |
| January 1, 2021 | 45,000 |
| January 1, 2022 | 45,000 |
| January 1, 2023 | 45,000 |
| January 1, 2024 | 45,000 |
| January 1, 2025 | 45,000 |
| | <u>\$ 405,000</u> |

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 0% 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 will own approximately 37% of the new recreation center building. Repayment of principal begins October 1, 2008 and ending October 1, 2037. The principal payments range from \$166,000 to \$167,000. The repayment schedule is as follows.

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

General Governmental Type Debt (Continued)

| <u>Principal Payment Date</u> | <u>Amount of Principal Repayment</u> |
|-----------------------------------|--|
| October 1, 2017 | \$ 166,000 |
| October 1, 2018 | 167,000 |
| October 1, 2019 | 167,000 |
| October 1, 2020 | 167,000 |
| October 1, 2021 | 167,000 |
| October 1, 2022 | 167,000 |
| October 1, 2023 | 167,000 |
| October 1, 2024 | 167,000 |
| October 1, 2025 | 167,000 |
| October 1, 2026 | 167,000 |
| October 1, 2027 | 167,000 |
| October 1, 2028 | 167,000 |
| October 1, 2029 | 167,000 |
| October 1, 2030 | 167,000 |
| October 1, 2031 | 167,000 |
| October 1, 2032 | 167,000 |
| October 1, 2033 | 167,000 |
| October 1, 2034 | 167,000 |
| October 1, 2035 | 167,000 |
| October 1, 2036 | 167,000 |
| October 1, 2037 | 167,000 |
| | <hr/> |
| | \$ 3,506,000 |

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

General Governmental Type Debt (Continued)

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 loan. The first principal payment will be made on January 1, 2016. Principal payments will continue each January 1, until 2045 at which time, the bonds will be paid in full.

| <u>Principal Payment Date</u> | <u>Amount of Principal Repayment</u> |
|-----------------------------------|--|
| January 1, 2018 | \$ 150,000 |
| January 1, 2019 | 150,000 |
| January 1, 2020 | 150,000 |
| January 1, 2021 | 150,000 |
| January 1, 2022 | 150,000 |
| January 1, 2023 | 150,000 |
| January 1, 2024 | 150,000 |
| January 1, 2025 | 150,000 |
| January 1, 2026 | 150,000 |
| January 1, 2027 | 150,000 |
| January 1, 2028 | 150,000 |
| January 1, 2029 | 150,000 |
| January 1, 2030 | 150,000 |
| January 1, 2031 | 150,000 |
| January 1, 2032 | 150,000 |
| January 1, 2033 | 150,000 |
| January 1, 2034 | 150,000 |
| January 1, 2035 | 150,000 |
| January 1, 2036 | 150,000 |
| January 1, 2037 | 150,000 |
| January 1, 2038 | 150,000 |
| January 1, 2039 | 150,000 |
| January 1, 2040 | 150,000 |
| January 1, 2041 | 150,000 |
| January 1, 2042 | 150,000 |
| January 1, 2043 | 150,000 |
| January 1, 2044 | 150,000 |
| January 1, 2045 | 150,000 |
| | <u>\$ 4,200,000</u> |

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

During the year ended December 31, 2007, the Uintah County Municipal Building Authority issued Taxable Lease Revenue Bond, Series 2007A. The principal amount of the original issue was \$443,000. The bonds are to be used to purchase equipment for the Road Department. Principal repayments on the bonds begin January 1, 2009 and mature January 1, 2018 with payments ranging from \$44,000 to \$47,000 annually and carry zero percent interest. The repayment schedule is as follows:

| <u>Principal Payment Date</u> | <u>Amount of Principal Payment</u> |
|-----------------------------------|--|
| January 1, 2017 | \$ 44,000 |
| January 1, 2018 | <u>5,452</u> |
| | <u><u>\$ 49,452</u></u> |

During the year ended December 31, 2007, the Uintah County Municipal Building Authority issued Taxable Lease Revenue Bond, Series 2007B. The principal amount of the original issue was \$625,000. The bonds are to be used to purchase equipment for the Landfill. Principal repayments on the bonds begin April 1, 2009, and mature April 1, 2018 with payments ranging from \$58,000 to \$63,000 annually and carry zero percent interest. The repayment schedule is as follows:

| <u>Principal Payment Date</u> | <u>Amount of Principal Payment</u> |
|-----------------------------------|--|
| April 1, 2017 | \$ 63,000 |
| April 1, 2018 | <u>58,000</u> |
| | <u><u>\$ 121,000</u></u> |

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

General Governmental Type Debt (Continued)

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>Principal Payment Date</u> | <u>Amount of Principal Payment</u> |
|-----------------------------------|--|
| April 1, 2017 | \$ 32,000 |
| April 1, 2018 | 32,000 |
| April 1, 2019 | 32,000 |
| April 1, 2020 | 32,000 |
| April 1, 2021 | 32,000 |
| April 1, 2022 | 32,000 |
| April 1, 2023 | 32,000 |
| April 1, 2024 | 32,000 |
| April 1, 2025 | 32,000 |
| April 1, 2026 | 32,000 |
| April 1, 2027 | 32,000 |
| April 1, 2028 | <u>27,000</u> |
| | <u>\$ 379,000</u> |

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

General Governmental Type Debt (Continued)

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>Principal Payment Date</u> | <u>Amount of Principal Payment</u> |
|-----------------------------------|--|
| October 1, 2017 | \$ 77,000 |
| October 1, 2018 | 77,000 |
| October 1, 2019 | 77,000 |
| October 1, 2020 | 77,000 |
| October 1, 2021 | 77,000 |
| October 1, 2022 | 77,000 |
| October 1, 2023 | 77,000 |
| October 1, 2024 | 77,000 |
| October 1, 2025 | 77,000 |
| October 1, 2026 | 77,000 |
| October 1, 2027 | 77,000 |
| October 1, 2028 | 77,000 |
| October 1, 2029 | 77,000 |
| October 1, 2030 | 77,000 |
| October 1, 2031 | 77,000 |
| October 1, 2032 | 77,000 |
| October 1, 2033 | 77,000 |
| October 1, 2034 | 77,000 |
| October 1, 2035 | 77,000 |
| October 1, 2036 | 77,000 |
| October 1, 2037 | 67,000 |
| | <u>\$ 1,607,000</u> |

3. LONG-TERM DEBT (Continued)

General Governmental Type Debt (Continued)

On June 30, 2011, Uintah County Municipal Building Authority issued \$3,000,000 of Lease Revenue Bonds, Series 2011C of which the County received the balance of all loan funds in the year ended December 31, 2012. The bonds are to be used to construct a 30,000 square foot building that will house multiple resources including a regional history center, the Uintah County Archives, computer training classrooms, health information research center, parents information center, emergency literacy center, job resource center and a do-it-yourself learning zone. Interest at the rate of 2.5% per annum on the Series 2011C Bonds shall begin to accrue on April 1, 2012 and the Authority shall make the principal and interest payments stated for each year beginning April 1, 2013 and continuing on each April 1 thereafter until the Series 2011C Bonds shall be paid in full. Principal payments range from \$68,000 to \$140,000.

| <u>Principal Payment Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------------|---------------------|---------------------|---------------------|
| 2017 | \$ 75,000 | \$ 67,900 | \$ 142,900 |
| 2018 | 77,000 | 66,025 | 143,025 |
| 2019 | 79,000 | 64,100 | 143,100 |
| 2020 | 81,000 | 62,125 | 143,125 |
| 2021 | 83,000 | 60,100 | 143,100 |
| 2022 | 85,000 | 58,025 | 143,025 |
| 2023 | 87,000 | 55,900 | 142,900 |
| 2024 | 90,000 | 53,725 | 143,725 |
| 2025 | 92,000 | 51,475 | 143,475 |
| 2026 | 94,000 | 49,175 | 143,175 |
| 2027 | 97,000 | 46,825 | 143,825 |
| 2028 | 99,000 | 44,400 | 143,400 |
| 2029 | 101,000 | 41,925 | 142,925 |
| 2030 | 104,000 | 39,400 | 143,400 |
| 2031 | 107,000 | 36,800 | 143,800 |
| 2032 | 109,000 | 34,125 | 143,125 |
| 2033 | 112,000 | 31,400 | 143,400 |
| 2034 | 115,000 | 28,600 | 143,600 |
| 2035 | 118,000 | 25,725 | 143,725 |
| 2036 | 121,000 | 22,775 | 143,775 |
| 2037 | 124,000 | 19,750 | 143,750 |
| 2038 | 127,000 | 16,650 | 143,650 |
| 2039 | 130,000 | 13,475 | 143,475 |
| 2040 | 133,000 | 10,225 | 143,225 |
| 2041 | 136,000 | 6,900 | 142,900 |
| 2042 | 140,000 | 3,500 | 143,500 |
| | <u>\$ 2,716,000</u> | <u>\$ 1,011,025</u> | <u>\$ 3,727,025</u> |

3. LONG-TERM DEBT (Continued)

General Governmental Type Debt (Continued)

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. 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 begin December 15, 2016 with payments ranging from \$1,185,000 to \$2,390,000 annually. The bonds carry an interest rate ranging from 3.125% to 5.0%. Interest and principal payments begin 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>Principal Payment Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------------|----------------------|----------------------|----------------------|
| 2017 | \$ 1,190,000 | \$ 1,275,888 | \$ 2,465,888 |
| 2018 | 1,250,000 | 1,216,387 | 2,466,387 |
| 2019 | 1,315,000 | 1,153,888 | 2,468,888 |
| 2020 | 1,380,000 | 1,088,137 | 2,468,137 |
| 2021 | 1,450,000 | 1,019,138 | 2,469,138 |
| 2022 | 1,520,000 | 946,637 | 2,466,637 |
| 2023 | 1,595,000 | 870,638 | 2,465,638 |
| 2024 | 1,675,000 | 790,887 | 2,465,887 |
| 2025 | 1,760,000 | 707,138 | 2,467,138 |
| 2026 | 1,850,000 | 619,137 | 2,469,137 |
| 2027 | 1,920,000 | 545,138 | 2,465,138 |
| 2028 | 1,965,000 | 501,937 | 2,466,937 |
| 2029 | 2,045,000 | 423,338 | 2,468,338 |
| 2030 | 2,125,000 | 341,537 | 2,466,537 |
| 2031 | 2,190,000 | 277,788 | 2,467,788 |
| 2032 | 2,255,000 | 212,087 | 2,467,087 |
| 2033 | 2,325,000 | 144,438 | 2,469,438 |
| 2034 | 2,390,000 | 74,687 | 2,464,687 |
| | <u>\$ 32,200,000</u> | <u>\$ 12,208,825</u> | <u>\$ 44,408,825</u> |

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

General Governmental Type Debt (Continued)

On July 31, 2008 Uintah County Municipal Building Authority issued \$10,000,000 of Lease Revenue Bonds, Series 2008B. The bonds are to be used for the construction and furnishing of a new Public Safety Facility. Principal debt payments begin June 1, 2021 with payments ranging from \$391,000 to \$626,000 annually. The bonds carry an interest rate of 2.50%. Interest only payments begin on June 1, 2011 and continue until June 1, 2021 when both principal and interest payments on the bonds begin. The repayment schedule is as follows:

| <u>Principal Payment Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------------|---------------------|---------------------|----------------------|
| 2017 | | \$ 239,800 | \$ 239,800 |
| 2018 | | 239,800 | 239,800 |
| 2019 | | 239,800 | 239,800 |
| 2020 | | 239,800 | 239,800 |
| 2021 | \$ 391,000 | 239,800 | 630,800 |
| 2022 | 401,000 | 230,025 | 631,025 |
| 2023 | 411,000 | 220,000 | 631,000 |
| 2024 | 422,000 | 209,725 | 631,725 |
| 2025 | 432,000 | 199,175 | 631,175 |
| 2026 | 443,000 | 188,375 | 631,375 |
| 2027 | 454,000 | 177,300 | 631,300 |
| 2028 | 465,000 | 165,950 | 630,950 |
| 2029 | 477,000 | 154,325 | 631,325 |
| 2030 | 489,000 | 142,400 | 631,400 |
| 2031 | 501,000 | 130,175 | 631,175 |
| 2032 | 514,000 | 117,650 | 631,650 |
| 2033 | 526,000 | 104,800 | 630,800 |
| 2034 | 540,000 | 91,650 | 631,650 |
| 2035 | 553,000 | 78,150 | 631,150 |
| 2036 | 567,000 | 64,325 | 631,325 |
| 2037 | 581,000 | 50,150 | 631,150 |
| 2038 | 596,000 | 35,625 | 631,625 |
| 2039 | 611,000 | 20,725 | 631,725 |
| 2040 | 218,000 | 5,450 | 223,450 |
| | <u>\$ 9,592,000</u> | <u>\$ 3,584,975</u> | <u>\$ 13,176,975</u> |

