

# WASATCH COUNTY, UTAH

## Financial Statements

with Independent Auditor's Report thereon

For the Year Ended December 31, 2021

Wasatch County, Utah  
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For the Year Ended December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

### CERTIFIED PUBLIC ACCOUNTANTS

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Honorable Members of the County Commission  
Wasatch County, Utah

### Report on the Financial Statements

#### *Opinions*

We have audited 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 Wasatch County, Utah (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wasatch County, Utah and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic

financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary 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 statement of nonmajor fund financial statements, combining statement of internal service fund financial statements, schedule of receipts and disbursements - treasurer's collection account, statement of taxes charged, collected and distributed are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statement of nonmajor fund financial statements, combining statement of internal service fund financial statements, schedule of receipts and disbursements - treasurer's collection account, statement of taxes charged, collected and distributed are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of nonmajor fund financial statements, combining statement of internal service fund financial statements, schedule of receipts and disbursements - treasurer's collection account, statement of taxes charged, collected and distributed 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 June 30, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the County's internal control over financial reporting and compliance.

***ABMC, LLC***

June 30, 2022

# Wasatch County, Utah

## Management's Discussion and Analysis

### For the Year Ended December 31, 2021

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As management of Wasatch County (the County), we offer readers of The County's financial statements this narrative overview and analysis of the financial activities of Wasatch County for the fiscal year ended December 31, 2021.

#### **Financial Highlights**

Total net position of \$111,361,108 is made up of \$65,455,414 in capital assets less related debt, \$21,100,333 of restricted net position, and \$24,805,361 of unrestricted net position. The County's total net position increased by \$17,632,444. At the end of the current year, unassigned fund balance of the general fund was \$19,757,672 or 53% of total general fund revenues.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to The County's basic financial statements. The 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 the required supplementary information, as well as additional supplementary information intended to furnish additional detail to support the basic financial statements themselves.

##### *Government-wide Financial Statements*

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

The statement of net position presents information on all of the County's assets, liabilities, and deferred inflows and outflows 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 Wasatch County is improving or deteriorating. However, you will also need to consider other nonfinancial factors.

The statement of activities presents information showing how the County's net position changed during the fiscal year reported. 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 for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of Wasatch 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 government-wide financial statements can be found on the pages directly following this report.

Wasatch County, Utah  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021

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*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. Wasatch County also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* - These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation included with the fund financial statements.

For Wasatch County, the major governmental funds (as determined by generally accepted accounting principles) are the general fund, the Municipal Building Authority fund, the Convention Bureau fund, and the Special events center fund. The non-major governmental funds are the parks and recreation fund, municipal services fund, public health fund, library fund, tourist and recreation fund, liquor distribution fund, emergency 911 service fund, debt service fund, and the correctional facilities fund.

*Proprietary funds* - Wasatch County maintains one type of proprietary fund, the Solid Waste Special Service District. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As determined by generally accepted accounting principles, the enterprise fund meets the criteria of major fund classification.

*Internal service funds* - These funds are used to report activities that result in the accumulation and allocation of costs related to supplies and services provided and used internally amount the County's various functions. The County uses internal service funds to account for computer replacement, auto fleet maintenance, auto fleet replacement, information system services, and communication equipment.

*Fiduciary Funds* - Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds use full-accrual accounting but are not included in the government-wide statements because the assets in those funds are not available to finance the County's own programs. The County's fiduciary funds include the Treasurer, Clerk, Payroll, and Justice Court Trust Funds used to account for assets held by the County in a trustee capacity or as an agent.

*Other Information*

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information, including the combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, can be found on pages 66-72 of this report.



Wasatch County, Utah  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021

**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 Wasatch County, assets and deferred outflows exceed liabilities and deferred inflows by \$111,361,108.

A substantial portion of the County's net position (58.7%), excluding discretely presented component units, is in non-capital assets, which reflects the County's financial stability. The capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any related debt still outstanding used to acquire those assets, is used to provide services to citizens; consequently, these assets are not available for future spending. Although the County's 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. With more than half of the County's net position capable of being liquidated to meet these obligations, the County has sufficient resources to more than meet its routine operational needs.

The significant portion of net position that represents non-capital assets is comprised of various restricted and unrestricted amounts. The County holds restricted funds for use in servicing debt, construction projects, and developing tourism as a result of payments received from allocations of the transient room taxes and tourism taxes that are remitted by the State.

The County's unrestricted net position is used primarily to fund cash flows during the year. As noted later in this report, property taxes represent the largest source of income for the County (54.2% of governmental fund revenues). These taxes are not collected until November, late in the County's fiscal year. Therefore, fund balances are used during the year until such time as the taxes are collected and held available for use in meeting expenditures of the subsequent year.

The following table presents summary information comparing the current year to the prior year from the Statement of Net Position (page 12) in the basic financial statements.

**Wasatch County's Net Position**

|  | Governmental Activities |               | Business-Type Activities |              | Total          |               |
|--|-------------------------|---------------|--------------------------|--------------|----------------|---------------|
|  | 2021                    | 2020          | 2021                     | 2020         | 2021           | 2020          |
| <b><u>Assets and deferred outflows</u></b>     |                         |               |                          |              |                |               |
| Current and other assets                       | \$ 52,918,241           | \$ 40,990,436 | \$ 109,007               | \$ 761,594   | \$ 53,027,248  | \$ 41,752,030 |
| Internal balances                              | 1,144,336               | 831,377       | (1,144,336)              | (831,377)    | -              | -             |
| Capital assets and investment in joint venture | 71,480,995              | 68,409,342    | 4,091,066                | 3,572,415    | 75,572,061     | 71,981,757    |
| Deferred outflows of resources                 | 4,183,516               | 3,715,713     | 370,940                  | 405,522      | 4,554,456      | 4,121,235     |
| Total assets and deferred outflows             | 129,727,088             | 113,946,868   | 3,426,677                | 3,908,154    | 133,153,765    | 117,855,022   |
| <b><u>Liabilities and deferred inflows</u></b> |                         |               |                          |              |                |               |
| Accounts payable and accrued liabilities       | 1,594,359               | 1,193,268     | 76,554                   | 636,322      | 1,670,913      | 1,829,590     |
| Other current liabilities                      | 711,776                 | 723,185       | -                        | -            | 711,776        | 723,185       |
| Bond and notes payable                         | 10,932,865              | 11,856,675    | -                        | -            | 10,932,865     | 11,856,675    |
| Net pension and compensated absences           | 2,921,360               | 6,151,885     | 266,571                  | 805,757      | 3,187,931      | 6,957,642     |
| Deferred inflows or resources                  | 4,841,718               | 2,377,933     | 429,301                  | 240,975      | 5,271,019      | 2,618,908     |
| Total liabilities and deferred inflows         | 21,002,078              | 22,302,946    | 772,426                  | 1,683,054    | 21,774,504     | 23,986,000    |
| <b><u>Net Position</u></b>                     |                         |               |                          |              |                |               |
| Net investment in capital assets               | 61,872,169              | 57,275,448    | 3,583,245                | 3,572,415    | 65,455,414     | 60,847,863    |
| Restricted                                     | 21,100,333              | 12,458,911    | -                        | -            | 21,100,333     | 12,458,911    |
| Unrestricted                                   | 25,752,508              | 21,909,563    | (928,994)                | (1,347,315)  | 24,823,514     | 20,562,248    |
| Total net position                             | \$ 108,725,010          | \$ 91,643,922 | \$ 2,654,251             | \$ 2,225,100 | \$ 111,379,261 | \$ 93,869,022 |

**Wasatch County, Utah**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2021**

As taken from the statement of activities in the basic financial statements, the following table depicts the changes in net position for 2021, with a comparison from the prior year.

**Wasatch County's Changes in Net Position**

|  | Governmental Activities |                      | Business-Type Activities |                     | Total                 |                      |
|--|-------------------------|----------------------|--------------------------|---------------------|-----------------------|----------------------|
|  | 2021                    | 2020                 | 2021                     | 2020                | 2021                  | 2020                 |
| <b><u>Revenues</u></b>                     |                         |                      |                          |                     |                       |                      |
| Program revenues                           |                         |                      |                          |                     |                       |                      |
| Charges for services                       | \$ 12,353,942           | \$ 7,004,894         | \$ 4,893,977             | \$ 4,183,284        | \$ 17,247,919         | \$ 11,188,178        |
| Operating grants & contributions           | 5,605,642               | 7,690,205            | -                        | -                   | 5,605,642             | 7,690,205            |
| Capital grants & contributions             | 5,008,567               | 438,283              | -                        | -                   | 5,008,567             | 438,283              |
| General revenues                           |                         |                      |                          |                     |                       |                      |
| Taxes                                      | 29,780,724              | 26,732,640           | -                        | -                   | 29,780,724            | 26,732,640           |
| Interest income                            | 164,965                 | 287,230              | -                        | -                   | 164,965               | 287,230              |
| Miscellaneous                              | 1,652,660               | 567,816              | -                        | -                   | 1,652,660             | 567,816              |
| Gain (loss) on sale of assets              | 99,399                  | -                    | 8,560                    | 288,181             | 107,959               | 288,181              |
| Gain (loss) on investment in joint venture | -                       | -                    | (140,258)                | 43,239              | (140,258)             | 43,239               |
| Total revenues                             | <u>54,665,899</u>       | <u>42,721,068</u>    | <u>4,762,279</u>         | <u>4,514,704</u>    | <u>59,428,178</u>     | <u>47,235,772</u>    |
| <b><u>Expenses</u></b>                     |                         |                      |                          |                     |                       |                      |
| General government                         | 12,534,722              | 13,613,481           | -                        | -                   | 12,534,722            | 13,613,481           |
| Public safety                              | 11,624,130              | 11,045,949           | -                        | -                   | 11,624,130            | 11,045,949           |
| Public works                               | 3,417,049               | 3,352,274            | -                        | -                   | 3,417,049             | 3,352,274            |
| Parks, recreation, and culture             | 3,949,417               | 3,201,199            | -                        | -                   | 3,949,417             | 3,201,199            |
| Public health and welfare                  | 3,423,976               | 3,417,706            | -                        | -                   | 3,423,976             | 3,417,706            |
| Economic development                       | 1,619,517               | 1,216,513            | -                        | -                   | 1,619,517             | 1,216,513            |
| Other                                      | 565,113                 | 559,006              | -                        | -                   | 565,113               | 559,006              |
| Interest expense                           | 450,887                 | 278,698              | -                        | -                   | 450,887               | 278,698              |
| Solid Waste Special Service District       | -                       | -                    | 4,333,128                | 4,400,275           | 4,333,128             | 4,400,275            |
| Total expenses                             | <u>37,584,811</u>       | <u>36,684,826</u>    | <u>4,333,128</u>         | <u>4,400,275</u>    | <u>41,917,939</u>     | <u>41,085,101</u>    |
| Increase in net position before transfers  | 17,081,088              | 6,036,242            | 429,151                  | 114,429             | 17,510,239            | 6,150,671            |
| Transfer of operations                     | -                       | (450,634)            | -                        | -                   | -                     | (450,634)            |
| Increase in net position                   | 17,081,088              | 5,585,608            | 429,151                  | 114,429             | 17,510,239            | 5,700,037            |
| Net position, beginning of year            | <u>91,643,922</u>       | <u>86,058,314</u>    | <u>2,225,100</u>         | <u>2,110,671</u>    | <u>93,869,022</u>     | <u>88,168,985</u>    |
| Net position, end of year                  | <u>\$ 108,725,010</u>   | <u>\$ 91,643,922</u> | <u>\$ 2,654,251</u>      | <u>\$ 2,225,100</u> | <u>\$ 111,379,261</u> | <u>\$ 93,869,022</u> |

Governmental activities increased Wasatch County's net position by \$17,081,088. This was primarily driven by a large increase in charges for services, capital grants, and tax revenue as the County expanded services as COVID restrictions subsided.

Business-type activities increased \$429,151 in net position for the year.

Wasatch County, Utah  
Management's Discussion and Analysis  
For the Year Ended December 31, 2021

**Financial Analysis of Government's Funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements.

As of December 31, 2021, the County's General Fund reported a fund balance of \$19,776,297. This represents an increase of \$5,043,609 from last year's ending balance.

The General Fund is the chief operating fund of the County. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted for in this fund.

Taxes continue to be the largest source of revenue in the General Fund, representing over 55% of total General Fund revenues. The largest category is property taxes, as has been the case for the past several years, representing 66% of total tax revenues and 37% of total general fund revenues.

As stated earlier, the County maintains one enterprise fund to account for the business-type activities of the County. The separate fund statements included in this report, provides the same information for business-type activities as is provided in the government-wide financial statements. However, the difference is that the fund statements provide more detail.

**Capital Asset and Debt Administration**

*Capital Assets*

The County's investment in capital assets for governmental funds and business type activities as of December 31, 2021 amounts to \$75,064,240. This investment in capital assets includes land, water rights, easements, buildings, improvements, equipment, and infrastructure, which includes roads, highways, bridges, and construction in progress. Capital assets had a net increase of \$5,139,176, less depreciation expense of \$2,056,693 during 2021.

The County has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. The information can be found in the required supplemental information following the notes to the financial statements.

**Wasatch County's Capital Assets**

|                                   | Governmental Activities |               | Business-Type Activities |              | Total         |               |
|-----------------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
|                                   | 2021                    | 2020          | 2021                     | 2020         | 2021          | 2020          |
| <u>Not being depreciated</u>      |                         |               |                          |              |               |               |
| Land, water rights, and easements | \$ 15,037,458           | \$ 13,636,504 | \$ 236,250               | \$ 236,250   | \$ 15,273,708 | \$ 13,872,754 |
| Infrastructure                    | 23,661,354              | 23,661,354    | -                        | -            | 23,661,354    | 23,661,354    |
| Construction-in-progress          | -                       | 1,753,356     | -                        | -            | -             | 1,753,356     |
| Total not being depreciated       | 38,698,812              | 39,051,214    | 236,250                  | 236,250      | 38,935,062    | 39,287,464    |
| <u>Being depreciated</u>          |                         |               |                          |              |               |               |
| Buildings and improvements, net   | 30,043,274              | 26,883,777    | 308,607                  | 270,740      | 30,351,881    | 27,154,517    |
| Machinery and equipment, net      | 2,425,185               | 2,123,459     | 2,993,993                | 3,019,755    | 5,419,178     | 5,143,214     |
| Infrastructure, net               | 313,724                 | 350,892       | 44,395                   | 45,670       | 358,119       | 396,562       |
| Total being depreciated, net      | 32,782,183              | 29,358,128    | 3,346,995                | 3,336,165    | 36,129,178    | 32,694,293    |
| Total capital assets, net         | \$ 71,480,995           | \$ 68,409,342 | \$ 3,583,245             | \$ 3,572,415 | \$ 75,064,240 | \$ 71,981,757 |

Wasatch County, Utah  
 Management's Discussion and Analysis  
 For the Year Ended December 31, 2021

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Additional information on the County's capital assets can be found in footnote 5 of this report.

**Long-term Debt**

At December 31, 2021, the County had total long-term debt outstanding of \$10,932,865, including bond premiums of \$1,392,224. The debt represents general obligation bonds, revenue bonds, and notes payable.

**Wasatch County's Long-Term Debt**

|                                  | Governmental Activities |                      | Business-Type Activities |             | Total                |                      |
|----------------------------------|-------------------------|----------------------|--------------------------|-------------|----------------------|----------------------|
|                                  | 2021                    | 2020                 | 2021                     | 2020        | 2021                 | 2020                 |
| Revenue bonds, net               | \$ 4,700,000            | \$ 5,865,000         | \$ -                     | \$ -        | \$ 4,700,000         | \$ 5,865,000         |
| Revenue bonds premium            | 653,610                 | 786,576              | -                        | -           | 653,610              | 786,576              |
| General obligation bonds         | 4,745,000               | 5,085,000            | -                        | -           | 4,745,000            | 5,085,000            |
| General obligation bonds premium | 738,614                 | -                    | -                        | -           | 738,614              | -                    |
| Note payable                     | 95,641                  | 120,099              | -                        | -           | 95,641               | 120,099              |
| Total bonds and notes payable    | <u>\$ 10,932,865</u>    | <u>\$ 11,856,675</u> | <u>\$ -</u>              | <u>\$ -</u> | <u>\$ 10,932,865</u> | <u>\$ 11,856,675</u> |

The County's total bonds and notes payable had a net decrease of \$2,135,106, including \$605,648 of unamortized bond premiums.

State statutes limit the amount of general obligation debt a government entity may issue to 2 percent of its total fair market value of taxable property in the County. The current debt limitation for Wasatch County is \$168,774,196. Wasatch County has general obligation debt of \$5,483,614, including \$738,614 of unamortized bond premiums.

Additional information on the outstanding debt obligations of the County can be found footnote 6.

**Economic Factors and Next Year's Budget**

The County's elected and appointed officials considered many factors when setting the fiscal year 2021's budget, tax rates, and fees that will be charged for the business type activities. The County uses a conservative approach during the budgeting process with the purpose to maintain a healthy fund balance. The taxable value of property, on which the tax rate is applied, in Wasatch County, changed from a total of \$7,373,382,250 in 2020 to a total of \$8,438,709,786 in 2021, an increase of \$1,065,327,536. Wasatch County's General Fund total revenues changed from \$29,802,991 in 2020 to \$37,215,916 in 2021, an increase of \$7,412,925.

**Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County's Clerk/Auditor Department.

## BASIC FINANCIAL STATEMENTS

Wasatch County, Utah  
Statement of Net Position  
December 31, 2021

|  | Primary Government         |                             | Total                 | Component<br>Units    |
|--|----------------------------|-----------------------------|-----------------------|-----------------------|
|  | Governmental<br>Activities | Business-type<br>Activities |                       |                       |
| <b>ASSETS</b>                                    |                            |                             |                       |                       |
| Cash and investments                             | \$ 32,976,567              | \$ -                        | \$ 32,976,567         | \$ 36,724,108         |
| Restricted cash and investments                  | 11,640,189                 | -                           | 11,640,189            | 27,358,525            |
| Receivables:                                     |                            |                             |                       |                       |
| Accounts, net of allowance                       | 4,131,706                  | 109,007                     | 4,240,713             | 4,495,578             |
| Taxes receivable                                 | 4,169,779                  | -                           | 4,169,779             | -                     |
| Due from other governments                       | -                          | -                           | -                     | 1,378,216             |
| Internal balances                                | 1,144,336                  | (1,144,336)                 | -                     | -                     |
| Other  | -                          | -                           | -                     | 16,352,856            |
| Prepaid and other assets                         | -                          | -                           | -                     | 440,636               |
| Net pension asset                                | -                          | -                           | -                     | 1,014,716             |
| Investment in joint venture                      | -                          | 507,821                     | 507,821               | -                     |
| Capital assets not being depreciated:            |                            |                             |                       |                       |
| Land, easements, and water rights                | 15,037,458                 | 236,250                     | 15,273,708            | 91,041,013            |
| Infrastructure                                   | 23,661,354                 | -                           | 23,661,354            | 1,416,662             |
| Construction-in-progress                         | -                          | -                           | -                     | 3,561,952             |
| Capital assets, net of accumulated depreciation: |                            |                             |                       |                       |
| Buildings and improvements                       | 30,043,274                 | 308,607                     | 30,351,881            | 54,946,932            |
| Machinery and equipment                          | 2,425,185                  | 2,993,993                   | 5,419,178             | 5,213,180             |
| Infrastructure                                   | 313,724                    | 44,395                      | 358,119               | 116,500,648           |
| <b>Total assets</b>                              | <b>125,543,572</b>         | <b>3,055,737</b>            | <b>128,599,309</b>    | <b>360,445,022</b>    |
| Deferred outflows of resources:                  |                            |                             |                       |                       |
| Deferred outflows related to pensions            | 4,183,516                  | 370,940                     | 4,554,456             | 1,340,695             |
| Deferred loss on refunding                       | -                          | -                           | -                     | 484,635               |
| <b>Total deferred outflows of resources</b>      | <b>4,183,516</b>           | <b>370,940</b>              | <b>4,554,456</b>      | <b>1,825,330</b>      |
| <b>LIABILITIES</b>                               |                            |                             |                       |                       |
| Current liabilities:                             |                            |                             |                       |                       |
| Accounts payable and accrued liabilities         | 1,594,359                  | 76,554                      | 1,670,913             | 3,633,280             |
| Bonds and deposits held                          | 643,591                    | -                           | 643,591               | 4,672,011             |
| Bonds payable                                    | 940,000                    | -                           | 940,000               | 2,085,868             |
| Notes payable                                    | 25,681                     | -                           | 25,681                | 416,479               |
| Accrued interest payable                         | 68,185                     | -                           | 68,185                | -                     |
| Noncurrent liabilities:                          |                            |                             |                       |                       |
| Bonds payable                                    | 8,505,000                  | -                           | 8,505,000             | 25,211,981            |
| Unamortized bond premiums                        | 1,392,224                  | -                           | 1,392,224             | -                     |
| Notes payable                                    | 69,960                     | -                           | 69,960                | 531,867               |
| Compensated absences                             | 1,011,897                  | 97,264                      | 1,109,161             | 1,191,164             |
| Net pension liability                            | 1,909,463                  | 169,307                     | 2,078,770             | 150,494               |
| <b>Total liabilities</b>                         | <b>16,160,360</b>          | <b>343,125</b>              | <b>16,503,485</b>     | <b>37,893,144</b>     |
| Deferred inflows of resources:                   |                            |                             |                       |                       |
| Deferred inflows related to leases               | -                          | -                           | -                     | 200,539               |
| Deferred inflows related to pensions             | 4,841,718                  | 429,301                     | 5,271,019             | 1,602,407             |
| <b>Total deferred inflows of resources</b>       | <b>4,841,718</b>           | <b>429,301</b>              | <b>5,271,019</b>      | <b>1,802,946</b>      |
| <b>NET POSITION</b>                              |                            |                             |                       |                       |
| Net investment in capital assets                 | 61,872,169                 | 3,583,245                   | 65,455,414            | 245,680,460           |
| Restricted for:                                  |                            |                             |                       |                       |
| Municipal services                               | 1,567,593                  | -                           | 1,567,593             | -                     |
| Capital outlay                                   | 14,683,112                 | -                           | 14,683,112            | 20,964,135            |
| Debt Service                                     | 3,691,044                  | -                           | 3,691,044             | 20,374,167            |
| Other purposes                                   | 1,158,584                  | -                           | 1,158,584             | 1,104,171             |
| Unrestricted                                     | 25,752,508                 | (928,994)                   | 24,823,514            | 34,451,329            |
| <b>Total net position</b>                        | <b>\$ 108,725,010</b>      | <b>\$ 2,654,251</b>         | <b>\$ 111,379,261</b> | <b>\$ 322,574,262</b> |