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

General Governmental Type Debt (Continued)

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>Principal Payment Date</u> | <u>Amount of Principal Payment</u> |
|-----------------------------------|--|
| October 1, 2017 | \$ 36,000 |
| October 1, 2018 | 36,000 |
| October 1, 2019 | 36,000 |
| October 1, 2020 | 36,000 |
| October 1, 2021 | 36,000 |
| October 1, 2022 | 36,000 |
| October 1, 2023 | 36,000 |
| October 1, 2024 | 36,000 |
| October 1, 2025 | 36,000 |
| October 1, 2026 | 36,000 |
| October 1, 2027 | 36,000 |
| October 1, 2028 | 36,000 |
| October 1, 2029 | 36,000 |
| October 1, 2030 | 36,000 |
| October 1, 2031 | 10,765 |
| | <u>\$ 514,765</u> |

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

General Governmental Type Debt (Continued)

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>Principal Payment Date</u> | <u>Amount of Principal Payment</u> |
|-----------------------------------|--|
| October 1, 2017 | \$ 57,000 |
| October 1, 2018 | 57,000 |
| October 1, 2019 | 57,000 |
| October 1, 2020 | 57,000 |
| October 1, 2021 | 57,000 |
| October 1, 2022 | 57,000 |
| October 1, 2023 | 57,000 |
| October 1, 2024 | 57,000 |
| October 1, 2025 | 57,000 |
| October 1, 2026 | 4,587 |
| | <u>\$ 517,587</u> |

4. DEPOSITS AND INVESTMENTS

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 investments." Total non-fiduciary cash and investments 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-Deposits

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 account by the Federal Deposit Insurance Corporation. The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Uninsured deposits are not collateralized nor are they required to be by State statute. At December 31, 2016, the bank balance of the County's deposits was \$1,280,469 of which Federal Deposit Insurance Corporation covers \$349,071.

Investments

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

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

The Money Management Act defines the types of securities authorized as appropriate investments for the County'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

4. DEPOSITS AND INVESTMENTS (Continued)

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.

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, 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.

Fair Value of Investments

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

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

At December 31, 2016, the County had the following recurring fair value measurements.

| | | Fair Value Measurements Using | | |
|---|---------------|-------------------------------|---------------|---------|
| | 12/31/2016 | Less Level 1 | Level 2 | Level 3 |
| <u>Investments by fair value level</u> | | | | |
| <u>Debt Securities</u> | | | | |
| Money Market Mutual Funds | \$ 1,837,163 | | \$ 1,837,163 | |
| Bond Mutual Funds | 614,306 | | 614,306 | |
| U.S. Treasuries | 774,716 | \$ 774,716 | | |
| U.S. Agencies | 11,767,956 | 11,767,956 | | |
| Corporate Bonds | 12,644,176 | 12,644,176 | | |
| Utah Public Treasurers' | | | | |
| Investment Fund | 62,380,776 | | 62,380,776 | |
| Total investments | \$ 90,019,093 | \$ 25,186,848 | \$ 64,832,245 | \$... |

4. DEPOSITS 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, 2016 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 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of December 31, 2016 the County's investments had the following maturities:

| | | Investment Maturities (in years) | | | |
|---------------------------------|----------------------|----------------------------------|----------------------|---------------|---------------|
| | 12/31/2016 | Less | | | More |
| | Fair Value | Than 1 | 1-5 | 6-10 | Than 10 |
| <u>Investment Type</u> | | | | | |
| <u>Debt Securities</u> | | | | | |
| Money Market Mutual Funds | \$ 1,837,163 | \$ 1,837,163 | | | |
| Bond Mutual Fund | 614,306 | 614,306 | | | |
| U.S. Treasuries | 774,716 | 774,716 | | | |
| U.S. Agencies | 11,767,956 | 11,767,956 | | | |
| Corporate Bonds | 12,644,176 | | \$ 12,644,176 | | |
| Utah Public Treas. Invest. Fund | 62,380,776 | 62,380,776 | | | |
| Total investments | <u>\$ 90,019,093</u> | <u>\$ 77,374,917</u> | <u>\$ 12,644,176</u> | <u>\$...</u> | <u>\$...</u> |

4. DEPOSITS AND INVESTMENTS (Continued)

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.

At December 31, 2016, the County's investments had the following quality ratings:

| <u>Investment Type</u> | <u>12/31/2016 Fair Value</u> | <u>Quality Rating</u> |
|---------------------------------|----------------------------------|---------------------------|
| <u>Debt Securities</u> | | |
| Money Market Mutual Funds | \$ 1,837,163 | Unrated |
| Bond Mutual Fund | 614,306 | A or higher |
| U.S. Treasuries | 774,716 | Unrated |
| U.S. Agencies | 11,767,956 | Unrated |
| Corporate Bonds | 12,644,176 | A or higher |
| Utah Public Treas. Invest. Fund | 62,380,776 | Unrated |
| Total investments | <u>\$ 90,019,093</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 5-10% depending upon the total dollar amount held in the portfolio.

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, 2016 were held by the County or in the County's name by the County's custodial banks with qualified depositories totaling \$62,380,776 where the underlying securities were uninsured and held by the investment's counterparty the Utah Public Treasurer's Investment Fund.

5. **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);
- Public Employees Contributory Retirement System (Contributory System); are multiple employer, cost sharing, retirement systems.
- Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer public employee retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer cost sharing public employee retirement system;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

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

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

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

5. PENSION PLANS (Continued)

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

Summary of Benefits by System

| System | Final Average Salary | Years of service required and/or age eligible for benefit | 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% |
| Contributory System | Highest 5 Years | 30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65 | 1.25% per year to June 1975; 2.00% per year July 1975 to present | Up to 4% |
| Public Safety System | Highest 3 Years | 20 years any age 10 years age 60 4 years age 65 | 2.5% per year up to 20 years; 2.0% per year over 20 years | Up to 2.5% or 4% depending upon employer |
| Tier 2 Public Employees System | Highest 5 Years | 35 years any age 20 years age 60* 10 years age 62* 4 years age 65 | 1.50% per year all years | Up to 2.5% |
| Tier 2 Public Safety and Firefighter System | Highest 5 Years | 25 years any age 20 years age 60* 10 years age 62* 4 years age 65 | 1.50% per year all years | Up to 2.5% |

*with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

5. PENSION PLANS (Continued)

Contributions: 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, 2016 are as follows:

Utah Retirement Systems

| | Employee | Employer | Employer 401(k) |
|------------------------------------|----------|----------|--------------------|
| Contributory System | | | |
| 11 Local Government Div - Tier 1 | 6.00 | 14.46 | N/A |
| 111 Local Government Div - Tier 2 | N/A | 14.91 | 1.78 |
| Noncontributory System | | | |
| 15 Local Governmental Div - Tier 1 | N/A | 18.47 | N/A |
| Public Safety System | | | |
| Contributory | | | |
| 122 Tier 2 DB Hybrid Public Safety | N/A | 22.50 | 1.33 |
| Noncontributory | | | |
| 43 Other Div A with 2.5% COLA | N/A | 34.04 | N/A |
| Tier 2 DC Only | | | |
| 211 Local Government | N/A | 6.69 | 10.00 |
| 222 Public Safety | N/A | 11.83 | 12.00 |

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

5. PENSION PLANS (Continued)

For fiscal year ended December 31, 2016, the employer and employee contributions to the Systems were as follows:

| <u>System</u> | <u>Employer Contributions</u> | <u>Employee Contributions</u> |
|--|-----------------------------------|-----------------------------------|
| Noncontributory System | \$ 1,286,917 | N/A |
| Contributory System | 2,415 | 250 |
| Public Safety System | 747,063 | |
| Tier 2 Public Employees System | 445,657 | |
| Tier 2 Public Safety and Firefighter | 202,636 | |
| Tier 2 DC Only System | 22,906 | N/A |
| Tier 2 DC Public Safety and Firefighter System | 5,432 | N/A |
| Total Contributions | <u>\$ 2,713,026</u> | <u>\$ 250</u> |

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

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

At December 31, 2016, we reported a net pension asset of \$21,817 and a net pension liability of \$14,902,281.

| | (Measurement Date): December 31, 2015 | | | | |
|--------------------------------------|---------------------------------------|--------------------------|------------------------|---|----------------------|
| | Net Pension Asset | Net Pension Liability | Proportionate Share | Proportionate Share December 31, 2014 | Change (Decrease) |
| Noncontributory System | \$0 | \$1,418,196 | 0.2506316% | 0.0000000% | 0.2506316 % |
| Contributory System | \$0 | \$10,448,432 | 14.8657144% | 15.8036918% | (0.9379774)% |
| Public Safety System | \$0 | \$3,035,653 | 1.6947110% | 1.5674182% | 0.1272928 % |
| Tier 2 Public Employees System | \$866 | \$0 | 0.3968809% | 0.3965629% | 0.0003180 % |
| Tier 2 Public Safety and Firefighter | \$20,951 | \$0 | 1.4339945% | 1.4499515% | (0.0159570)% |
| | <u>\$21,817</u> | <u>\$14,902,281</u> | | | |

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 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, 2016, we recognized pension expense of \$5,439,815.

5. PENSION PLANS (Continued)

At December 31, 2016 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 | \$ 3,638 | \$ 940,631 |
| Changes in assumptions | | 343,246 |
| Net difference between projected and actual earnings on pension plan investments | 4,584,479 | |
| Changes in proportion and differences between contributions and proportionate share of contributions | 1,097,081 | 184,469 |
| Contributions subsequent to the measurement date | 2,713,026 | |
| Total | <u>\$ 8,398,224</u> | <u>\$ 1,468,346</u> |

\$2,713,026 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, 2015.

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

| <u>Year Ended December 31,</u> | <u>Net Deferred Outflows (Inflows) of Resources</u> |
|--------------------------------|---|
| 2016 | \$ 503,512 |
| 2017 | 1,170,909 |
| 2018 | 1,307,738 |
| 2019 | 1,244,086 |
| 2020 | (2,141) |
| Thereafter | (7,256) |

5. PENSION PLANS (Continued)

Actuarial assumptions: The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.75 Percent |
| Salary increases | 3.50 - 10.50 percent, average, including inflation |
| Investment rate of return | 7.50 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, 2015, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

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

| Asset Class | Expected Return Arithmetic Basis | | |
|---------------------------|------------------------------------|------------------------------|--|
| | Target Asset Allocation | Real Return Arithmetic Basis | Long-Term expected portfolio real rate of return |
| Equity securities | 40% | 7.06% | 2.82% |
| Debt securities | 20% | 0.80% | 0.16% |
| Real assets | 13% | 5.10% | 0.66% |
| Private equity | 9% | 11.30% | 1.02% |
| Absolute return | 18% | 3.15% | 0.57% |
| Cash and cash equivalents | 0% | 0.00% | 0.00% |
| Totals | 100% | | 5.23% |
| | Inflation | | 2.75% |
| | Expected arithmetic nominal return | | 7.98% |

5. PENSION PLANS (Continued)

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50 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. There was no change in the discount rate from the prior measurement date.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

| System | 1% Decrease (6.50%) | Discount Rate (7.50%) | 1% Increase (8.50%) |
|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| Noncontributory System | \$ 2,996,506 | \$ 1,418,196 | \$ 100,622 |
| Contributory System | 18,400,674 | 10,448,432 | 3,772,152 |
| Public Safety System | 6,428,234 | 3,035,653 | 273,467 |
| Tier 2 Public Employees System | 158,880 | (866) | (121,940) |
| Tier 2 Public Safety and Firefighter | 35,614 | (20,951) | (64,389) |
| Total | \$ 28,019,908 | \$ 14,880,464 | \$ 3,959,912 |

Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

5. **PENSION PLANS (Continued)**

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

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 31, were as follows:

| | | 2016 | | 2015 | | 2014 |
|------------------------|----|---------|----|---------|----|---------|
| 401(k) Plan | | | | | | |
| Employer Contributions | \$ | 874,991 | \$ | 817,713 | \$ | 835,252 |
| Employee Contributions | | 533,576 | | 493,265 | | 546,086 |
| 457 Plan | | | | | | |
| Employer Contributions | \$ | - | \$ | - | \$ | - |
| Employee Contributions | | 167,259 | | 162,794 | | 154,411 |
| Roth IRA Plan | | | | | | |
| Employer Contributions | | N/A | | N/A | | N/A |
| Employee Contributions | \$ | 59,648 | \$ | 48,379 | \$ | 40,846 |

6. **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.