Wasatch County, Utah  
Statement of Activities  
For the Year Ended December 31, 2021

| Function/Programs                     | Program Revenues     |                         |  |  | Net (Expense) Revenues<br>and Changes in Net Position |                             |                     | Component<br>Units |
|---------------------------------------|----------------------|-------------------------|--|--|---|-----------------------------|---------------------|--------------------|
|                                       | Expenses             | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions | Primary Government                                    |                             |                     |                    |
|                                       |                      |                         |  |  | Governmental<br>Activities                            | Business-type<br>Activities | Total               |                    |
| <b>Governmental activities</b>        |                      |                         |  |  |   |                             |                     |                    |
| General government                    | \$ 12,534,722        | \$ 7,751,946            | \$ 1,352,319                             | \$ 3,310,888                           | \$ (119,569)  |                             | \$ (119,569)        |                    |
| Public safety                         | 11,624,130           | 2,933,158               | 326,016                                  | 336,399                                | (8,028,557)   |                             | (8,028,557)         |                    |
| Public works                          | 3,417,049            | -                       | 1,131,308                                | 281,969                                | (2,003,772)   |                             | (2,003,772)         |                    |
| Parks, recreation, and culture        | 3,949,417            | 1,224,157               | 559,215                                  | 325,854                                | (1,840,191)   |                             | (1,840,191)         |                    |
| Public health and welfare             | 3,423,976            | 444,681                 | 2,131,784                                | 753,457                                | (94,054)  |                             | (94,054)            |                    |
| Economic development                  | 1,619,517            | -                       | 105,000                                  | -                                      | (1,514,517)   |                             | (1,514,517)         |                    |
| Other                                 | 565,113              | -                       | -  | -                                      | (565,113)   |                             | (565,113)           |                    |
| Interest on long-term debt            | 450,887              | -                       | -  | -                                      | (450,887)   |                             | (450,887)           |                    |
| <b>Total governmental activities</b>  | <b>37,584,811</b>    | <b>12,353,942</b>       | <b>5,605,642</b>                         | <b>5,008,567</b>                       | <b>(14,616,660)</b>                                   |                             | <b>(14,616,660)</b> |                    |
| <b>Business-type activities</b>       |                      |                         |  |  |   |                             |                     |                    |
| Solid Waste Special Service District  | 4,333,128            | 4,893,977               | -  | -                                      |   | 560,849                     | 560,849             |                    |
| <b>Total business-type activities</b> | <b>4,333,128</b>     | <b>4,893,977</b>        | <b>-</b>                                 | <b>-</b>                               |   | <b>560,849</b>              | <b>560,849</b>      |                    |
| Total primary government              | \$ 41,917,939        | \$ 17,247,919           | \$ 5,605,642                             | \$ 5,008,567                           | (14,616,660)  | 560,849                     | (14,055,811)        |                    |
| <b>Component Units:</b>               |                      |                         |  |  |   |                             |                     |                    |
| Heber Valley SSD                      | \$ 1,733,631         | \$ 928,763              | \$ -                                     | \$ 1,472,863                           |   |                             | \$ 667,995          |                    |
| Heber Valley T&ED SSD                 | 1,259,700            | 54,542                  | 1,180,274                                | -                                      |   |                             | (24,884)            |                    |
| Jordanelle SSD                        | 12,704,300           | 12,902,646              | -  | 11,196,571                             |   |                             | 11,394,917          |                    |
| North Village SSD                     | 1,647,154            | 1,672,838               | -  | 592,086                                |   |                             | 617,770             |                    |
| Strawberry Lakeview SSD               | 56,348               | 52,795                  | -  | -                                      |   |                             | (3,553)             |                    |
| Timberlakes Water SSD                 | 1,297,088            | 1,122,475               | -  | -                                      |   |                             | (174,613)           |                    |
| Twin Creeks SSD                       | 3,995,629            | 3,385,480               | -  | 4,674,596                              |   |                             | 4,064,447           |                    |
| Wasatch County Service Area #1        | 1,053,334            | 1,075,697               | -  | -                                      |   |                             | 22,363              |                    |
| Wasatch County Fire Protection SSD    | 338,004              | -                       | -  | 495,712                                |   |                             | 157,708             |                    |
| Wasatch County SSD #9                 | 5,764,541            | 4,214,746               | 19,550                                   | 347,059                                |   |                             | (1,183,186)         |                    |
| <b>Total Component Units</b>          | <b>\$ 29,849,729</b> | <b>\$ 25,409,982</b>    | <b>\$ 1,199,824</b>                      | <b>\$ 18,778,887</b>                   |   |                             | <b>15,538,964</b>   |                    |
| <b>General Revenues:</b>              |                      |                         |  |  |   |                             |                     |                    |
| Property taxes                        |                      |                         |  |  | 25,542,931  | -                           | 25,542,931          | 5,697,841          |
| Corridor preservation fees            |                      |                         |  |  | 424,804   | -                           | 424,804             | -                  |
| Fees in lieu of taxes                 |                      |                         |  |  | 141,726   | -                           | 141,726             | -                  |
| Tourism and recreation tax            |                      |                         |  |  | 4,096,067   | -                           | 4,096,067           | -                  |
| Interest income                       |                      |                         |  |  | 164,965   | -                           | 164,965             | 1,748,494          |
| Gain on sale of assets                |                      |                         |  |  | 99,399  | 8,560                       | 107,959             | (5,013,388)        |
| Loss on investment in joint venture   |                      |                         |  |  | -   | (140,258)                   | -                   | -                  |
| Miscellaneous                         |                      |                         |  |  | 1,227,856   | -                           | 1,227,856           | 172,253            |
| Total general revenue                 |                      |                         |  |  | 31,697,748  | (131,698)                   | 31,706,308          | 2,605,200          |
| Change in net position                |                      |                         |  |  | 17,081,088  | 429,151                     | 17,650,497          | 18,144,164         |
| Net position - beginning              |                      |                         |  |  | 91,643,922  | 2,225,100                   | 93,869,022          | 304,430,098        |
| Net position - ending                 |                      |                         |  |  | \$ 108,725,010  | \$ 2,654,251                | \$ 111,519,519      | \$ 322,574,262     |