7. **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.

8. **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 ended December 31, 2016 is as follows:

| | <u>Landfill</u> | <u>Telecom- munications</u> | <u>Western Park</u> | <u>Care Center</u> |
|-----------------------------------|-----------------|---------------------------------|-------------------------|------------------------|
| Operating Revenues: | | | | |
| Charges for services | \$ 676,643 | \$ 169,324 | \$ 301,620 | |
| Depreciation expense | 149 | 3,790 | 245,509 | |
| Operating income (loss) | (103,965) | (57,916) | (1,766,544) | |
| Tax revenues | | | 661,745 | |
| Operating transfers in (out) | | 86,700 | | |
| Change in Net Position | (86,872) | 29,431 | (1,070,186) | |
| Property, plant and equipment: | | | | |
| Additions | | | | |
| Deletions | | | | |
| Net working capital | 1,935,045 | 88,039 | 1,282,680 | 20,070,159 |
| Total assets | 2,039,175 | 103,847 | 11,083,451 | 20,070,159 |
| Total net position | 1,713,121 | 77,540 | 10,397,693 | 20,070,159 |

9. RISK MANAGEMENT

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

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.

10. 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.

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, 2016, closure and post closure costs are estimated at \$417,505 for the Uintah County Municipal Landfill and \$52,932 for the Lapoint Landfill. The County has not recognized any estimated costs of closure and post closure only those costs of maintaining the Landfill and current costs associated with ongoing closure costs. The County has set aside an amount of \$150,388 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. The County estimates the remaining landfill life to 100 years. The percentage of capacity used is estimated at 20%.

11. RECONCILIATION OF INTERFUND TRANSFERS

The following table provides a reconciliation of all interfund transfers:

| | TRANSFERS IN | | | | Total |
|----------------|------------------------------|------------------------------------|-------------------------------------|-----------------------------------|---------------------|
| | Capital Projects Funds | Municipal Building Authority | Nonmajor Business-Types Funds | Nonmajor Governmental Funds | |
| Transfer Out: | | | | | |
| General Fund | \$ 1,000,000 | | \$ 86,700 | \$ 82,900 | \$ 1,169,600 |
| Nonmajor Funds | | | | 325,000 | 325,000 |
| | <u>\$ 1,000,000</u> | <u>\$...</u> | <u>\$ 86,700</u> | <u>\$ 407,900</u> | <u>\$ 1,494,600</u> |

A transfer from the Food Service Tax Fund in the amount of \$300,000 was made to the Transient Room Tax Fund to help with cost associated with tourism. The Transient Room Tax Fund made a transfer to the Municipal Building Authority to help make payment on conference center debt in the amount \$25,000. The General Fund made transfers to the Drug Court Fund in the amount of \$82,900, to help cover costs of drug rehab and the operation of the program. The General Fund also made transfers to the Capital Project and Tele-communication Funds in the amounts of \$1,000,000 and \$86,700 respectively. The transfer to the Capital Projects Fund was to accumulate funds for future purchase of capital equipment and the construction of capital projects. The transfer to the Tele-communication Fund was to provide funding to help cover the cost of the Tele-communication Fund's operating costs.

12. USE OF ESTIMATES

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

13. FUND BALANCE RESTRICTIONS/NET POSITION RESTRICTIONS

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

Governmental Funds

\$5,922,292 has been restricted in the "B" Road Fund for the purpose of maintaining, improving, repairing or replacement of "B" roads in Uintah County.

\$1,058,079 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.

13. FUND BALANCE RESTRICTIONS/NET POSITION RESTRICTIONS (Continued)

Governmental Funds (Continued)

\$2,699,324 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.

\$1,488,300 has been restricted in the Flood Control Funds to be used for the purpose of helping offset the costs of flooding in the County.

\$642,352 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.

\$6,336,680 has been restricted in the Tax Stability Fund for the purpose of providing funding for the County during hard economic times.

\$420,907 has been restricted through collection of transient room tax to be used to help promote economic development and tourism.

\$467,616 has been restricted through the collection of sales tax to be used for the promotion of tourism and food services in the County.

\$1,050,577 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.

\$994,934 has been restricted in the Debt Service Fund for the purpose of meeting the payment requirement of principal and interest on General Obligation debt.

\$3,689,505 has been restricted in the Library Fund for the purpose of covering the operation and maintenance of the Library and help cover the costs in the construction of a new County Library.

Proprietary Funds

\$16,167 has been restricted in the Western Park Fund to be invested and to accumulate an amount necessary to retire bonds.

\$150,388 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.

\$20,070,159 has been restricted due to a special sale tax to be used for the Uintah Care Center for current and future operation of the facility.

The County has also restricted nets position in the Government-wide financial statements. The nets position restricted are the same amounts that have been restricted in the fund financial statements.

14. 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 5% per year as a percentage of the 90% 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% of the 90% health insurance benefit. This benefit is available to employees only until they qualify for Medicare. For the year ended December 31, 2016, the County paid \$93,026 of termination benefits. At December 31, 2016, the County had 9 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 \$852,267. To determine this benefit the County has discounted expected future benefits at a discount rate of .964% and used healthcare cost trend rate of 2.978%.

15. 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 Health Director has retired and was one of the main individuals at the District which was accumulating these benefits. It is the feeling of District management that since the original liability was \$246,529 for all benefits accrued up until 2008 that any benefits that have accrued since that time would not be material to the financial statements. At December 31, 2016, there were 12 employees that still qualified for these benefits and only 4 employees that have accumulated the major benefit. Total benefit that has accrued to date per Tri-County Health is \$6,091.50. The fair market value of funds in trust to pay these benefits at December 31, 2016 was \$226,064.

16. RESTRICTED CASH AND CASH EQUIVALENTS

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

| | |
|------------------------------|--------------|
| Governmental Funds: | |
| Municipal Building Authority | \$ 1,310,644 |
| Permanent Fund | 6,250,549 |
| Internal Service Fund | 100,000 |

16. **RESTRICTED CASH AND CASH EQUIVALENTS (Continued)**

Enterprise Funds:

| | |
|-------------------------|------------|
| Western Park Fund | \$ 16,167 |
| Uintah Care Center Fund | 20,070,159 |
| Landfill Fund | 150,388 |

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.

Western Park Fund – The fund has restricted money in an escrow account to be used for the retirement of limited obligation bonds.

Uintah 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 – 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 Landfill.

Internal Service Fund - These funds are held as deposits by Blue Cross and Blue Shield and are restricted and are not available to be used by the County.

17. **FUND EQUITY**

In February 2009, GASB issued Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal years beginning after June 15, 2010. Fund balance classification changes apply only to governmental fund types; thus, only fund financial statements are affected.

Nonspendable Fund Balance – Fund balances are reported as nonspendable when they cannot be spent because they are not spendable in form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, or by law through constitutional provisions or enabling legislation.

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

17. **FUND EQUITY (Continued)**

Assigned Fund Balance-Fund balances are reported as assigned when the County intends to use funds, which are neither restricted nor committed, for a specific purpose. Additionally, funds in special revenue, 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 for which both restricted and unrestricted fund balance is available, it is the unwritten policy and practice of the County to consider restricted amounts to have been spent first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the unwritten policy and practice of the County that committed amounts will be spent first, followed by assigned amounts, and then unassigned amounts.

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

18. **RELATED PARTY TRANSACTIONS**

The County had the following related party transaction.

Beaver Fire & Safety

The Beaver Fire & Safety business is owned by the husband of Liz Grimshaw, one of the employees of Uintah County. The County purchases fire extinguishers from them as well as having them do inspections of potential fire hazards in County buildings. Uintah County paid the Beaver Fire & Safety Company \$3,020.60 during the year ended December 31, 2016.

19. **NOTE RECEIVABLES**

The County has two note 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 construct 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 \$166,332 and is to receive annual payments of \$32,500 through 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 \$3,339,002 with annual payments ranging from \$166,000 to \$167,000. The final payment from Uintah Recreation District will be received in 2037.

20. 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, 2015, 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, 2016, the County had cash of \$6,250,549 in their Tax Stability Trust Fund.

21. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position reports 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 so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports two types of deferred outflow of resources. The first is related to the issuance of General Obligation Series 2015 Refunding bonds. The difference between the reacquisition price of the old bonds and the net carrying amount of the old bonds is the deferred outflow of resources to be amortized over the life of the old or new bonds, whichever is the shorter. The second deferred outflow relates to pensions which are created from the difference of the measurement of pension liability and payments on pension obligations subsequent to the measurement date.

In addition to liabilities, the statement of net position reports 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 so will not be recognized as an inflow of resources (revenue) until that time. The County reports one of these items which relates to pensions. The deferred inflow of resources was created because of the differences between expected and actual experiences and changes in assumptions as they relate to pension accounting and reporting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

22. CONSTRUCTION COMMITMENT

During the year ended December 31, 2015, Uintah County entered into a construction contract with J Wright Companies, Inc., to perform the project called Airport Earthwork. The project consisted of a drainage project in preparation for additional construction work on a new runway for the Airport. The amount of the contract was for \$4,379,142 including change orders. At December 31, 2016, the contractor had completed and earned \$4,304,090 on the project. Of this amount \$215,205 was held in retainage with the balance either paid or shown as payable to the contractor. The remaining maximum contract obligation of the County to J Wright Companies, Inc., is \$75,052, which will be paid as work is completed on the project.

22. CONSTRUCTION COMMITMENT (Continued)

During the year ended December 31, 2016, Uintah County entered into a construction contract with W.W. Clyde & Company, to perform the project called Airport Runway Reconstruction Project. The project consisted of the construction of a new airport runway. The amount of the contract is for \$14,165,000 including change orders. At December 31, 2016, the contractor had completed and earned \$1,516,409 on the project. Of this amount \$75,820 was held in retainage with the balance either paid or shown as payable to the contractor. The remaining maximum contract obligation of the County to W.W. Clyde & Company is \$12,648,591, which will be paid as work is completed on the project.

23. ADVANCE REFUNDING

On December 15, 2015, Uintah County issued \$33,385,000 of general obligation refunding bonds with a premium of \$3,219,420. The County issued the bonds to advance refund \$35,515,000 of outstanding Lease Revenue Bonds, Series 2008A. 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 advance refunding reduced total debt service payments over the next 6 years by \$14,037,991. This results in an economic gain (difference between the present value of debt service payments on the old and new debt) of \$6,858,885. The principal balance due of the defeased Series 2008A lease revenue bonds at December 31, 2016 was \$34,540,000.

24. BOND REPAYMENT

On July 31, 2008, Uintah County Municipal Building Authority issued \$10,000,000 of Lease Revenue Bonds, Series 2008B. These bonds were used for the construction and furnishing of a new Public Safety Facility. The repayment of the principal was to begin on June 1, 2021. During the year ended December 31, 2016, Uintah county made a principal prepayment on these bonds in the amount of \$408,000.

25. SUBSEQUENT EVENT

During the year ended December 31, 2016, 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 \$2,811,028.62. Uintah County's portion to be refunded to Anadarko amounted to \$727,304.31. 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 \$103,900.62. 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.

UINTAH COUNTY

Required Supplementary Information

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

SCHEDULE 2 Information About Infrastructure Assets Reported Using the Modified
Approach

SCHEDULE 3 Schedule of the Proportionate Share of the Net Pension Liability

SCHEDULE 4 Schedule of Contributions - Pensions

Notes to the Required Supplementary Information

**UINTAH COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

| | BUDGET AMOUNTS | | | VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE) |
|--|----------------|---------------|-------------------|---|
| | ORIGINAL | FINAL | ACTUAL AMOUNTS | |
| REVENUES | | | | |
| Taxes | | | | |
| General property taxes - current year | \$ 8,045,000 | \$ 8,045,000 | \$ 7,895,411 | \$ (149,589) |
| General property taxes - prior years | 250,000 | 250,000 | 99,168 | (150,832) |
| Penalties and interest on delinquent taxes | 100,000 | 100,000 | 109,705 | 9,705 |
| General sales and use tax | 4,535,200 | 4,535,200 | 4,582,386 | 47,186 |
| Total taxes | \$ 12,930,200 | \$ 12,930,200 | \$ 12,686,670 | \$ (243,530) |
| Licenses and permits: | | | | |
| Non-business licenses and permits | \$ 113,500 | \$ 113,500 | \$ 71,100 | \$ (42,400) |
| Total licenses and permits | \$ 113,500 | \$ 113,500 | \$ 71,100 | \$ (42,400) |
| Intergovernmental: | | | | |
| Federal | \$ 414,100 | \$ 434,600 | \$ 284,788 | \$ (149,812) |
| State | 478,900 | 503,900 | 315,264 | (188,636) |
| Other | 12,000 | 12,000 | 9,793 | (2,207) |
| Total intergovernmental | \$ 905,000 | \$ 950,500 | \$ 609,845 | \$ (340,655) |
| Charges for services: | | | | |
| Departmental fees | \$ 351,300 | \$ 351,300 | \$ 303,190 | \$ (48,110) |
| Inmate and other protective service fees | 2,331,500 | 2,331,500 | 2,103,029 | (228,471) |
| Other charges for services | 198,200 | 198,200 | 179,306 | (18,894) |
| Total charges for services | \$ 2,881,000 | \$ 2,881,000 | \$ 2,585,525 | \$ (295,475) |
| Fines and forfeitures | \$ 521,000 | \$ 521,000 | \$ 289,173 | \$ (231,827) |
| Miscellaneous: | | | | |
| Investment earnings | \$ 40,000 | \$ 40,000 | \$ 68,516 | \$ 28,516 |
| Rents and concessions | 260,500 | 260,500 | 258,097 | (2,403) |
| Sale of material, supplies and equipment | | | 1,331 | 1,331 |
| O & M reimbursement | 41,000 | 41,000 | 25,523 | (15,477) |
| Fuel tax refund/avaiation fuel tax | | | 8,780 | 8,780 |
| Basin energy summit | 50,000 | 73,000 | 88,234 | 15,234 |
| Other | 383,900 | 383,900 | 110,651 | (273,249) |
| Total miscellaneous | \$ 775,400 | \$ 798,400 | \$ 561,132 | \$ (237,268) |
| Total Revenues | \$ 18,126,100 | \$ 18,194,600 | \$ 16,803,445 | \$ (1,391,155) |

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

SCHEDULE 1
(Continued)

UINTAH COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

| | <u>BUDGET AMOUNTS</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH</u> |
|--|-----------------------|--------------|----------------|----------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>AMOUNTS</u> | <u>FINAL BUDGET</u> |
| | | | | <u>FAVORABLE</u> |
| | | | | <u>(UNFAVORABLE)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| Commission | \$ 544,100 | \$ 554,100 | \$ 510,458 | \$ 43,642 |
| Justice court | 501,700 | 501,700 | 472,918 | 28,782 |
| Public defender | 544,200 | 719,200 | 698,769 | 20,431 |
| Personel/Administrator | 239,550 | 264,550 | 247,907 | 16,643 |
| Clerk/Auditor | 439,500 | 439,500 | 390,716 | 48,784 |
| Treasurer | 46,200 | 46,200 | 35,678 | 10,522 |
| Recorder | 529,900 | 529,900 | 238,459 | 291,441 |
| Attorney | 1,677,100 | 1,827,100 | 1,674,439 | 152,661 |
| Surveyor | 70,000 | 34,000 | 27,312 | 6,688 |
| Non-Departmental | 951,500 | 1,051,500 | 774,496 | 277,004 |
| Data processing | 208,000 | 208,000 | 182,287 | 25,713 |
| Purchase agent | 2,000 | | | |
| Geographical info system/surveyor | 39,500 | 49,500 | 36,263 | 13,237 |
| Building and grounds | 847,700 | 872,700 | 800,977 | 71,723 |
| Total general government | \$ 6,640,950 | \$ 7,097,950 | \$ 6,090,679 | \$ 1,007,271 |
| Public safety: | | | | |
| Emergency services | \$ 261,050 | \$ 286,550 | \$ 282,098 | \$ 4,452 |
| Weed control | 213,950 | 213,950 | 187,320 | 26,630 |
| Jail complex | 5,594,100 | 5,594,100 | 5,009,344 | 584,756 |
| Public safety complex | 733,700 | 798,700 | 698,097 | 100,603 |
| Corrections support services | 56,300 | 56,300 | 13,869 | 42,431 |
| Childrens justice center | 134,700 | 159,700 | 147,248 | 12,452 |
| Total public safety | \$ 6,993,800 | \$ 7,109,300 | \$ 6,337,976 | \$ 771,324 |
| Public health: | | | | |
| Public health - turning point | \$ 291,400 | \$ 291,400 | \$ 266,164 | \$ 25,236 |
| Mental health | 170,200 | 170,200 | 167,120 | 3,080 |
| Total public health | \$ 461,600 | \$ 461,600 | \$ 433,284 | \$ 28,316 |
| Highways and public improvements: | | | | |
| County roads | \$ 1,160,800 | \$ 1,160,800 | \$ 588,630 | \$ 572,170 |
| Airport maintenance and operation | | 30,000 | 27,372 | 2,628 |
| Total highways and public improvements | \$ 1,160,800 | \$ 1,190,800 | \$ 616,002 | \$ 574,798 |

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

SCHEDULE 1
(Continued)

UINTAH COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

| | <u>BUDGET AMOUNTS</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH</u> |
|--|-----------------------|----------------|----------------|----------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>AMOUNTS</u> | <u>FINAL BUDGET</u> |
| | | | | <u>FAVORABLE</u> |
| | | | | <u>(UNFAVORABLE)</u> |
| Park, Recreation and Public Property: | | | | |
| Buckskin Hills | \$ 340,900 | \$ 340,900 | \$ 36,090 | \$ 304,810 |
| Cemeteries | 460,100 | 481,100 | 460,100 | 21,000 |
| Total park, recreation and public property | \$ 801,000 | \$ 822,000 | \$ 496,190 | \$ 325,810 |
| Conservation and Economic Development: | | | | |
| Agriculture and extension services | \$ 188,700 | \$ 188,700 | \$ 164,876 | \$ 23,824 |
| Affordable housing | 79,700 | 79,700 | 29,665 | 50,035 |
| Economic development | 226,800 | 226,800 | 150,950 | 75,850 |
| Pass thru grants | 305,000 | 305,000 | 123,389 | 181,611 |
| Associations | 108,750 | 108,750 | 90,200 | 18,550 |
| Total conservation and economic development | \$ 908,950 | \$ 908,950 | \$ 559,080 | \$ 349,870 |
| Total expenditures | \$ 16,967,100 | \$ 17,590,600 | \$ 14,533,211 | \$ 3,057,389 |
| Excess of revenue over (under) expenditures | \$ 1,159,000 | \$ 604,000 | \$ 2,270,234 | \$ 1,666,234 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | \$ (1,737,100) | \$ (1,737,100) | \$ (1,169,600) | \$ 567,500 |
| Total other financing sources (uses) | \$ (1,737,100) | \$ (1,737,100) | \$ (1,169,600) | \$ 567,500 |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ (578,100) | \$ (1,133,100) | \$ 1,100,634 | \$ 2,233,734 |
| Fund balances - beginning of year | 11,949,912 | 11,949,912 | 11,949,912 | |
| Fund balances - end of year | \$ 11,371,812 | \$ 10,816,812 | \$ 13,050,546 | \$ 2,233,734 |

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

SCHEDULE 2

UINTAH COUNTY **INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED** **USING THE MODIFIED APPROACH** **FOR THE YEAR ENDED DECEMBER 31, 2016**

As allowed by GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, the County has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the "modified approach," infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and/or efficiency of infrastructure assets reported under the modified approach.

In order to utilize the modified approach, the County is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the County.
- Document that the infrastructure assets are being preserved approximately at, or above the condition level established by the County.

Roads

Uintah County applies the modified approach only to the 491 paved, 813 gravel and 91 dirt lane-miles of roads considered to be owned by the County and maintained by the County's Public Works Department (i.e. for which, the County has legal jurisdiction). The goal of the County in conjunction with adopting the modified approach is to develop and provide a cost effective pavement maintenance and rehabilitation program that preserves the County's investment in its road network and enhances public transportation and safety.

Condition Rating of the County's Road System

Percentage of Lane-Miles in Good or Better Condition:

| | Percentage | | | | | |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Paved | 73 | 75 | 77 | 79 | 80 | 78 |
| Gravel | 60 | 68 | 67 | 72 | 73 | 74 |
| Dirt | 55 | 55 | 54 | 54 | 54 | 55 |
| Overall System | 64 | 66 | 66 | 68 | 69 | 69 |

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

SCHEDULE 2
(Continued)

Condition Rating of the County's Road System (Continued)

Percentage of Lane-Miles in Substandard Condition is:

| | Percentage | | | | | |
|----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
| Paved | 10 | 9 | 8 | 7 | 7 | 9 |
| Gravel | 12 | 10 | 10 | 10 | 10 | 10 |
| Dirt | 13 | 12 | 11 | 11 | 11 | 11 |
| Overall System | 12 | 10 | 10 | 9 | 9 | 10 |

Comparison of Needed-to Actual Maintenance/Preservation in 2011, 2012, 2013, 2014, 2015 and 2016 Roads:

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| Estimated | \$4,544,500 | \$4,500,000 | \$4,700,000 | \$4,900,000 | \$4,100,000 | \$4,900,000 |
| Actual | 4,245,332 | 4,498,156 | 4,753,878 | 4,603,914 | 5,236,763 | 3,688,630 |

The condition of road pavement is measured using the American (AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify road in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the County's policy to maintain at least 55 percent of its road system at a good or better condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

This schedule presents the information for the last six years as required.

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

UINTAH COUNTY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF DECEMBER 31, 2015

| | Year ended December 31, | Proportion of the net pension liability (asset) | Proportionate share of the net pension liability (asset) | Covered- employee payroll | Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | Plan fiduciary net position as a percentage of its covered-employee payroll |
|--|----------------------------|---|--|---------------------------------|---|---|
| Noncontributory Retirement System | 2014 | | | | | |
| | 2015 | 0.2506316% | \$1,418,196 | \$1,898,137 | 74.72 % | 87.8% |
| Contributory Retirement System | 2014 | 15.8036918% | \$4,558,473 | \$7,326,899 | 62.20 % | 94.0% |
| | 2015 | 14.8657144% | 10,448,432 | 5,253,545 | 198.88 % | 85.7% |
| Public Safety System | 2014 | 1.5674182% | \$1,971,159 | \$2,204,621 | 89.40 % | 90.5% |
| | 2015 | 1.6947110% | 3,035,653 | 2,428,017 | 125.03 % | 87.1% |
| Tier 2 Public Employees Retirement System | 2014 | 0.3965629% | (\$12,018) | \$1,945,554 | (0.60)% | 103.5% |
| | 2015 | 0.3968809% | (866) | 2,564,073 | (0.03)% | 100.2% |
| Tier 2 Public Safety and Firefighters Retirement | 2014 | 1.4499515% | (\$21,449) | \$600,529 | (3.60)% | 120.5% |
| | 2015 | 1.4339945% | (20,951) | 853,242 | (2.46)% | 110.7% |

* In accordance with paragraph 81.a GASB 68, employers will need to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI.