Wasatch County, Utah  
Balance Sheet – Governmental Funds  
December 31, 2021

|  | General<br>Fund      | Special Revenue                 |                      | Capital<br>Projects<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|---------------------------------|----------------------|-----------------------------|-----------------------------------|--------------------------------|
|  |                      | Municipal<br>Building Authority | Convention<br>Bureau |                             |                                   |                                |
| <b>ASSETS</b>  |                      |                                 |                      |                             |                                   |                                |
| Cash and investments   | \$ 16,295,886        | \$ -                            | \$ 3,260,187         | \$ -                        | \$ 11,827,215                     | \$ 31,383,288                  |
| Restricted cash and investments  | 18,625               | 3,556,997                       | -                    | 8,064,567                   | -                                 | 11,640,189                     |
| Receivables:   |                      |                                 |                      |                             |                                   |                                |
| Accounts, net of allowance   | 1,003,790            | -                               | 2,384,323            | -                           | 743,593                           | 4,131,706                      |
| Receivable with treasurer  | 3,152,009            | 134,047                         | -                    | -                           | 883,723                           | 4,169,779                      |
| Due from fiduciary funds   | 1,144,336            | -                               | -                    | -                           | -                                 | 1,144,336                      |
| <b>Total assets</b>  | <b>\$ 21,614,646</b> | <b>\$ 3,691,044</b>             | <b>\$ 5,644,510</b>  | <b>\$ 8,064,567</b>         | <b>\$ 13,454,531</b>              | <b>\$ 52,469,298</b>           |
| <b>LIABILITIES</b>   |                      |                                 |                      |                             |                                   |                                |
| Accounts payable   | \$ 819,885           | \$ -                            | \$ 36,830            | \$ 41                       | \$ 158,010                        | \$ 1,014,766                   |
| Accrued liabilities  | 374,873              | -                               | 9,686                | -                           | 112,630                           | 497,189                        |
| Bonds and deposits held  | 643,591              | -                               | -                    | -                           | -                                 | 643,591                        |
| <b>Total liabilities</b>   | <b>1,838,349</b>     | <b>-</b>                        | <b>46,516</b>        | <b>41</b>                   | <b>270,640</b>                    | <b>2,155,546</b>               |
| <b>FUND BALANCES</b>   |                      |                                 |                      |                             |                                   |                                |
| Restricted:  |                      |                                 |                      |                             |                                   |                                |
| Government buildings   | -                    | 3,691,044                       | -                    | -                           | -                                 | 3,691,044                      |
| Convention Bureau  | -                    | -                               | 5,597,994            | -                           | -                                 | 5,597,994                      |
| Special Events Center  | -                    | -                               | -                    | 8,064,526                   | 1,020,592                         | 9,085,118                      |
| Public safety  | 18,625               | -                               | -                    | -                           | 111,226                           | 129,851                        |
| Public health and welfare  | -                    | -                               | -                    | -                           | 1,277,722                         | 1,277,722                      |
| Community development  | -                    | -                               | -                    | -                           | 289,871                           | 289,871                        |
| Parks, recreation, and public property                                     | -                    | -                               | -                    | -                           | 1,028,733                         | 1,028,733                      |
| <b>Total restricted</b>  | <b>18,625</b>        | <b>3,691,044</b>                | <b>5,597,994</b>     | <b>8,064,526</b>            | <b>3,728,144</b>                  | <b>21,100,333</b>              |
| Committed:   |                      |                                 |                      |                             |                                   |                                |
| Tourist and recreation   | -                    | -                               | -                    | -                           | 4,487,286                         | 4,487,286                      |
| Public health and welfare  | -                    | -                               | -                    | -                           | 3,331,311                         | 3,331,311                      |
| Library  | -                    | -                               | -                    | -                           | 1,263,712                         | 1,263,712                      |
| Parks, recreation, and culture   | -                    | -                               | -                    | -                           | 373,438                           | 373,438                        |
| <b>Total committed</b>   | <b>-</b>             | <b>-</b>                        | <b>-</b>             | <b>-</b>                    | <b>9,455,747</b>                  | <b>9,455,747</b>               |
| Unassigned   | 19,757,672           | -                               | -                    | -                           | -                                 | 19,757,672                     |
| <b>Total fund balances</b>   | <b>19,776,297</b>    | <b>3,691,044</b>                | <b>5,597,994</b>     | <b>8,064,526</b>            | <b>13,183,891</b>                 | <b>50,313,752</b>              |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 21,614,646</b> | <b>\$ 3,691,044</b>             | <b>\$ 5,644,510</b>  | <b>\$ 8,064,567</b>         | <b>\$ 13,454,531</b>              | <b>\$ 52,469,298</b>           |



Wasatch County, Utah  
 Reconciliation of the Balance Sheet - Governmental Funds to the  
 Government-wide Statement of Net Position  
 December 31, 2021

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Total fund balance per Government Funds balance sheet \$ 50,313,752

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. Asset cost and accumulated  
depreciation are as follows:

|                          |                     |            |
|--------------------------|---------------------|------------|
| Asset cost               | 105,290,222         |            |
| Accumulated depreciation | <u>(33,809,227)</u> | 71,480,995 |

|  |  |           |
|--|--|-----------|
| Elimination of internal service fund current assets and liabilities which<br>are not reported in the funds, but are reported in the Statement of<br>Net Position |  | 1,510,875 |
|--|--|-----------|

The assets and liabilities of the government-wide statement of net  
position include certain deferred outflows and inflows related to  
pensions and the net pension liability which do not require the use  
of current financial resources and are therefore excluded from the  
governmental fund balance sheet. Pension activities at year end  
consist of:

|                                       |                  |             |
|---------------------------------------|------------------|-------------|
| Net pension liability                 | (1,909,463)      |             |
| Deferred inflows related to pensions  | (4,841,718)      |             |
| Deferred outflows related to pensions | <u>4,183,516</u> | (2,567,665) |

Long-term liabilities, are not reported as liabilities in the  
governmental funds. Long-term liabilities included in the  
government-wide financial statements at year-end consist of:

|                      |                    |                     |
|----------------------|--------------------|---------------------|
| Note payable         | (95,641)           |                     |
| Bonds payable        | (9,445,000)        |                     |
| Bond premiums        | (1,392,224)        |                     |
| Interest payable     | (68,185)           |                     |
| Compensated absences | <u>(1,011,897)</u> | <u>(12,012,947)</u> |

|   |  |                       |
|---|--|-----------------------|
| Net position of governmental activities |  | <u>\$ 108,725,010</u> |
|---|--|-----------------------|

Wasatch County, Utah  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2021

|  | General<br>Fund      | Special Revenue                 |                      | Capital<br>Projects<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|---------------------------------|----------------------|-----------------------------|-----------------------------------|--------------------------------|
|  |                      | Municipal<br>Building Authority | Convention<br>Bureau |                             |                                   |                                |
| <b>REVENUES</b>  |                      |                                 |                      |                             |                                   |                                |
| Taxes  | \$ 20,577,957        | \$ -                            | \$ 3,136,932         | \$ 424,804                  | \$ 6,065,835                      | \$ 30,205,528                  |
| Licenses and permits   | 6,466,588            | -                               | -                    | -                           | -                                 | 6,466,588                      |
| Intergovernmental  | 5,919,391            | -                               | -                    | -                           | 3,330,885                         | 9,250,276                      |
| Charges for services   | 3,440,749            | -                               | -                    | -                           | 2,411,982                         | 5,852,731                      |
| Fines and forfeitures  | 467,753              | -                               | -                    | -                           | -                                 | 467,753                        |
| Impact fees  | -                    | -                               | -                    | -                           | 930,804                           | 930,804                        |
| Lease and rental revenue   | -                    | -                               | -                    | -                           | -                                 | -                              |
| Other revenues   | 280,888              | -                               | -                    | 402,775                     | 544,192                           | 1,227,855                      |
| Interest income  | 62,590               | 21,496                          | 12,048               | 19,011                      | 43,798                            | 158,943                        |
| <b>Total revenues</b>  | <b>37,215,916</b>    | <b>21,496</b>                   | <b>3,148,980</b>     | <b>846,590</b>              | <b>13,327,496</b>                 | <b>54,560,478</b>              |
| <b>EXPENDITURES</b>  |                      |                                 |                      |                             |                                   |                                |
| Current operating  |                      |                                 |                      |                             |                                   |                                |
| General government   | 11,078,184           | -                               | -                    | -                           | 1,152,910                         | 12,231,094                     |
| Public safety  | 11,672,855           | -                               | -                    | -                           | 115,436                           | 11,788,291                     |
| Public health and welfare  | 549,303              | -                               | -                    | -                           | 2,952,672                         | 3,501,975                      |
| Public works   | 2,219,797            | -                               | -                    | -                           | 1,093,641                         | 3,313,438                      |
| Parks, recreation, and culture                                       | 198,922              | -                               | -                    | -                           | 3,468,791                         | 3,667,713                      |
| Economic development   | -                    | -                               | 1,619,517            | -                           | -                                 | 1,619,517                      |
| Intergovernmental expenditures                                       | 565,113              | -                               | -                    | -                           | -                                 | 565,113                        |
| Capital outlay   | 862,260              | 2,300,000                       | -                    | 1,577,213                   | 311,056                           | 5,050,529                      |
| Debt service and fiscal charges:                                     |                      |                                 |                      |                             |                                   |                                |
| Principal  | -                    | 5,865,000                       | -                    | -                           | 364,458                           | 6,229,458                      |
| Interest and other financial   | 32,873               | 264,215                         | -                    | -                           | 206,534                           | 503,622                        |
| <b>Total expenditures</b>  | <b>27,179,307</b>    | <b>8,429,215</b>                | <b>1,619,517</b>     | <b>1,577,213</b>            | <b>9,665,498</b>                  | <b>48,470,750</b>              |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>10,036,609</b>    | <b>(8,407,719)</b>              | <b>1,529,463</b>     | <b>(730,623)</b>            | <b>3,661,998</b>                  | <b>6,089,728</b>               |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                      |                                 |                      |                             |                                   |                                |
| Proceeds from issuance of debt                                       | -                    | 5,362,773                       | -                    | -                           | -                                 | 5,362,773                      |
| Transfers in   | 90,000               | 800,000                         | -                    | 5,000,000                   | 83,000                            | 5,973,000                      |
| Transfers out  | (5,083,000)          | -                               | (590,000)            | -                           | (300,000)                         | (5,973,000)                    |
| <b>Total other financing sources (uses)</b>                          | <b>(4,993,000)</b>   | <b>6,162,773</b>                | <b>(590,000)</b>     | <b>5,000,000</b>            | <b>(217,000)</b>                  | <b>5,362,773</b>               |
| <b>Net change in fund balance</b>                                    | <b>5,043,609</b>     | <b>(2,244,946)</b>              | <b>939,463</b>       | <b>4,269,377</b>            | <b>3,444,998</b>                  | <b>11,452,501</b>              |
| <b>Fund balances at beginning of year</b>                            | <b>14,732,688</b>    | <b>5,935,990</b>                | <b>4,658,531</b>     | <b>3,795,149</b>            | <b>9,738,893</b>                  | <b>38,861,251</b>              |
| <b>Fund balances at end of year</b>                                  | <b>\$ 19,776,297</b> | <b>\$ 3,691,044</b>             | <b>\$ 5,597,994</b>  | <b>\$ 8,064,526</b>         | <b>\$ 13,183,891</b>              | <b>\$ 50,313,752</b>           |

Wasatch County, Utah

Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds to the Government-wide  
Statement of Activities  
For the Year Ended December 31, 2021

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Net change in fund balances - total governmental funds \$ 11,452,501

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

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the period:

|                            |                    |           |
|----------------------------|--------------------|-----------|
| Capital outlays            | 5,050,529          |           |
| Loss on disposal of assets | (15,397)           |           |
| Depreciation expense       | <u>(1,963,479)</u> | 3,071,653 |

Internal service funds are used by management to charge the cost of internal service to individual funds. The net revenue of certain activities of internal service funds are reported with the governmental activities. 402,971

Pension expense reported in the government-wide statement of activities does not require the use of current financial resources and therefore is not reported as an expense in governmental funds. 1,300,059

Compensated absences are not accrued as an expense in governmental funds; however, this expense is reported in the statement of activities. (65,516)