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

UINTAH COUNTY
SCHEDULE OF CONTRIBUTIONS
AS OF DECEMBER 31, 2016

| | As of fiscal year ended December 31, | Actuarial Determined Contributions | Contributions in relation to the contractually required Contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percentage of covered employee payroll |
|--|--|--|--|--|--------------------|---|
| Noncontributory System | 2014 | \$ - | \$ - | \$ - | \$ - | 0.00% |
| | 2015 | 324,869 | 324,869 | - | 1,898,137 | 17.12% |
| | 2016 | 1,286,917 | 1,286,917 | - | 6,967,613 | 18.47% |
| Contributory System | 2014 | \$ 1,015,312 | \$ 1,015,312 | \$ - | \$ 7,328,915 | 13.83% |
| | 2015 | 759,296 | 759,296 | - | 5,253,545 | 14.45% |
| | 2016 | 2,415 | 2,415 | - | 16,699 | 14.46% |
| Public Safety System | 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% |
| Tier 2 Public Employees System* | 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% |
| Tier 2 Public Safety and Firefighter System* | 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% |
| Tier 2 Public Employees DC Only System* | 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% |
| Tier 2 Public Safety and Firefighter DC Only System* | 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% |

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

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

UINTAH COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

CHANGES IN ASSUMPTIONS:

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.50% to 3.25%. There was an improvement in the post retirement mortality assumption for female educators and minor adjustments to the preretirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

UINTAH COUNTY

Supplementary Information

UTAH COUNTY
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

| | SPECIAL REVENUE FUNDS | | | | | | | | | |
|--|-------------------------------|--------------------------------|--------------------|------------------------------------|-------------------------------|------------------|--------------------------|------------------------|---------------------|---------------------|
| | HISTORIC PRESERVA- TION | ASSESSING AND COLLECTING | FLOOD CONTROL | MUNICIPAL BUILDING AUTHORITY | MUNICIPAL SERVICES FUND | DRUG COURT | TRANSIENT ROOM TAX | FOOD SERVICE TAX | TORT LIABILITY | LIBRARY FUNDS |
| <u>ASSETS</u> | | | | | | | | | | |
| Cash and cash equivalents | \$ 28,082 | \$ 733,456 | \$1,507,342 | \$ 1,558,853 | \$ 5,160,770 | \$ 28,196 | \$ 471,712 | \$ 484,116 | \$ 1,001,363 | \$ 3,501,770 |
| Accounts receivable | | | | | | 360 | | | | |
| Taxes receivable | | 497,089 | 19,434 | | | | | | 74,869 | 387,951 |
| Due from other governments | | | | 24,827 | 29,339 | | | | | 1,593 |
| Restricted cash and investments | | | | 1,310,644 | | | | | | |
| Total assets | <u>\$ 28,082</u> | <u>\$ 1,230,545</u> | <u>\$1,526,776</u> | <u>\$ 2,894,324</u> | <u>\$ 5,190,109</u> | <u>\$ 28,556</u> | <u>\$ 471,712</u> | <u>\$ 484,116</u> | <u>\$ 1,076,232</u> | <u>\$ 3,891,314</u> |
| <u>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</u> | | | | | | | | | | |
| Liabilities: | | | | | | | | | | |
| Accounts payable | | | | | \$ 90,736 | \$ 5,776 | \$ 28,819 | \$ 16,500 | | \$ 18,263 |
| Warrants payable | | | \$ 31,800 | \$ 195,000 | 25,256 | 18,171 | 3,496 | | | 6,644 |
| Salaries payable | | | | | 85,823 | 2,010 | 14,383 | | | 33,332 |
| Accrued liabilities | | | | | 29,432 | 754 | 4,107 | | | 11,330 |
| Total liabilities | | | \$ 31,800 | \$ 195,000 | \$ 231,247 | \$ 26,711 | \$ 50,805 | \$ 16,500 | | \$ 69,569 |
| Deferred inflows of resources | | \$ 172,466 | 6,676 | | | | | | \$ 25,655 | 132,240 |
| Total liabilities and deferred inflows of resources | <u>\$...</u> | <u>\$ 172,466</u> | <u>\$ 38,476</u> | <u>\$ 195,000</u> | <u>\$ 231,247</u> | <u>\$ 26,711</u> | <u>\$ 50,805</u> | <u>\$ 16,500</u> | <u>\$ 25,655</u> | <u>\$ 201,809</u> |
| Fund balances: | | | | | | | | | | |
| Restricted | | \$ 1,058,079 | \$1,488,300 | \$ 2,699,324 | | | \$ 420,907 | \$ 467,616 | \$ 1,050,577 | \$ 3,689,505 |
| Committed | | | | | \$ 4,958,862 | | | | | |
| Assigned | <u>\$ 28,082</u> | | | | | <u>\$ 1,845</u> | | | | |
| Total fund balances | <u>\$ 28,082</u> | <u>\$ 1,058,079</u> | <u>\$1,488,300</u> | <u>\$ 2,699,324</u> | <u>\$ 4,958,862</u> | <u>\$ 1,845</u> | <u>\$ 420,907</u> | <u>\$ 467,616</u> | <u>\$ 1,050,577</u> | <u>\$ 3,689,505</u> |
| Total liabilities, deferred inflow of resources and fund balance | <u>\$ 28,082</u> | <u>\$ 1,230,545</u> | <u>\$1,526,776</u> | <u>\$ 2,894,324</u> | <u>\$ 5,190,109</u> | <u>\$ 28,556</u> | <u>\$ 471,712</u> | <u>\$ 484,116</u> | <u>\$ 1,076,232</u> | <u>\$ 3,891,314</u> |

UINTAH COUNTY
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016

| | SPECIAL REVENUE FUNDS | | | | | DEBT SERVICE | PERMANENT FUND | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|--|-------------------------------|-----------------------------|----------------------|-------------------|----------------------|-------------------------|---------------------|--|
| | REGIONAL HISTORY CENTER | 911 EMERGENCY SERVICE | CLASS "B" ROAD | CEMETERIES | TRI-COUNTY HEALTH | DEBT SERVICE FUND | TAX STABILITY | |
| <u>ASSETS</u> | | | | | | | | |
| Cash and cash equivalents | \$ 199,014 | \$ 1,826,369 | \$ 5,319,615 | \$ 157,310 | \$ 730,771 | \$ 693,706 | | \$ 23,402,445 |
| Accounts receivable | | | | 21,230 | | | | 21,590 |
| Taxes receivable | | | | | 97,876 | 392,290 | \$ 145,639 | 1,615,148 |
| Due from other governments | | | 602,677 | | 146,310 | | | 804,746 |
| Restricted cash and investments | | | | | | | 6,250,549 | 7,561,193 |
| Total assets | <u>\$ 199,014</u> | <u>\$ 1,826,369</u> | <u>\$ 5,922,292</u> | <u>\$ 178,540</u> | <u>\$ 974,957</u> | <u>\$ 1,085,996</u> | <u>\$ 6,396,188</u> | <u>\$ 33,405,122</u> |
| <u>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</u> | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 724 | \$ 1,570 | | \$ 8,182 | \$ 47,424 | | | \$ 217,994 |
| Warrants payable | 500 | | | 1,706 | 200,658 | | | 483,231 |
| Salaries payable | | | | 8,673 | 41,080 | | | 185,301 |
| Accrued liabilities | | | | 2,995 | 20,723 | | | 69,341 |
| Total liabilities | <u>\$ 1,224</u> | <u>\$ 1,570</u> | | <u>\$ 21,556</u> | <u>\$ 309,885</u> | | | <u>\$ 955,867</u> |
| Deferred inflows of resources | | | | | 22,720 | \$ 91,062 | \$ 59,508 | 510,327 |
| Total liabilities and deferred inflows of resources | <u>\$ 1,224</u> | <u>\$ 1,570</u> | <u>\$...</u> | <u>\$ 21,556</u> | <u>\$ 332,605</u> | <u>\$ 91,062</u> | <u>\$ 59,508</u> | <u>\$ 1,466,194</u> |
| Fund balances: | | | | | | | | |
| Restricted | | | \$ 5,922,292 | | \$ 642,352 | \$ 994,934 | \$ 6,336,680 | \$ 24,770,566 |
| Committed | \$ 197,790 | \$ 1,824,799 | | \$ 156,984 | | | | 6,981,451 |
| Assigned | | | | | | | | 186,911 |
| Total fund balances | <u>\$ 197,790</u> | <u>\$ 1,824,799</u> | <u>\$ 5,922,292</u> | <u>\$ 156,984</u> | <u>\$ 642,352</u> | <u>\$ 994,934</u> | <u>\$ 6,336,680</u> | <u>\$ 31,938,928</u> |
| Total liabilities, deferred inflow of resources and fund balance | <u>\$ 199,014</u> | <u>\$ 1,826,369</u> | <u>\$ 5,922,292</u> | <u>\$ 178,540</u> | <u>\$ 974,957</u> | <u>\$ 1,085,996</u> | <u>\$ 6,396,188</u> | <u>\$ 33,405,122</u> |

UINTAH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | SPECIAL REVENUE FUNDS | | | | | | | | | |
|---|-------------------------------|--------------------------------|------------------|------------------------------------|-------------------------------|---------------|--------------------------|------------------------|-------------------|------------------|
| | HISTORIC PRESERVA- TION | ASSESSING AND COLLECTING | FLOOD CONTROL | MUNICIPAL BUILDING AUTHORITY | MUNICIPAL SERVICES FUND | DRUG COURT | TRANSIENT ROOM TAX | FOOD SERVICE TAX | TORT LIABILITY | LIBRARY FUNDS |
| REVENUES: | | | | | | | | | | |
| Taxes | | \$ 2,726,628 | \$ 105,154 | | | | \$ 508,528 | \$ 407,416 | \$ 405,755 | \$ 2,108,453 |
| Licenses and permits | | | | | \$ 147,784 | | | | | |
| Intergovernmental revenues | | | | \$ 750,000 | 3,093,257 | \$ 40,000 | 214,000 | | | 19,793 |
| Charges for Services | | | | 918,842 | 199,270 | 55,826 | 155,726 | | | 40,379 |
| Interest income | \$ 249 | 12,544 | 12,628 | 25,202 | 49,799 | 203 | 3,445 | 4,504 | 6,147 | 24,046 |
| Miscellaneous | | | | | 54,812 | | 4,027 | | 4,300 | 1,566 |
| Total revenues | \$ 249 | \$ 2,739,172 | \$ 117,782 | \$ 1,694,044 | \$ 3,544,922 | \$ 96,029 | \$ 885,726 | \$ 411,920 | \$ 416,202 | \$ 2,194,237 |
| EXPENDITURES: | | | | | | | | | | |
| General government | | \$ 2,718,763 | | | \$ 806,590 | | | | \$ 408,004 | |
| Public safety | | | | | 3,494,919 | \$ 177,814 | | | | |
| Highways and public improvements | | | | | 114,599 | | | | | |
| Public health | | | | | | | | \$ 115,713 | | |
| Parks, recreation and public property | | | \$ 32,745 | | 119,312 | | | | | \$ 2,010,773 |
| Conservation and economic development | | | | | | | \$ 1,389,369 | | | |
| Debt service | | | | | | | | | | |
| Principal payment | | | | \$ 1,184,500 | | | | | | |
| Interest and fiscal charges | | | | 321,946 | | | | | | |
| Total expenditures | \$... | \$ 2,718,763 | \$ 32,745 | \$ 1,506,446 | \$ 4,535,420 | \$ 177,814 | \$ 1,389,369 | \$ 115,713 | \$ 408,004 | \$ 2,010,773 |
| Excess of revenues over (under) expenditures | \$ 249 | \$ 20,409 | \$ 85,037 | \$ 187,598 | \$ (990,498) | \$ (81,785) | \$ (503,643) | \$ 296,207 | \$ 8,198 | \$ 183,464 |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | | | | \$ 25,000 | | \$ 82,900 | \$ 300,000 | | | |
| Transfers out | | | | | | | (25,000) | \$ (300,000) | | |
| Total other financing sources (uses) | \$... | \$... | \$... | \$ 25,000 | \$... | \$ 82,900 | \$ 275,000 | \$ (300,000) | \$... | \$... |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ 249 | \$ 20,409 | \$ 85,037 | \$ 212,598 | \$ (990,498) | \$ 1,115 | \$ (228,643) | \$ (3,793) | \$ 8,198 | \$ 183,464 |
| Fund Balances - Beginning of year | 27,833 | 1,037,670 | 1,403,263 | 2,486,726 | 5,949,360 | 730 | 649,550 | 471,409 | 1,042,379 | 3,506,041 |
| Fund Balances - End of year | \$ 28,082 | \$ 1,058,079 | \$ 1,488,300 | \$ 2,699,324 | \$ 4,958,862 | \$ 1,845 | \$ 420,907 | \$ 467,616 | \$ 1,050,577 | \$ 3,689,505 |

UINTAH COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | SPECIAL REVENUE FUNDS | | | | | DEBT SERVICE | PERMANENT FUND | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|---|-------------------------------|-----------------------------|--------------|------------|--------------------------|-------------------------|-------------------|--|
| | REGIONAL HISTORY CENTER | 911 EMERGENCY SERVICE | "B" ROAD | CEMETERIES | TRI- COUNTY HEALTH | DEBT SERVICE FUND | TAX STABILITY | |
| REVENUES: | | | | | | | | |
| Taxes | | | | | \$ 609,255 | \$ 2,441,946 | \$ 725,580 | \$ 10,038,715 |
| Licenses and permits | | | | | | | | 147,784 |
| Intergovernmental revenues | | | \$ 3,559,994 | \$ 542,061 | 2,249,482 | | | 10,468,587 |
| Charges for Services | \$ 9,422 | \$ 450,267 | | 99,110 | 879,010 | | | 2,807,852 |
| Interest income | 1,757 | 15,196 | 42,387 | 2,925 | 3,201 | 9,078 | 53,933 | 267,244 |
| Miscellaneous | 279 | | | 733 | 72,825 | 7,409 | | 145,951 |
| Total revenues | \$ 11,458 | \$ 465,463 | \$ 3,602,381 | \$ 644,829 | \$ 3,813,773 | \$ 2,458,433 | \$ 779,513 | \$ 23,876,133 |
| EXPENDITURES: | | | | | | | | |
| General government | | | | | | | | \$ 3,933,357 |
| Public safety | | \$ 366,383 | | | | | | 4,039,116 |
| Highways and public improvements | | | \$ 3,100,000 | | | | | 3,214,599 |
| Public health | | | | | \$ 3,515,718 | | | 3,631,431 |
| Parks, recreation and public property | \$ 7,005 | | | \$ 573,325 | | | | 2,743,160 |
| Conservation and economic development | | | | | | | | 1,389,369 |
| Debt service | | | | | | | | |
| Principal payment | | | | | | \$ 1,185,000 | | 2,369,500 |
| Interest and fiscal charges | | | | | | 1,285,215 | | 1,607,161 |
| Total expenditures | \$ 7,005 | \$ 366,383 | \$ 3,100,000 | \$ 573,325 | \$ 3,515,718 | \$ 2,470,215 | \$... | \$ 22,927,693 |
| Excess of revenues over (under) expenditures | \$ 4,453 | \$ 99,080 | \$ 502,381 | \$ 71,504 | \$ 298,055 | \$ (11,782) | \$ 779,513 | \$ 948,440 |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | | | | | | | | \$ 407,900 |
| Transfers out | | | | | | | | (325,000) |
| Total other financing sources (uses) | \$... | \$... | \$... | \$... | \$... | \$... | \$... | \$ 82,900 |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ 4,453 | \$ 99,080 | \$ 502,381 | \$ 71,504 | \$ 298,055 | \$ (11,782) | \$ 779,513 | \$ 1,031,340 |
| Fund Balances - Beginning of year | 193,337 | 1,725,719 | 5,419,911 | 85,480 | 344,297 | 1,006,716 | 5,557,167 | 30,907,588 |
| Fund Balances - End of year | \$ 197,790 | \$ 1,824,799 | \$ 5,922,292 | \$ 156,984 | \$ 642,352 | \$ 994,934 | \$ 6,336,680 | \$ 31,938,928 |

UINTAH COUNTY
COMBINING SCHEDULE OF NET POSITION -
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2016

| | NON-MAJOR BTA'S - ENTERPRISE FUNDS | | TOTAL NONMAJOR BTAS |
|--|---------------------------------------|-------------------------|---------------------------|
| | LANDFILL | TELE- COMMUNICATIONS | |
| <u>ASSETS</u> | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 1,795,314 | \$ 91,466 | \$ 1,886,780 |
| Receivables - net | | | |
| Accounts | 9,815 | 6,137 | 15,952 |
| Restricted cash and investments | 150,388 | | 150,388 |
| Total current assets | \$ 1,955,517 | \$ 97,603 | \$ 2,053,120 |
| Noncurrent assets: | | | |
| Net pension asset | \$ 489 | \$ 46 | \$ 535 |
| Land | 51,300 | | 51,300 |
| Buildings | 46,791 | | 46,791 |
| Improvements other than buildings | 54,136 | | 54,136 |
| Furniture, fixtures and equipment | 1,082,683 | 132,683 | 1,215,366 |
| Less: Accumulated depreciation | (1,151,741) | (126,485) | (1,278,226) |
| Total noncurrent assets, net | \$ 83,658 | \$ 6,244 | \$ 89,902 |
| Total assets | \$ 2,039,175 | \$ 103,847 | \$ 2,143,022 |
| Deferred outflow of resources: | | | |
| Deferred outflow - related to pensions | \$ 188,120 | \$ 17,636 | \$ 205,756 |
| Total assets and deferred outflow of resources | \$ 2,227,295 | \$ 121,483 | \$ 2,348,778 |
| <u>LIABILITIES</u> | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 2,810 | \$ 7,357 | \$ 10,167 |
| Warrants payable | 1,838 | 304 | 2,142 |
| Wages payable | 11,972 | 1,180 | 13,152 |
| Accrued liabilities | 3,852 | 723 | 4,575 |
| Total current liabilities | \$ 20,472 | \$ 9,564 | \$ 30,036 |
| Noncurrent liabilities: | | | |
| Net pension liability | \$ 333,811 | \$ 31,295 | \$ 365,106 |
| Compensated absences | 127,000 | | 127,000 |
| Total noncurrent liabilities | \$ 460,811 | \$ 31,295 | \$ 492,106 |
| Total liabilities | \$ 481,283 | \$ 40,859 | \$ 522,142 |
| Deferred inflow of resources: | | | |
| Deferred inflow - related to pensions | \$ 32,891 | \$ 3,084 | \$ 35,975 |
| Total liabilities and deferred inflow of resources | \$ 514,174 | \$ 43,943 | \$ 558,117 |
| Net Position: | | | |
| Net invested in capital assets | \$ 83,169 | \$ 6,198 | \$ 89,367 |
| Restricted | 150,388 | | 150,388 |
| Unrestricted | 1,479,564 | 71,342 | 1,550,906 |
| Total net position | \$ 1,713,121 | \$ 77,540 | \$ 1,790,661 |

UINTAH COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET POSITION -
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016

| | NON-MAJOR BTA'S - ENTERPRISE FUNDS | | TOTAL NON-MAJOR BTA'S |
|--|---------------------------------------|-------------------------|-----------------------------|
| | LANDFILL | TELE- COMMUNICATIONS | |
| Operating revenues: | | | |
| Charges for sales and services | \$ 676,643 | \$ 169,324 | \$ 845,967 |
| Total operating revenues | \$ 676,643 | \$ 169,324 | \$ 845,967 |
| Operating expenses: | | | |
| Employee salaries and benefits | \$ 587,565 | \$ 72,997 | \$ 660,562 |
| Office supplies | 282 | | 282 |
| Other supplies and services | 5,371 | 21,508 | 26,879 |
| Contractual services | 28,179 | | 28,179 |
| Utilities | 11,209 | | 11,209 |
| Fuel and oil | 26,925 | | 26,925 |
| Repairs and maintenance | 14,184 | 26,814 | 40,998 |
| Depreciation | 1,479 | 3,790 | 5,269 |
| Equipment rental | 95,000 | | 95,000 |
| Miscellaneous | 5,196 | | 5,196 |
| Telephone and internet | 1,368 | 102,131 | 103,499 |
| State assessment | 3,850 | | 3,850 |
| Total operating expenses | \$ 780,608 | \$ 227,240 | \$ 1,007,848 |
| OPERATING INCOME (LOSS) | \$ (103,965) | \$ (57,916) | \$ (161,881) |
| Nonoperating revenues (expenses): | | | |
| Interest revenue | \$ 17,093 | \$ 647 | \$ 17,740 |
| Total nonoperating revenues (expenses) | \$ 17,093 | \$ 647 | \$ 17,740 |
| Income (loss) before transfers | \$ (86,872) | \$ (57,269) | \$ (144,141) |
| Transfers In (Out): | | | |
| Transfers in (out) | | \$ 86,700 | \$ 86,700 |
| Total transfers in (out) | \$... | \$ 86,700 | \$ 86,700 |
| Change in net position | \$ (86,872) | \$ 29,431 | \$ (57,441) |
| Total net position - beginning of year | 1,799,993 | 48,109 | 1,848,102 |
| Total net position - end of year | \$ 1,713,121 | \$ 77,540 | \$ 1,790,661 |

UTAH COUNTY
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE - CEMETERY TRUST
DECEMBER 31, 2016

| | MAESER CEMETERY | ROCKPOINT CEMETERY | JENSEN CEMETERY | LEOTA CEMETERY | HAYDEN CEMETERY | LAPPOINT CEMETERY | DRYFORK CEMETERY | AVALON CEMETERY | GUSHER CEMETERY | TRIDELL CEMETERY | TOTAL CEMETERIES |
|-------------------------------------|--------------------|-----------------------|--------------------|-------------------|--------------------|----------------------|---------------------|--------------------|--------------------|---------------------|---------------------|
| <u>ASSETS</u> | | | | | | | | | | | |
| Cash and cash equivalents | \$ 167,452 | \$ 52,742 | \$ 121,223 | \$ 2,812 | \$ 7,873 | \$ 13 | \$ 48,478 | \$ 2,186 | \$ 302 | \$ 28,293 | \$ 431,374 |
| Accounts receivable | 900 | | | | 400 | | | | | | 1,300 |
| Total assets | <u>\$ 168,352</u> | <u>\$ 52,742</u> | <u>\$ 121,223</u> | <u>\$ 2,812</u> | <u>\$ 8,273</u> | <u>\$ 13</u> | <u>\$ 48,478</u> | <u>\$ 2,186</u> | <u>\$ 302</u> | <u>\$ 28,293</u> | <u>\$ 432,674</u> |
| <u>LIABILITIES AND NET POSITION</u> | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | |
| Accounts Receivable | | | | | | | | | | | |
| Total liabilities | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> | <u>\$...</u> |
| Fund Balances: | | | | | | | | | | | |
| Restricted: | | | | | | | | | | | |
| Cemeteries | <u>\$ 168,352</u> | <u>\$ 52,742</u> | <u>\$ 121,223</u> | <u>\$ 2,812</u> | <u>\$ 8,273</u> | <u>\$ 13</u> | <u>\$ 48,478</u> | <u>\$ 2,186</u> | <u>\$ 302</u> | <u>\$ 28,293</u> | <u>\$ 432,674</u> |
| Total fund balances | <u>\$ 168,352</u> | <u>\$ 52,742</u> | <u>\$ 121,223</u> | <u>\$ 2,812</u> | <u>\$ 8,273</u> | <u>\$ 13</u> | <u>\$ 48,478</u> | <u>\$ 2,186</u> | <u>\$ 302</u> | <u>\$ 28,293</u> | <u>\$ 432,674</u> |
| Total liabilities and fund balance | <u>\$ 168,352</u> | <u>\$ 52,742</u> | <u>\$ 121,223</u> | <u>\$ 2,812</u> | <u>\$ 8,273</u> | <u>\$ 13</u> | <u>\$ 48,478</u> | <u>\$ 2,186</u> | <u>\$ 302</u> | <u>\$ 28,293</u> | <u>\$ 432,674</u> |

UINTAH COUNTY
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE - CEMETERY TRUST
FOR THE YEAR ENDED DECEMBER 31, 2016

| | MAESER CEMETERY | ROCKPOINT CEMETERY | JENSEN CEMETERY | LEOTA CEMETERY | HAYDEN CEMETERY | LAPOINT CEMETERY | DRYFORK CEMETERY | AVALON CEMETERY | GUSHER CEMETERY | TRIDELL CEMETERY | TOTAL CEMETERIES |
|---|--------------------|-----------------------|--------------------|-------------------|--------------------|---------------------|---------------------|--------------------|--------------------|---------------------|---------------------|
| REVENUES: | | | | | | | | | | | |
| Intergovernmental revenues | | | | | | \$ 4,800 | | | \$ 21,000 | | \$ 25,800 |
| Charges for services | \$ 5,130 | \$ 21,850 | \$ 3,500 | | \$ 3,400 | | \$ 280 | | | \$ 2,550 | \$ 36,710 |
| Interest income | 1,474 | 487 | 1,069 | \$ 25 | 53 | | 430 | \$ 20 | 40 | 236 | 3,834 |
| Miscellaneous | | 900 | | | | | | | | | 900 |
| Total revenues | \$ 6,604 | \$ 23,237 | \$ 4,569 | \$ 25 | \$ 3,453 | \$ 4,800 | \$ 710 | \$ 20 | \$ 21,040 | \$ 2,786 | \$ 67,244 |
| EXPENDITURES: | | | | | | | | | | | |
| Current: | | | | | | | | | | | |
| Parks, recreation, and public property | | \$ 21,000 | | | | \$ 5,713 | | | \$ 30,570 | | \$ 57,283 |
| Total expenditures | \$... | \$ 21,000 | \$... | \$... | \$... | \$ 5,713 | \$... | \$... | \$ 30,570 | \$... | \$ 57,283 |
| Excess revenues over (under) expenditures | \$ 6,604 | \$ 2,237 | \$ 4,569 | \$ 25 | \$ 3,453 | \$ (913) | \$ 710 | \$ 20 | \$ (9,530) | \$ 2,786 | \$ 9,961 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | | | |
| Transfers in/(out) | | | | | | | | | | | |
| Total other financing sources (uses) | \$... | \$... | \$... | \$... | \$... | \$... | \$... | \$... | \$... | \$... | \$... |
| Excess of revenues and other sources over (under) expenditures and other uses | \$ 6,604 | \$ 2,237 | \$ 4,569 | \$ 25 | \$ 3,453 | \$ (913) | \$ 710 | \$ 20 | \$ (9,530) | \$ 2,786 | \$ 9,961 |
| NET POSITION - beginning of year | 161,748 | 50,505 | 116,654 | 2,787 | 4,820 | 926 | 47,768 | 2,166 | 9,832 | 25,507 | 422,713 |
| NET POSITION - end of year | \$ 168,352 | \$ 52,742 | \$ 121,223 | \$ 2,812 | \$ 8,273 | \$ 13 | \$ 48,478 | \$ 2,186 | \$ 302 | \$ 28,293 | \$ 432,674 |