Proceeds from debt issuance is revenue in the governmental fund, but the proceeds increases long-term liabilities in the government-wide statement of net position. (5,362,773)

Repayment of loan principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the government-wide statement of net position. 6,229,458

Accrued interest expense on long-term liabilities not reported in the governmental fund. 52,735

Change in net position of governmental activities \$ 17,081,088

Wasatch County, Utah  
Statement of Net Position  
Proprietary Fund  
December 31, 2021

|  | <b>Business-type<br/>Activities -<br/>Enterprise Fund</b> | <b>Governmental<br/>Activities - Internal<br/>Service Funds</b> |
|--|---|---|
|  | <b>Solid Waste<br/>District</b>                           |   |
| <b><u>ASSETS</u></b>                           |   |   |
| Current assets:                                |   |   |
| Cash and investments                           | \$ -  | \$ 1,593,279  |
| Receivables:                                   |   |   |
| Accounts, net of allowance                     | 109,007   | -   |
| Total current assets                           | <u>109,007</u>  | <u>1,593,279</u>  |
| Noncurrent assets:                             |   |   |
| Investment - Joint venture Blue Bench Landfill | 507,821   | -   |
| Capital assets                                 |   |   |
| Land, easements, and water rights              | 236,250   | -   |
| Buildings and improvements                     | 1,181,858   | 502,129   |
| Machinery and equipment                        | 6,584,378   | 2,822,791   |
| Accumulated depreciation                       | <u>(4,419,241)</u>  | <u>(1,848,536)</u>  |
| Total noncurrent assets                        | <u>4,091,066</u>  | <u>1,476,384</u>  |
| <b>Total assets</b>                            | <u>4,200,073</u>  | <u>3,069,663</u>  |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>   |   |   |
| Deferred outflows related to pensions          | <u>370,940</u>  | -   |
| Total deferred outflows of resources           | <u>370,940</u>  | -   |
| <b><u>LIABILITIES</u></b>                      |   |   |
| Current liabilities:                           |   |   |
| Accounts payable                               | 21,624  | 59,709  |
| Accrued liabilities                            | 54,930  | 22,695  |
| Due to other fund                              | <u>1,144,336</u>  | -   |
| Total current liabilities                      | <u>1,220,890</u>  | <u>82,404</u>   |
| Noncurrent liabilities:                        |   |   |
| Compensated absences                           | 97,264  | 37,618  |
| Net pension liability                          | <u>169,307</u>  | -   |
| Total noncurrent liabilities                   | <u>266,571</u>  | <u>37,618</u>   |
| <b>Total liabilities</b>                       | <u>1,487,461</u>  | <u>120,022</u>  |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>    |   |   |
| Deferred inflows related to pensions           | <u>429,301</u>  | -   |
| Total deferred inflows of resources            | <u>429,301</u>  | -   |
| <b><u>NET POSITION</u></b>                     |   |   |
| Net investment in capital assets               | 3,583,245   | 1,476,384   |
| Unrestricted                                   | <u>(928,994)</u>  | <u>1,473,257</u>  |
| <b>Total net position</b>                      | <u>\$ 2,654,251</u>                                       | <u>\$ 2,949,641</u>   |

Wasatch County, Utah  
Statement of Revenues, Expenditures, and Changes in Net Position  
Proprietary Fund  
For the Year Ended December 31, 2021

|   | <b>Business-type<br/>Activities - Enterprise<br/>Fund</b> | <b>Governmental<br/>Activities - Internal<br/>Service Funds</b> |
|---|---|---|
|   | <b>Solid Waste District</b>                               |   |
| <b><u>OPERATING REVENUES</u></b>                  |   |   |
| Charges for services                              | \$ 4,893,977  | \$ 2,417,707  |
| <b>Total operating revenues</b>                   | <b>4,893,977</b>  | <b>2,417,707</b>  |
| <b><u>OPERATING EXPENSES</u></b>                  |   |   |
| Salaries and wages                                | 1,382,638   | 651,431   |
| Employee benefits                                 | 523,197   | 273,854   |
| Materials, supplies, and services                 | 1,841,718   | 632,691   |
| Depreciation and amortization expense             | 585,575   | 239,441   |
| <b>Total operating expenses</b>                   | <b>4,333,128</b>  | <b>1,797,417</b>  |
| <b>Operating income (loss)</b>                    | <b>560,849</b>  | <b>620,290</b>  |
| <b><u>NONOPERATING REVENUES</u></b>               |   |   |
| Interest income                                   | -   | 6,022   |
| Gain on sale of assets                            | 8,560   | 114,796   |
| Loss from investment in joint venture             | (140,258)   | -   |
| <b>Total nonoperating revenues<br/>(expenses)</b> | <b>(131,698)</b>  | <b>120,818</b>  |
| <b>Change in net position</b>                     | <b>429,151</b>  | <b>741,108</b>  |
| <b>Total net position - beginning</b>             | <b>2,225,100</b>  | <b>2,208,533</b>  |
| <b>Total net position - ending</b>                | <b>\$ 2,654,251</b>                                       | <b>\$ 2,949,641</b>   |

Wasatch County, Utah  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2021

|  | <b>Business-type<br/>Activities -<br/>Enterprise Fund<br/>Solid Waste</b> | <b>Governmental<br/>Activities -<br/>Internal Service</b> |
|--|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |   |   |
| Receipts from customers and users                                    | \$ 4,898,485  | \$ 2,445,513  |
| Payments to suppliers  | (2,425,079)   | (751,628)   |
| Payments to employees  | (2,198,520)   | (930,263)   |
| Net cash provided from operating activities                          | <u>274,886</u>  | <u>763,622</u>  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>               |   |   |
| Due from/(to) other funds  | 312,959   | -   |
| Net Cash Provided by Noncapital Financing Activities                 | <u>312,959</u>  | <u>-</u>  |
| <b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>                  |   |   |
| Proceeds from disposal of assets                                     | 1,337,870   | 130,195   |
| Purchases and construction of capital assets                         | (1,925,715)   | (577,415)   |
| Net cash provided (used) by capital and related financing activities | <u>(587,845)</u>  | <u>(447,220)</u>  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                           |   |   |
| Interest income  | -   | 6,022   |
| Net cash provided by investing activities                            | <u>-</u>  | <u>6,022</u>  |
| Net increase in cash and cash equivalents                            | -   | 322,424   |
| Cash and cash equivalents - beginning of year                        | -   | 1,270,855   |
| Cash and cash equivalents - end of year                              | <u>\$ -</u>   | <u>\$ 1,593,279</u>                                       |
| <b>Reconciliation of operating income to net cash</b>                |   |   |
| used in operating activities:  |   |   |
| Operating income   | \$ 560,849  | \$ 620,290  |
| Adjustments to reconcile operating income to net cash                |   |   |
| provided by operating activities:                                    |   |   |
| Depreciation expense   | 585,575   | 239,441   |
| Change in receivables  | 4,508   | 27,806  |
| Change in accounts payable and accrued liabilities                   | (559,768)   | (108,353)   |
| Change in compensated absences                                       | (122,378)   | (15,562)  |
| Change in pensions   | (193,900)   | -   |
| Total adjustments  | <u>(285,963)</u>  | <u>143,332</u>  |
| Net cash provided from operating activities                          | <u>\$ 274,886</u>   | <u>\$ 763,622</u>   |

Wasatch County, Utah  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds Types  
December 31, 2021

|                           | Treasurer's<br>Tax Account | Clerk's<br>Trust          | Payroll<br>Fund           | Justice Court<br>Trust    | Total Fiduciary<br>Funds  |
|---------------------------|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b><u>Assets</u></b>      |                            |                           |                           |                           |                           |
| Cash and cash equivalents | \$ 21,311,751              | \$ 21,270,712             | \$ 898,094                | \$ 107,393                | \$ 43,587,950             |
| Accounts receivable       | 1,924,074                  | -                         | 103,980                   | -                         | 2,028,054                 |
|                           | <u>                  </u>  | <u>                  </u> | <u>                  </u> | <u>                  </u> | <u>                  </u> |
| Total assets              | <u>\$ 23,235,825</u>       | <u>\$ 21,270,712</u>      | <u>\$ 1,002,074</u>       | <u>\$ 107,393</u>         | <u>\$ 45,616,004</u>      |
| <b><u>Liabilities</u></b> |                            |                           |                           |                           |                           |
| Due to taxing units       | \$ 23,235,825              | \$ -                      | \$ -                      | \$ -                      | \$ 23,235,825             |
| Clerk's trust payable     | -                          | 21,270,712                | -                         | -                         | 21,270,712                |
| Payroll payable           | -                          | -                         | 1,002,074                 | -                         | 1,002,074                 |
| Court trust payable       | -                          | -                         | -                         | 107,393                   | 107,393                   |
|                           | <u>                  </u>  | <u>                  </u> | <u>                  </u> | <u>                  </u> | <u>                  </u> |
| Total liabilities         | <u>\$ 23,235,825</u>       | <u>\$ 21,270,712</u>      | <u>\$ 1,002,074</u>       | <u>\$ 107,393</u>         | <u>\$ 45,616,004</u>      |

# NOTES TO FINANCIAL STATEMENTS



Wasatch County, Utah  
Notes to the Financial Statements  
For the Year December 31, 2021

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Reporting Entity*

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

As required by generally accepted accounting principles, these basic financial statements present Wasatch County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the discrete component units, which issued separate financial statements as noted below, can be obtained from their respective administrative offices.

*Blended Component Units*

These component units are entities which were created by the County and are legally separate from the County but are so intertwined with the County that they are, in substance, the same as the County. Their financial results are blended with the County's in the appropriate fund type category. Because of the County's operational influence, the following special service districts have been blended into the County's financial statements: Solid Waste District, Wasatch County Parks and Recreation District, and Municipal Building Authority of Wasatch County.

*Discrete Component Units*

Heber Valley Special Service District (Enterprise Fund) - The Sewer District provides sewage collection and treatment services for Heber City and Midway. The Sewer District's Administrative Control Board is composed of seven representatives from the County, Heber City, and Midway. Although the Sewer District is legally independent and the County has delegated financial management duties to the Administrative Board, the County retains oversight responsibilities. The District's financial statements were audited separately by independent auditors for the period ended December 31, 2021 and their report dated June 23, 2022 has been issued under a separate cover.

Timberlakes Water Special Service District (Enterprise Fund) - The Water District provides culinary water to the Timberlakes subdivision. The Water District's Administrative Board is composed of seven representatives from the District. Although the Water District is legally independent and the County has delegated financial management duties to the Administrative Board, the County retains oversight responsibilities. The District's financial statements were audited separately by independent auditors for the period ended December 31, 2021 and their report anticipation date of July 15, 2021, will be issued under a separate cover.

**Wasatch County, Utah**  
**Notes to the Financial Statements (Continued)**  
**For the Year December 31, 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Jordanelle Special Service District (Enterprise Fund) – The District provides water and sewer services to residents within the District’s boundaries. The District’s Administrative Board consists of five appointed members that have financial management oversight and are responsible for policy decisions. Although the County Council has delegated responsibilities to the Administrative Board, they still retain oversight responsibilities. The District’s financial statements were audited separately by independent auditors for the year ended December 31, 2021 and their report dated June 7, 2022, has been issued under a separate cover.

Wasatch County Special Service Area #1 (Enterprise Fund) – The District was created by the County to manage the water distribution for the County. The Service area is the representative for the County in the Central Utah Water Completion Act. Due to this relationship, the District has been determined to be a component unit of the County, presented discretely, under the guidelines established by GASB Statement No. 61. The District’s financial statements were audited separately by independent auditors for the year ended December 31, 2021 and their report dated June 27, 2022, has been issued under a separate cover.

Twin Creeks Special Service District (Enterprise Fund) – The District provides water and sewer services to the residents within the District’s boundaries. The governing board of the District is substantially the same as the County. Due to this relationship, the District has been determined to be a component unit of the County, presented discretely, under the guidelines established by GASB Statement No. 60. The District’s financial statements were audited separately by independent auditors for the year ended December 31, 2021 and their report dated June 1, 2022, has been issued under a separate cover.

North Village Special Service District (Enterprise Fund) – The District provides water and sewer services to the residents within the District’s boundaries. The governing board of the District is substantially the same as the County. Due to this relationship, the District has been determined to be a component unit of the County, presented discretely, under the guidelines established by GASB Statement No. 60. The District’s financial statements were audited separately by independent auditors for the year ended December 31, 2020 and their report dated May 27, 2022, has been issued under a separate cover.

Strawberry Lakeview Special Service District (Enterprise Fund) - The District provides water services to the residents within the District’s boundaries. Due to the size of the District, the District’s financial statements were not audited. Following the requirements of the Utah State Auditor the District submitted a financial survey to the Utah State Auditor’s Office. The financial statement balances are immaterial to the combined discrete component unit presentation.

Wasatch County Special Service District #9 (Governmental Fund) – The District provides equipment and road maintenance and repair work in addition to new construction on the County’s road system. The District’s Administrative Board is composed of three representatives who are independent of the County’s Council. The District’s financial statements were not audited. Following the requirements of the Utah State Auditor the District submitted a financial survey to the Utah State Auditor’s Office. The financial statement balances are immaterial to the combined discrete component unit presentation.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Wasatch County Fire Protection Special Service District (Governmental and Enterprise Funds) – The District provides fire protection to the County and surrounding areas. The District’s Administrative Board consists of five appointed members that have financial management oversight and are responsible for policy decisions. Although the County Council has delegated responsibilities to the Administrative Board, they still retain oversight responsibilities. The District’s financial statements were audited separately by independent auditors for the year ended December 31, 2021 and their report dated June 7, 2022, has been issued under a separate cover.

Heber Valley Tourism and Economic Development (Governmental Fund) – Heber Valley Tourism and Economic Development (HVTED) promotes tourism and economic development in the greater Heber Valley area. HVTED’s Administrative Board consists of seven representatives, five of which are independent of the County’s Council. HVTED is primarily funded through transient room tax dollars collected by the Utah State Tax Commission and distributed to Wasatch County. HVTED’s financial statements were audited separately by independent auditors for the year ended December 31, 2021 and their report anticipation date of July 15, 2022, will be issued under a separate cover.

Financial statement amounts for these discrete component units are included in the County’s financial statements. Complete separate financial statements for each entity may be obtained from their respective administrative offices, from the County Clerk/Auditor's office, 25 North Main, Heber City, Utah 84032, or on the Utah State Auditor’s website.

*Local Entities Excluded*

Due to the limited oversight and fiscal responsibility by the County, the Heber Valley Fire Department and the Wasatch County Search and Rescue have been excluded from the reporting entity.

*Description of government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

*Basis of presentation - government-wide financial statements*

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Basis of presentation - government-wide financial statements (Continued)*

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

*Basis of presentation - fund financial statements*

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- The *general fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Municipal Building Authority of Wasatch County special revenue fund* is used to account for financial resources to be used for the design and construction of capital assets for the benefit of the City. This fund is a blended component unit.
- The *Convention Bureau special revenue fund* is used to account for financial resources to be used to account for tourism taxes in an effort to support economic development within the County.
- The *Special Events Center capital projects fund* is used to account for financial resources to be used in the acquisition or construction of major capital facilities of the County's Special Events Center.

The County reports the following major proprietary fund:

- The *Solid Waste Service District* accounts for the operations of the County's solid waste system.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Additionally, the government reports the following fund types:

- *Fiduciary funds* include the Treasurer's Tax Collection Agency Fund, Clerk's Trust Fund, Payroll Fund, and the Justice Court Trust Fund that are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.
- *Internal Service funds* include the computer replacement, auto fleet maintenance, auto fleet replacement, information system services, and communication equipment funds. These funds are used to report activities that result in the accumulation and allocation of costs related to supplies and services provided and used internally among the County's various functions.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

*Measurement focus and basis of accounting*

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the 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.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The 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. 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 government 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. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund is reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

*Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance*

1. Cash & cash equivalents and investments

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.

State of Utah statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool.

Investments for the County, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Certain resources of the County's governmental funds are set aside for the following: Class B roads, transient room tax, restaurant tax, liquor law tax, tourism tax, emergency 911 fees, and impact fees as required by applicable federal and state regulations.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

2. Receivables and payables

All trade, property, sales, and franchise tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectible accounts.

Sales taxes are collected by the State Tax Commission and remitted to the County monthly.

Property taxes are collected by the County Treasurer and remitted to the County shortly after collection. Property taxes are levied based on property values as of January 1 of each year, with liens posted as of the same date. Taxes are due and payable on November 1 and delinquent after 12 o'clock noon on November 30 of each year.

3. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable government or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

As the County constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at estimated fair market value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

| <u>Asset type</u>                 | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings                         | 37-40        |
| Improvements other than buildings | 20-40        |
| Machinery and equipment           | 2-5          |

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

4. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position 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 so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position 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 so will not be recognized as an inflow of resources (revenue) until that time.

5. 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.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

6. Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

7. Fund balance flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Government-wide financial statements***

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

*Net investment in capital assets* - Capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* - Net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

*Unrestricted net position* - All other net position that do not meet the definition of "restricted" or "net investment in capital assets"

***Fund financial statements***

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned. Descriptions of each follow:

*Nonspendable fund balance* - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

*Restricted fund balance* - Amounts restricted by enabling legislation. Also reported if, (a) externally imposed by creditors, grantors, contributors, or laws regulations or other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the County Council. The commitment can only be removed through the same action.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Assigned fund balance* - Amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. This intent is expressed by either the County Council or delegated by the County Council to the Auditors' Office. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund that are not classified as nonspendable, restricted nor committed or in the General Fund, that are intended to be used for specific purposes.

*Unassigned fund balance* - Residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

***Revenues and expenditures/expenses***

1. Program revenues

Amounts reported as 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 or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources, are reported as general revenues rather than as program revenues.

2. Property taxes

Property taxes attach as an enforceable lien on real property on January 1st of each year. Taxes are levied on property owners in July and are payable by November 30th. The County bills and collects property taxes for all taxing entities within the County through the Tax Collection Agency Fund. Collections are periodically distributed to the taxing entities, with final settlement due March 31st of the subsequent year. The County records a receivable and deferred revenue for delinquent taxes, but no allowance for doubtful accounts is made as uncollected taxes are deemed to be substantially collectible or recoverable through foreclosure.

3. Compensated absences

The government's policy permits employees to accumulate earned but unused vacation and sick benefits. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The County pays all unused vacation days upon separation but does not compensate for any unused sick leave upon separation unless the employee has met certain retirement eligibility qualifications.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

4. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. The principal operating revenue of the garbage fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

*Budgetary information*

Budgets are prepared and adopted, in accordance with State law, by the Wasatch County Council. Annual appropriated budgets are adopted for the general and special revenue funds. Budgets must be adopted on or before December 31st for the following fiscal year, beginning January 1. Budgets may be increased by resolution of the Wasatch County Council at any time during the year. A public hearing must be held regarding any proposed increase in a fund's appropriations. Budgets are adopted at departmental levels. Budget amendments are required only when excess expenditures occur at the departmental level for the General Fund and at the fund level for all other funds. Appropriations lapse at December 31.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Utah State law states that expenditures being made in excess of those budgeted, is an illegally created debt in violation of the Utah Constitution. As such the total illegally created deficit should be budgeted to be made up in the following fiscal year. Deficits arising from emergencies are not illegal and may be retired over 5 years. For the year ended December 31, 2021, no fund had a deficit fund balance.

Utah State law allows for any unassigned fund balance in excess of 5% of the total revenues of the General Fund to be utilized for budget purposes. The law also allows for the accumulation of a fund balance in the General Fund in an amount equal to 65% of the total estimated revenue of the General Fund. In the event that the fund balance, at the end of the fiscal year, is in excess of that allowed, the County has one year to determine an appropriate use and then the excess must be included as an available resource in the General Fund budget. For the year ending December 31, 2021, the County is not over 65% of the total estimated limit of revenue in the General Fund.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 3 – DEPOSITS AND INVESTMENTS**

*Cash and investments*

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 Entity 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 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 nonmajor 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 nonfiduciary cash and investments is also reflected on the government-wide statement of net position. As of December 31, 2021, cash and investments was comprised of the follow:

|                                      | Primary Government         |                             |               | Fiduciary<br>Funds |
|--------------------------------------|----------------------------|-----------------------------|---------------|--------------------|
|                                      | Governmental<br>Activities | Business-type<br>Activities | Total         |                    |
| Cash and investments:                |                            |                             |               |                    |
| Cash and cash equivalents            | \$ 6,395,287               | \$ -                        | \$ 6,395,287  | \$ -               |
| Restricted cash and cash equivalents | 11,640,189                 | -                           | 11,640,189    | 22,276,199         |
| Investments in PTIF                  | 26,581,280                 | -                           | 26,581,280    | -                  |
| Total cash and investments           | \$ 44,616,756              | \$ -                        | \$ 44,616,756 | \$ 22,276,199      |

*Deposits*

Custodial Credit Risk - Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. As of December 31, 2021, \$7,041,993 of the local government's bank balances of \$7,291,993 were uninsured and uncollateralized.