UINTAH COUNTY
SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF
FOR THE 2016 PROPERTY TAX YEAR

| TAX UNITS | TOTAL REAL AND CENTRALLY ASSESSED VALUE | CURRENT YEAR REAL/CENTRAL PROPERTY TAX RATE | TOTAL PERSONAL PROPERTY VALUE | PRIOR YEAR PERSONAL PROPERTY TAX RATE | REAL AND CENTRALLY ASSESSED TAXES CHARGED | PERSONAL PROPERTY TAXES CHARGED | TOTAL TAXES CHARGED | TREASURER'S RELIEF | | | | NET TAXES COLLECTED | PERCENT | OTHER COLLECTIONS | | DELINQUENCIES | |
|--------------------------------|--|--|--|--|--|---------------------------------------|---------------------------|--------------------|--------------|--------------|-----------------|------------------------|---------|--------------------|------------|----------------------|------------|
| | | | | | | | UNPAID TAXES | ABATEMENTS | OTHER | TOTAL | FEES IN LIEU | | | MISC. COLLECTED | TAX | INTEREST/ PENALTY | |
| COUNTY FUNDS: | | | | | | | | | | | | | | | | | |
| Debt service | \$ 4,669,777.692 | 0.000501 | \$ 213,530,223 | 0.000017 | \$ 2,339,559 | \$ 3,630 | \$ 2,343,189 | \$ (98,785) | \$ (7,132) | \$ 88,602 | \$ (17,315) | \$ 2,325,874 | 0.993 | \$ 112,492 | \$ 867 | \$ 22 | \$ 803 |
| Flood control | 4,669,777.692 | 0.000021 | 213,530,223 | 0.001743 | 98,065 | 372,183 | 470,249 | (4,141) | (299) | (368,316) | (372,756) | 97,493 | 0.207 | 4,715 | 641 | 3,994 | 115 |
| General | 4,669,777.692 | 0.001584 | 213,530,223 | 0.000349 | 7,396,928 | 74,522 | 7,471,450 | (312,325) | (22,549) | 217,047 | (117,827) | 7,353,623 | 0.984 | 355,661 | 66,166 | 178,504 | 109,642 |
| Health Dept | 4,669,777.692 | 0.000125 | 213,530,223 | 0.000266 | 583,722 | 56,799 | 640,521 | (24,647) | (1,779) | (33,794) | (60,220) | 580,301 | 0.906 | 28,066 | 216 | 341 | 200 |
| Library | 4,669,777.692 | 0.000421 | 213,530,223 | 0.000067 | 1,965,976 | 14,307 | 1,980,283 | (83,011) | (5,993) | 63,196 | (25,808) | 1,954,475 | 0.987 | 94,529 | 13,425 | 35,189 | 2,258 |
| Tax Stability Trust | 4,669,777.692 | 0.000141 | 213,530,223 | 0.000000 | 658,439 | | 658,439 | (27,802) | (2,007) | 25,962 | (3,847) | 654,592 | 0.994 | 31,660 | 9,936 | 22,573 | 1,057 |
| Tort liability | 4,669,777.692 | 0.000081 | 213,530,223 | 0.000000 | 378,252 | | 378,252 | (15,971) | (1,153) | 14,915 | (2,209) | 376,043 | 0.994 | 18,187 | 2,577 | 6,850 | 444 |
| Local assessing and collecting | 4,676,432,295 | 0.000535 | 213,530,223 | 0.000449 | 2,501,891 | 95,875 | 2,597,766 | (105,488) | (7,616) | 8,860 | (104,244) | 2,493,522 | 0.960 | 120,126 | 17,249 | 43,320 | 2,678 |
| State assessing and collecting | 4,676,432,295 | 0.000011 | 213,530,223 | 0.000012 | 51,441 | 2,562 | 54,003 | (2,169) | (157) | (417) | (2,743) | 51,260 | 0.949 | 2,470 | 440 | 3,568 | 283 |
| Total County Funds | | | | | \$ 15,974,273 | \$ 619,878 | \$ 16,594,151 | \$ (674,339) | \$ (48,685) | \$ 16,055 | \$ (706,969) | \$ 15,887,182 | | \$ 767,906 | \$ 111,517 | \$ 294,361 | \$ 117,480 |
| SCHOOL DISTRICTS: | | | | | | | | | | | | | | | | | |
| Uintah School District | \$ 4,669,777.692 | 0.004915 | \$ 213,530,223 | 0.004565 | \$ 22,951,957 | \$ 974,765 | \$ 23,926,723 | \$ (969,115) | \$ (69,968) | \$ (70,019) | \$ (1,109,102) | \$ 22,817,621 | 0.954 | \$ 1,103,584 | \$ 174,355 | \$ 464,004 | \$ 28,543 |
| State Supported Schools | 4,676,432,295 | 0.001675 | 213,530,223 | 0.001736 | 7,833,024 | 370,688 | 8,203,713 | (330,268) | (23,845) | (42,745) | (396,858) | 7,806,855 | 0.952 | 376,094 | 72,477 | 166,012 | 9,955 |
| Total School Districts | | | | | \$ 30,784,981 | \$ 1,345,454 | \$ 32,130,435 | \$ (1,299,383) | \$ (93,813) | \$ (112,764) | \$ (1,505,960) | \$ 30,624,475 | | \$ 1,479,678 | \$ 246,832 | \$ 630,016 | \$ 38,498 |
| CITIES AND TOWNS: | | | | | | | | | | | | | | | | | |
| Vernal City | \$ 622,460,519 | 0.000607 | \$ 54,242,153 | 0.000597 | \$ 377,834 | \$ 32,383 | \$ 410,216 | \$ (28,620) | \$ (2,284) | \$ (9,914) | \$ (40,818) | \$ 369,398 | 0.900 | \$ 31,639 | \$ 3,683 | \$ 11,597 | \$ 709 |
| Ballard City | 100,830,508 | 0.002291 | 6,116,643 | 0.002317 | 231,003 | 14,172 | 245,175 | (24,238) | (877) | (3,907) | (29,022) | 216,153 | 0.882 | 3,994 | 2,092 | 16,352 | 756 |
| Naples City | 232,451,086 | 0.000328 | 65,903,796 | 0.000328 | 76,244 | 21,616 | 97,860 | (7,623) | (312) | (1,322) | (9,257) | 88,603 | 0.905 | 9,244 | 998 | 4,535 | 239 |
| Total Cities and Towns | | | | | \$ 685,080 | \$ 68,171 | \$ 753,251 | \$ (60,481) | \$ (3,473) | \$ (15,143) | \$ (79,097) | \$ 674,154 | | \$ 44,877 | \$ 6,773 | \$ 32,484 | \$ 1,704 |
| OTHER DISTRICTS: | | | | | | | | | | | | | | | | | |
| Central Utah Water | \$ 4,676,432,295 | 0.000400 | \$ 213,530,223 | 0.000405 | \$ 1,870,573 | \$ 86,480 | \$ 1,957,053 | \$ (78,870) | \$ (5,694) | \$ (8,165) | \$ (92,729) | \$ 1,864,324 | 0.953 | \$ 89,814 | \$ 15,215 | \$ 41,702 | \$ 2,514 |
| Mosquito Abatement | 4,676,432,295 | 0.000235 | 213,530,223 | 0.000195 | 1,098,962 | 41,638 | 1,140,600 | (46,336) | (3,345) | 4,372 | (45,309) | 1,095,291 | 0.960 | 52,765 | 7,328 | 20,223 | 1,288 |
| Uintah Water Conservancy | 4,491,333,653 | 0.000463 | 207,327,821 | 0.000418 | 2,079,487 | 86,663 | 2,166,151 | (83,314) | (6,268) | 1,396 | (88,186) | 2,077,965 | 0.959 | 102,251 | 15,279 | 38,592 | 2,435 |
| Ashley Valley Water | 898,989,950 | 0.000159 | 90,194,884 | 0.000157 | 142,939 | 14,161 | 157,100 | (12,051) | (970) | (1,132) | (14,153) | 142,947 | 0.910 | 18,362 | 1,609 | 7,348 | 414 |
| Maeser Water | 178,222,422 | 0.000438 | 2,235,790 | 0.000434 | 78,061 | 970 | 79,032 | (3,592) | (796) | (265) | (4,653) | 74,379 | 0.941 | 12,101 | 716 | 2,163 | 111 |
| Jensen Water | 132,434,108 | 0.000543 | 21,036,085 | 0.000525 | 71,912 | 11,044 | 82,956 | (6,924) | (446) | (570) | (7,940) | 75,016 | 0.904 | 5,372 | 1,025 | 1,412 | 88 |
| Ballard Water | 104,376,158 | 0.000485 | 6,127,404 | 0.000490 | 50,622 | 3,002 | 53,625 | (5,325) | (210) | (698) | (6,233) | 47,392 | 0.884 | 1,011 | 461 | 3,567 | 163 |
| Ouray Park Water | 91,243,976 | 0.000789 | 116,146 | 0.000807 | 71,991 | 94 | 72,085 | (791) | (107) | 45 | (853) | 71,232 | 0.988 | 772 | 713 | 1,009 | 72 |
| Tridell Lapoint Water | 53,018,655 | 0.000579 | 501,290 | 0.000572 | 30,698 | 287 | 30,985 | (2,046) | (230) | 28 | (2,248) | 28,737 | 0.927 | 4,762 | 308 | 2,941 | 144 |
| Johnson Water | 17,071,311 | 0.000000 | 2,784 | 0.000000 | | | | | | | | | 0.000 | | | | |
| Naples Redevelopment | 409,115 | 0.011595 | - | 0.010707 | 4,744 | | 4,744 | | | (4,744) | (4,744) | 4,744 | 1.000 | | | | |
| Vernal Redevelopment | 6,654,603 | 0.008396 | - | 0.000000 | 55,872 | | 55,872 | | | (55,872) | (55,872) | 55,872 | 1.000 | | | | |
| Vernal/Ashley Redevelopment | 11,714,938 | 0.008396 | - | 0.000000 | 98,359 | | 98,359 | | | (98,359) | (98,359) | 98,359 | 1.000 | | | | |
| Total Other Districts | | | | | \$ 5,654,221 | \$ 244,339 | \$ 5,898,560 | \$ (239,249) | \$ (18,066) | \$ (163,964) | \$ (421,279) | \$ 5,636,256 | | \$ 287,210 | \$ 42,654 | \$ 118,957 | \$ 7,229 |
| GRAND TOTAL | | | | | \$ 53,098,555 | \$ 2,277,842 | \$ 55,376,398 | \$ (2,273,452) | \$ (164,037) | \$ (275,816) | \$ (2,713,305) | \$ 52,822,068 | | \$ 2,579,671 | \$ 407,776 | \$ 1,075,818 | \$ 164,911 |

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

GREG MARSING, C.P.A.
DOUGLAS RASMUSSEN, C.P.A.
CRAIG G. SMUIN, C.P.A.
R. KIRT RICH, C.P.A.
TRACY LUDINGTON, C.P.A.

MEMBERS

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UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners
Uintah County
Vernal, Utah 84078

RE: Independent Auditor's Report As Required
By the State Compliance Audit Guide On:
Compliance with General State Compliance
Requirements and Internal Control Over Compliance

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, 2016. General state compliance requirements were tested for the year ended December 31, 2016 in the following areas:

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

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the County's compliance based on our audit of the 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 compliance requirements referred to above that could have a direct and material effect on the County occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on General State Compliance Requirements

In our opinion, Uintah County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the County for the year ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the State Compliance Audit Guide.

Report On Internal Control Over Compliance.

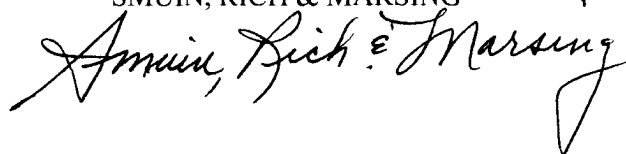
Management of Uintah County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the compliance requirements that could have a direct and material effect on the County to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general 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 general 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 general 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 general 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.

SMUIN, RICH & MARSING



Price, Utah
July 12, 2017

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

GREG MARSING, C.P.A.
DOUGLAS RASMUSSEN, C.P.A.
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Board of County Commissioners
Uintah County
Vernal, Utah 84078

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Uintah County as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Uintah County's basic financial statements and have issued our report thereon dated July 12, 2017. Our report includes a reference to other auditors who audited the financial statements of Uintah Basin Tri-County Mental Health & Substance Abuse Authority, Uintah Recreation Special Service District and Uintah Transportation Special Service District, as described in our report on Uintah County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 the County's internal control.

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

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

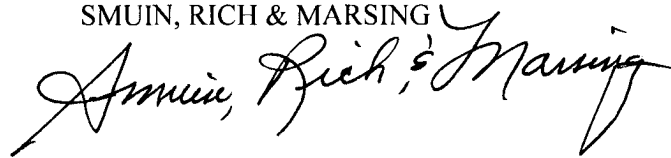
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 County's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SMUIN, RICH & MARSING

A handwritten signature in black ink that reads "Armin, Rich, & Manning". The signature is written in a cursive, flowing style.

Price, Utah

July 12, 2017

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

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Board of County Commissioners
Uintah County
Vernal, Utah 84078

RE: Independent Auditor's Report on Compliance for
Each Major Program and on Internal Control over
Compliance Required by the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited Uintah County'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 the County's major federal programs for the year ended December 31, 2016. The 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 program.

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each 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, 2016.

Report on Internal Control Over Compliance

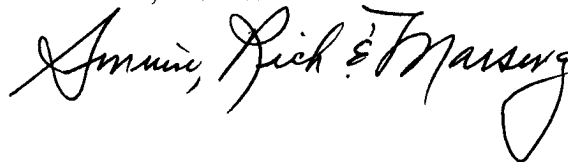
Management of Uintah County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the 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. 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 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.

SMUIN, RICH & MARSING

A handwritten signature in black ink, appearing to read "Smuin, Rich & Marsing", written in a cursive style.

Price, Utah

July 12, 2017

UINTAH COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Uintah County.
2. There was no significant deficiency and no material weaknesses disclosed in internal control by the audit over the financial statements.
3. No instances of noncompliance material to the financial statements of Uintah County were disclosed by the audit.
4. There was no significant deficiency and no material weaknesses in internal control over major programs disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs for Uintah County expresses a unqualified opinion.
6. The audit of Uintah County's major programs disclosed no audit findings relating to major programs that the auditor is required to report.
7. The programs tested as major programs included:

| <u>Program</u> | <u>CFDA#</u> |
|------------------------|--------------|
| Airport grants | 20.106 |
| Emergency Preparedness | 93.069 |

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Uintah County was determined to be a low-risk auditee.

B. FINDING/FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

UINTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL CFDA NUMBER | GRANT OR PASS THROUGH GRANTOR'S NUMBER | PROGRAM OR AWARD AMOUNT | CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2016 | RECEIPTS OR REVENUE RECOGNIZED | DISBURSE- MENTS/ EXPENDITURES | CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2016 |
|--|---------------------------|--|-------------------------------|--|--------------------------------------|-------------------------------------|--|
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | | |
| Passed Through Utah Department of Health: | | | | | | | |
| Emergency Preparedness | 93.069 | 162700261/162701095 | \$ 512,029 | | \$ 228,027 | \$ 228,027 * | |
| CDC Cancer Screening - Wise Woman | 93.094 | 152700576/162700954 | 42,828 | | 2,618 | 2,618 | |
| TB Elimination | 93.116 | 152700355 | 1,492 | | 1,397 | 1,397 | |
| TB Medication | 93.116 | 152700355 | 250 | | 250 | 250 | |
| Immunization - Basic.IAP | 93.268 | 162700621 | 49,313 | | 49,313 | 49,313 | |
| Zika | 93.069 | 172700082 | 9,631 | | 5,624 | 5,624 | |
| Abstinence Education | 93.558 | 172700313 | 55,284 | | 9,290 | 9,290 | |
| Enhanced Prion Disease Surveillance | 93.521 | 162700396 | 2,175 | | 1,113 | 1,113 | |
| CDC Cancer Screening | 93.752 | 152700525 | 5,500 | | 2,024 | 2,024 | |
| CDC Cancer Screening | 93.752 | 162700969 | 8,500 | | 1,300 | 1,300 | |
| Comprehensive Tobacco | 93.305 | 162700018 | 31,506 | | 14,924 | 14,924 | |
| Comprehensive Tobacco | 93.305 | 162700018 | 31,506 | | 8,251 | 8,251 | |
| ELC ACA Health Assoc. Infectious Grant | 93.521 | 15-0878 | 6,361 | | 6,361 | 6,361 | |
| CHEC | 93.778 | 162700278/162700979 | 32,920 | | 6,617 | 6,617 | |
| Consumer Education & Assistance | 93.778 | 162700525/162701167 | 47,310 | | 18,615 | 18,615 | |
| Medical Reserve Corps | 93.889 | 162700261/162701095 | 16,000 | | 13,529 | 13,529 | |
| Sexually Transmitted Diseases - Test | 93.977 | 152700281 | 3,145 | | 3,061 | 3,061 | |
| MCH Injury Prvention | 93.994 | 162700416 | 24,246 | | 2,301 | 2,301 | |
| MCH Injury Prvention | 93.991 | 162701099 | 23,328 | | 1,758 | 1,758 | |
| EPICC- Diabetes | 93.757 | 13-2429 | 120,660 | | 51,276 | 51,276 | |
| EPICC- DNPAO/School Health | 93.945 | 13-2429 | 3,773 | | 3,773 | 3,773 | |
| EPICC- Preventive Block Grant | 93.991 | 13-2429/14-2224 | 120,511 | | 58,335 | 58,335 | |
| EBOLA - Domestic | 93.815 | 162700880 | 5,000 | | 5,000 | 5,000 | |
| Emergency Prep - EBOLA | 93.074 | 152700475 | 55,308 | | 54,181 | 54,181 | |
| Basic Injury Prevention | 93.758 | 162700416/162701099 | 9,923 | | 1,729 | 1,729 | |
| MCH Block | 93.994 | 162700348 | 117,043 | | 58,197 | 58,197 | |
| Total passed through Utah Department of Health | | | \$ 1,335,542 | \$... | \$ 608,864 | \$ 608,864 | \$... |
| Total U.S. Department of Health and Human Services | | | \$ 1,335,542 | \$... | \$ 608,864 | \$ 608,864 | \$... |

UINTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL CFDA NUMBER | GRANT OR PASS THROUGH GRANTOR'S NUMBER | PROGRAM OR AWARD AMOUNT | CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2016 | RECEIPTS OR REVENUE RECOGNIZED | DISBURSE- MENTS/ EXPENDITURES | CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2016 |
|--|---------------------------|--|-------------------------------|--|--------------------------------------|-------------------------------------|--|
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | | | | | |
| Direct Program: | | | | | | | |
| Forest Patrol | 10.670 | 11-LE-11040100-11 | \$ 9,000 | | \$ 7,962 | \$ 7,962 | |
| Total direct programs | | | \$ 9,000 | \$... | \$ 7,962 | \$ 7,962 | \$... |
| Pass Through State Department of Human Services: | | | | | | | |
| Special Supplemental Food Program for Women, Infants and Children | | | | | | | |
| WIC Administration and Nutrition | 10.557 | 14-1223 | \$ 96,091 | | \$ 96,091 | \$ 96,091 | |
| WIC Food Vouchers | 10.557 | 14-1223 | 618,254 | | 618,254 | 618,254 | |
| WIC Breastfeeding | 10.557 | 14-1223 | 29,308 | | 29,308 | 29,308 | |
| WIC Client Service | 10.557 | 14-1223 | 150,689 | | 150,689 | 150,689 | |
| WIC Technology Services | 10.557 | 14-1223 | 25 | | 25 | 25 | |
| WIC Incentive | 10.557 | 14-1223 | 3,027 | | 3,027 | 3,027 | |
| WIC Peer Counseling | 10.557 | 14-1223 | 5,376 | | 5,376 | 5,376 | |
| Total passed through State Department of Human Services | | | \$ 902,770 | \$... | \$ 902,770 | \$ 902,770 | \$... |
| Total U.S. Department of Agriculture | | | \$ 911,770 | \$... | \$ 910,732 | \$ 910,732 | \$... |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY</u> | | | | | | | |
| Pass through State of Utah: | | | | | | | |
| Emergency Management Performance Grant | 97.042 | EMPG-2016-DEM-024 | \$ 42,500 | | \$ 42,500 | \$ 42,500 | |
| Emergency Management Performance Grant | 97.042 | EMPG-2015-DEM-01 | 10,000 | | 10,000 | 10,000 | |
| Homeland Security Program | 97.067 | DES-2015-SHSP-005 | 264,115 | | 73,814 | 73,814 | |
| Homeland Security Program | 97.067 | DES-2014-SHSP-005 | 256,982 | | 22,537 | 22,537 | |
| Citizen Corps Conference | 97.067 | DEM-2014-CIT-005-SU | 3,000 | | 3,000 | 3,000 | |
| Total U.S. Department of Homeland Security | | | \$ 576,597 | \$... | \$ 151,851 | \$ 151,851 | \$... |

UINTAH COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL CFDA NUMBER | GRANT OR PASS THROUGH GRANTOR'S NUMBER | PROGRAM OR AWARD AMOUNT | CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2016 | RECEIPTS OR REVENUE RECOGNIZED | DISBURSE- MENTS/ EXPENDITURES | CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2016 |
|---|---------------------------|--|-------------------------------|--|--------------------------------------|-------------------------------------|--|
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | | | | | |
| Direct Program: | | | | | | | |
| Bullet Proof Vest | 16.607 | N/A | \$ 7,310 | | \$ 346 | \$ 346 | |
| Body Cameras | 16.738 | N/A | 9,524 | | 9,524 | 9,524 | |
| Total direct programs | | | \$ 16,834 | \$... | \$ 9,870 | \$ 9,870 | \$... |
| Passed Through Utah Department of Commission on Criminal and Juvenile Justice: | | | | | | | |
| Victims of Crime Act | 16.801 | 16-VOCA-67 | \$ 35,932 | | \$ 31,539 | \$ 31,539 | |
| Victims of Crime Act | 16.801 | 15-VOCA-69 | 21,012 | | 988 | 988 | |
| Total passed through State Commission on Criminal and Juvenile Justice | | | \$ 56,944 | \$... | \$ 32,527 | \$ 32,527 | \$... |
| Total U.S. Department of Justice | | | \$ 73,778 | \$... | \$ 42,397 | \$ 42,397 | \$... |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | | | | | |
| Pass through State Department of Transportation: | | | | | | | |
| Hazardous Material Emergency Preparedness | 20.703 | HMEP-USA-2016 | \$ 3,457 | | \$ 3,457 | \$ 3,457 | |
| Safe Community Program | 20.600 | CP100202 | 6,000 | | 3,000 | 3,000 | |
| Construction Earthwork | 20.106 | AIP 3-49-0037-32 | 5,765,583 | | 4,851,782 | 4,851,782 * | |
| Airport Land Purchase - Runway Construcion | 20.106 | AIP 3-49-0037-29 | 5,964,529 | | 382,641 | 382,641 * | |
| Runway Reconstruction | 20.106 | AIP 3-49-0037-33 | 2,001,283 | | 2,001,283 | 2,001,283 * | |
| Construction Runway 16/34 Phase IV | 20.106 | AIP 3-49-0037-31 | 55,000 | | 3,800 | 3,800 * | |
| Wildlife Hazard Assessment | 20.106 | AIP 3-49-0037-27 | 60,800 | | 2,754 | 2,754 * | |
| Total U.S. Department of Transportation | | | \$ 13,856,652 | \$... | \$ 7,248,717 | \$ 7,248,717 | \$... |
| TOTAL FEDERAL ASSISTANCE | | | \$ 16,754,339 | \$... | \$ 8,962,561 | \$ 8,962,561 | \$... |

* Tested as Major Federal Financial Assistance Programs

UINTAH COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF DECEMBER 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is a summary of program activity of the County's federal award programs and does not necessarily present transactions that would be included in financial statements of the County presented on the modified accrual basis of accounting, as contemplated by generally accepted accounting principles.

2. FOOD INSTRUMENTS

Amounts shown on the schedule of expenditures of federal awards as WIC food vouchers are not direct cash expenditures of Uintah County. The Tri County Health District operates the Women, Infant and Children program. As part of this program, the health district distributes food instruments provided by the State of Utah that can be redeemed at local stores for food items.

The dollar amounts reported on the schedule of expenditures of federal awards are the fair market value that food instruments can be redeemed for.

UINTAH COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016

Uintah County had no follow-up findings reported that need to be reported in the December 31, 2015 audit report. Uintah County has corrected any findings that may have been reported in prior audit reports.