*Investments*

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

The 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.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

Statutes authorize the County to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or 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 the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (Utah Code, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

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
- Level 3: Unobservable inputs

| Investments by fair value level:         | Fair Value Measurements Using |               |         |
|--|-------------------------------|---------------|---------|
|  | Level 1                       | Level 2       | Level 3 |
| Utah Public Treasurers' Investment Fund  | \$ -                          | \$ 26,581,280 | \$ -    |
| Total investments measured at fair value | \$ -                          | \$ 26,581,280 | \$ -    |

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

**NOTE 3 – 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

- 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;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each
- Utah Public Treasurers' Investment Fund: application of the December 31, 2021 fair value factor, as calculated by the Utah State Treasurer, to the Entity's average daily balance in the Fund.

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, 2021, the County's investments had the following maturities:

|  | Investment Maturities (in years) |      |           |
|--|----------------------------------|------|-----------|
|  | Less than 1                      | 1-5  | 6 or more |
| Investments by fair value level:         |                                  |      |           |
| Utah Public Treasurers' Investment Fund  | \$ 26,581,280                    | \$ - | \$ -      |
| Total investments measured at fair value | \$ 26,581,280                    | \$ - | \$ -      |

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.

|  | Quality Ratings |           |               |
|--|-----------------|-----------|---------------|
|  | A - rated       | B - rated | Unrated       |
| Investments by fair value level:         |                 |           |               |
| Utah Public Treasurers' Investment Fund  | \$ -            | \$ -      | \$ 26,581,280 |
| Total investments measured at fair value | \$ -            | \$ -      | \$ 26,581,280 |

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*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 - Investments* - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments that are in the possession of an outside party. The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

**NOTE 4 – RECEIVABLES**

Receivables as of December 31, 2021 for the County's governmental and enterprise funds are as follows:

|                                    | Governmental Activities |                      | Business-type<br>Activities | Total        |
|------------------------------------|-------------------------|----------------------|-----------------------------|--------------|
|                                    | General                 | Convention<br>Bureau | Solid Waste<br>District     |              |
| Accounts receivable:               |                         |                      |                             |              |
| Heber Valley Railroad              | \$ -                    | \$ 2,384,323         | \$ -                        | \$ 2,384,323 |
| Other                              | 1,003,790               | -                    | 109,007                     | 1,112,797    |
|                                    | 1,003,790               | 2,384,323            | 109,007                     | 3,497,120    |
| Less: allowance for uncollectibles | -                       | -                    | -                           | -            |
| Accounts, net of allowance         | \$ 1,003,790            | \$ 2,384,323         | \$ 109,007                  | \$ 3,497,120 |

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, there was no deferred revenue and unearned revenue reported in the governmental funds.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

|   | Beginning<br>Balance | Increases           | Decreases             | Ending<br>Balance    |
|---|----------------------|---------------------|-----------------------|----------------------|
| <b><u>Governmental activities</u></b>   |                      |                     |                       |                      |
| Capital assets, not depreciated:        |                      |                     |                       |                      |
| Land, easements, and water rights       | \$ 13,636,504        | \$ 1,400,954        | \$ -                  | \$ 15,037,458        |
| Infrastructure                          | 23,661,354           | -                   | -                     | 23,661,354           |
| Construction-in-progress                | 1,753,356            | -                   | (1,753,356)           | -                    |
| Total capital assets, not depreciated   | 39,051,214           | 1,400,954           | (1,753,356)           | 38,698,812           |
| Capital assets, depreciated:            |                      |                     |                       |                      |
| Buildings and improvements              | 46,105,398           | 4,558,596           | -                     | 50,663,994           |
| Machinery and equipment                 | 12,958,810           | 844,335             | (318,190)             | 13,484,955           |
| Infrastructure                          | 2,442,461            | -                   | -                     | 2,442,461            |
| Total capital assets, depreciated       | 61,506,669           | 5,402,931           | (318,190)             | 66,591,410           |
| Accumulated depreciation:               |                      |                     |                       |                      |
| Buildings and improvements              | (19,221,621)         | (1,399,099)         | -                     | (20,620,720)         |
| Machinery and equipment                 | (10,835,351)         | (527,212)           | 302,793               | (11,059,770)         |
| Infrastructure                          | (2,091,569)          | (37,168)            | -                     | (2,128,737)          |
| Total accumulated depreciation          | (32,148,541)         | (1,963,479)         | 302,793               | (33,809,227)         |
| Total capital assets, depreciated (net) | 29,358,128           | 3,439,452           | (15,397)              | 32,782,183           |
| Net governmental capital assets         | <u>\$ 68,409,342</u> | <u>\$ 4,840,406</u> | <u>\$ (1,768,753)</u> | <u>\$ 71,480,995</u> |
|   | Beginning<br>Balance | Increases           | Decreases             | Ending<br>Balance    |
| <b><u>Business-type activities</u></b>  |                      |                     |                       |                      |
| Capital assets, not depreciated:        |                      |                     |                       |                      |
| Land, easements, and water rights       | \$ 236,250           | \$ -                | \$ -                  | \$ 236,250           |
| Total capital assets, not depreciated   | 236,250              | -                   | -                     | 236,250              |
| Capital assets, depreciated:            |                      |                     |                       |                      |
| Buildings and improvements              | 1,082,986            | 47,872              | -                     | 1,130,858            |
| Machinery and equipment                 | 6,225,413            | 1,877,843           | (1,518,878)           | 6,584,378            |
| Infrastructure                          | 51,000               | -                   | -                     | 51,000               |
| Total capital assets, depreciated       | 7,359,399            | 1,925,715           | (1,518,878)           | 7,766,236            |
| Accumulated depreciation:               |                      |                     |                       |                      |
| Buildings and improvements              | (812,246)            | (10,005)            | -                     | (822,251)            |
| Machinery and equipment                 | (3,205,658)          | (574,295)           | 189,568               | (3,590,385)          |
| Infrastructure                          | (5,330)              | (1,275)             | -                     | (6,605)              |
| Total accumulated depreciation          | (4,023,234)          | (585,575)           | 189,568               | (4,419,241)          |
| Total capital assets, depreciated (net) | 3,336,165            | 1,340,140           | (1,329,310)           | 3,346,995            |
| Net governmental capital assets         | <u>\$ 3,572,415</u>  | <u>\$ 1,340,140</u> | <u>\$ (1,329,310)</u> | <u>\$ 3,583,245</u>  |



Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 5 – CAPITAL ASSETS (CONTINUED)**

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

|   |              |
|---|--------------|
| Governmental activities:                              |              |
| General government                                    | \$ 998,624   |
| Public safety   | 266,271      |
| Public health and welfare                             | 49,363       |
| Public works  | 196,597      |
| Parks, recreation, and culture                        | 452,624      |
| Total depreciation expense - governmental activities  | \$ 1,963,479 |
| Business-type activities:                             |              |
| Solid Waste District                                  | \$ 585,575   |
| Total depreciation expense - business-type activities | \$ 585,575   |

**NOTE 6 – LONG-TERM DEBT**

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

In October of 2010, the County issued \$3,250,000 of general obligation and refunding bonds, series 2010. The general obligation and refunding bonds are due in annual principal installments ranging from \$25,000 to \$420,000 beginning in 2011 and going through December 1, 2022. The bonds accrue interest at rates ranging from 2% to 4%. Interest is payable semi-annually on June 1st and December 1st of each year.

In April of 2020, the County issued \$4,390,000 of general obligation bonds, series 2020. The general obligation bonds are due in annual principal installments ranging from \$145,000-\$315,000 beginning in 2022 and going through April 2041. The bonds accrue interest at a rate of 4.0%. Interest is payable semi-annually on April 1st and October 1st of each year.

Revenue Bonds

In March of 2013, the Municipal Building Authority issued \$9,885,000 of lease revenue refunding bonds for the refunding of three other bonds. The lease revenue bonds are in due in annual principal installments ranging from \$455,000 to \$655,000, beginning in March of 2013 through March of 2030. The bonds accrued interest at rates ranging from .25% to 3.0%. Interest is payable semi-annually in March and December of each year. This bond issuance was refunded during 2021.

In November of 2021, the Municipal Building Authority issued \$4,700,000 of lease revenue refunding bonds for the refunding of the 2013 series. The bonds are due in annual principal installments ranging from \$440,000 to \$605,000 beginning in December of 2022 through December of 2030. The bonds accrue interest at 4% and is payable semi-annually in June and December of each year.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

As part of the refunding, \$5,864,544, which includes \$596,775 of the remaining Series 2013 debt service funds, were placed into an irrevocable trust to provide for future debt service payments and funds necessary to call the bonds on their first call date. Accordingly, the trust assets and liability for the Series 2013 bonds are not included in the County’s financial statements as this obligation has been legally defeased. \$95,021 of the proceeds were used to pay issuance costs. This transaction generated a net present value savings of \$368,619 over the life of the debt.

Note Payable

In July of 2010, the County bought 10.3 acres of land from the Don L. Hicken Family Trust with a note payable of \$324,000. The note requires semi-annual payments of \$15,046 at 5% until January of 2025.

Outstanding Principal and Interest Obligations

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2021 are as follows:

| For the year ended December 31, | G.O. Bonds          |                     | Revenue Bonds       |                   |
|---------------------------------|---------------------|---------------------|---------------------|-------------------|
|                                 | Principal           | Interest            | Principal           | Interest          |
| 2022                            | \$ 500,000          | \$ 185,125          | \$ 440,000          | \$ 195,833        |
| 2023                            | 150,000             | 166,800             | 465,000             | 170,400           |
| 2024                            | 160,000             | 160,600             | 485,000             | 151,800           |
| 2025                            | 165,000             | 154,100             | 500,000             | 132,400           |
| 2026                            | 170,000             | 147,400             | 520,000             | 112,400           |
| 2027 - 2031                     | 970,000             | 626,000             | 2,290,000           | 233,400           |
| 2032 - 2036                     | 1,180,000           | 411,600             | -                   | -                 |
| 2037 - 2041                     | 1,450,000           | 149,800             | -                   | -                 |
|                                 | <u>\$ 4,745,000</u> | <u>\$ 2,001,425</u> | <u>\$ 4,700,000</u> | <u>\$ 996,233</u> |

  

| For the year ended December 31, | Notes Payable    |                 | Total               |                     |
|---------------------------------|------------------|-----------------|---------------------|---------------------|
|                                 | Principal        | Interest        | Principal           | Interest            |
| 2022                            | \$ 25,681        | \$ 4,411        | \$ 965,681          | \$ 385,369          |
| 2023                            | 26,964           | 3,125           | 641,964             | 340,325             |
| 2024                            | 28,313           | 1,778           | 673,313             | 314,178             |
| 2025                            | 14,683           | 363             | 679,683             | 286,863             |
| 2026                            | -                | -               | 690,000             | 259,800             |
| 2027 - 2031                     | -                | -               | 3,260,000           | 859,400             |
| 2032 - 2036                     | -                | -               | 1,180,000           | 411,600             |
| 2037 - 2041                     | -                | -               | 1,450,000           | 149,800             |
|                                 | <u>\$ 95,641</u> | <u>\$ 9,677</u> | <u>\$ 9,540,641</u> | <u>\$ 3,007,335</u> |

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

**NOTE 6 – LONG-TERM DEBT (CONTINUED)**

Changes in long-term liabilities

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

|  | Beginning<br>Balance | Increases           | Decreases              | Ending<br>Balance    | Due in One<br>Year |
|--|----------------------|---------------------|------------------------|----------------------|--------------------|
| <i>Governmental activities</i>                     |                      |                     |                        |                      |                    |
| Bonds payable:                                     |                      |                     |                        |                      |                    |
| General Obligation Bonds                           | \$ 5,085,000         | \$ -                | \$ (340,000)           | \$ 4,745,000         | \$ 500,000         |
| General Obligation Bonds premium                   | 786,576              | -                   | (47,962)               | 738,614              | -                  |
| Lease Revenue Bonds                                | 5,865,000            | 4,700,000           | (5,865,000)            | 4,700,000            | 440,000            |
| Lease Revenue Bonds premium                        | -                    | 662,773             | (9,163)                | 653,610              | -                  |
| Total bonds payable                                | 11,736,576           | 5,362,773           | (6,262,125)            | 10,837,224           | 940,000            |
| Notes payable:                                     |                      |                     |                        |                      |                    |
| Dan Hicken Trust Deed Note                         | 120,099              | -                   | (24,458)               | 95,641               | 25,681             |
| Total notes payable                                | 120,099              | -                   | (24,458)               | 95,641               | 25,681             |
| Other long-term liabilities:                       |                      |                     |                        |                      |                    |
| Net pension liability                              | 5,205,504            | -                   | (3,296,041)            | 1,909,463            | -                  |
| Compensated absences                               | 946,381              | 707,970             | (642,454)              | 1,011,897            | -                  |
| Governmental activities,<br>long-term liabilities  | <u>\$ 18,008,560</u> | <u>\$ 6,070,743</u> | <u>\$ (10,225,078)</u> | <u>\$ 13,854,225</u> | <u>\$ 965,681</u>  |
|  | Beginning<br>Balance | Increases           | Decreases              | Ending<br>Balance    | Due in One<br>Year |
| <i>Business-type activities</i>                    |                      |                     |                        |                      |                    |
| Net pension liability                              | \$ 586,115           | \$ -                | \$ (416,808)           | \$ 169,307           | \$ -               |
| Compensated absences                               | 219,642              | 80,246              | (202,625)              | 97,263               | -                  |
| Business-type activities,<br>long-term liabilities | <u>\$ 805,757</u>    | <u>\$ 80,246</u>    | <u>\$ (619,433)</u>    | <u>\$ 266,570</u>    | <u>\$ -</u>        |

**NOTE 7 - PENSION PLANS**

***General Information about the Pension Plan***

*Plan description*

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

- Public Employees Noncontributory Retirement System (Noncontributory System);
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer 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/general/publications](http://www.urs.org/general/publications).

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

**NOTE 7 - PENSION PLANS (CONTINUED)**

***Summary of Benefits by System***

*Benefits provided:* URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

| System                                       | Final<br>Average<br>Salary | Years of Service<br>Required and/or Age<br>Eligible for Benefit                                 | Benefit Percent Per Year<br>of Service                          | COLA**                                   |
|--|----------------------------|---|---|--|
| Noncontributory System                       | Highest 3 years            | 30 years any age<br>25 years any age*<br>20 years age 60*<br>10 years age 62*<br>4 years age 65 | 2.0% per year all years   | Up to 4%                                 |
| Public Safety System                         | Highest 3 years            | 20 years any age<br>10 years age 60<br>4 years age 65   | 2.5% per year up to 20 years; 2.0% per year over 20 years       | Up to 2.5% or 4% depending upon employer |
| Tier 2 Public Employees System               | Highest 5 years            | 35 years any age<br>20 years age 60*<br>10 years age 62*<br>4 years age 65                      | 1.5% per year all years   | Up to 2.50%                              |
| Tier 2 Public Safety and Firefighters System | Highest 5 years            | 25 years any age<br>20 years age 60*<br>10 years age 62*<br>4 years age 65                      | 1.5% per year to June 2020; 2.00% per year July 2020 to present | Up to 2.50%                              |

\*Actuarial reductions are applied.

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

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

**NOTE 7 - PENSION PLANS (CONTINUED)**

***Contribution Rate Summary***

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2021 are as follows:

|   | <u>Employee</u> | <u>Employer</u> | <u>401(k) Plan</u> |
|---|-----------------|-----------------|--------------------|
| Contributory System                     |                 |                 |                    |
| 111- Local Governmental Division Tier 2 | N/A             | 16.07%          | 0.62%              |
| Noncontributory System                  |                 |                 |                    |
| 15- Local Governmental Division Tier 1  | N/A             | 18.47%          | N/A                |
| Public Safety System                    |                 |                 |                    |
| Contributory                            |                 |                 |                    |
| 122- Tier 2 DB Hybrid Public Safety     | 2.27%           | 26.99%          | N/A                |
| Noncontributory System                  |                 |                 |                    |
| 75- Other Div A with 4% COLA            | N/A             | 35.71%          | N/A                |
| Tier 2 DC Only                          |                 |                 |                    |
| 211- Local Government                   | N/A             | 6.69%           | 10.00%             |
| 222- Public Safety                      | N/A             | 12.99%          | 14.00%             |

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

For fiscal year ended December 31, 2021, the employer and employee contributions to the Systems were as follows:

| <u>System</u>                                  | <u>Employer Contributions</u> | <u>Employee Contributions</u> |
|--|-------------------------------|-------------------------------|
| Noncontributory System                         | \$ 1,087,853                  | N/A                           |
| Public Safety System                           | 920,809                       | -                             |
| Tier 2 Public Employees System                 | 700,386                       | -                             |
| Tier 2 Public Safety and Firefighter           | 348,033                       | 29,972                        |
| Tier 2 DC Only System                          | 47,941                        | N/A                           |
| Tier 2 DC Public Safety and Firefighter System | 32,845                        | N/A                           |
| <br>Total Contributions                        | <br><u>\$ 3,137,867</u>       | <br><u>\$ 29,972</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.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

**NOTE 7 - PENSION PLANS (CONTINUED)**

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

At December 31, 2021, we reported a net pension asset of \$0 and a net pension liability of \$942,957.

|                                      | Measurement Date: December 31, 2020 |                          |                        |  |                      |
|--------------------------------------|-------------------------------------|--------------------------|------------------------|--|----------------------|
|                                      | Net Pension<br>Asset                | Net Pension<br>Liability | Proportionate<br>Share | Proportionate Share<br>December 31, 2019 | Change<br>(Decrease) |
| Noncontributory System               | \$ -                                | \$ 392,225               | 0.7646563%             | 0.7844668%                               | -0.0198105%          |
| Public Safety System                 | -                                   | 1,607,787                | 1.9365295%             | 1.7051213%                               | 0.2314082%           |
| Tier 2 Public Employees System       | -                                   | 34,223                   | 0.2379451%             | 0.2438855%                               | -0.0059404%          |
| Tier 2 Public Safety and Firefighter | -                                   | 44,536                   | 0.4965263%             | 0.4512041%                               | 0.0453222%           |
| Total Net Pension Asset / Liability  | <u>\$ -</u>                         | <u>\$ 2,078,771</u>      |                        |  |                      |

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

For the year ended December 31, 2021, we recognized pension expense of \$1,636,194.

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

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 876,657                           | \$ 17,241                           |
| Changes in assumptions  | 53,638                               | 103,049                             |
| Net difference between projected and actual earnings on<br>pension plan investments                     | -                                    | 5,070,150                           |
| Changes in proportion and differences between contributions<br>and proportionate share of contributions | 486,294                              | 80,579                              |
| Contributions subsequent to the measurement date  | <u>3,137,867</u>                     | <u>-</u>                            |
| Total   | <u>\$ 4,554,456</u>                  | <u>\$ 5,271,019</u>                 |

\$3,137,867 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 7 - PENSION PLANS (CONTINUED)**

These contributions will be recognized as 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:

| Year Ended December 31, | Net Deferred Outflows<br>(Inflows) of Resources |
|-------------------------|---|
| 2021                    | \$ (852,203)                                    |
| 2022                    | (484,622)                                       |
| 2023                    | (1,781,297)                                     |
| 2024                    | (828,678)                                       |
| 2025                    | 13,976  |
| Thereafter              | 78,395  |

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

For the year ended December 31, 2021, we recognized pension expense of \$365,917.

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

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 526,197                           | \$ -                                |
| Changes in assumptions  | -                                    | 51,305                              |
| Net difference between projected and actual earnings on<br>pension plan investments                     | -                                    | 2,864,049                           |
| Changes in proportion and differences between contributions<br>and proportionate share of contributions | 16,539                               | 79,738                              |
| Contributions subsequent to the measurement date  | 1,087,853                            | -                                   |
| Total   | <u>\$ 1,630,589</u>                  | <u>\$ 2,995,092</u>                 |

\$1,087,853 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.



Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 7 - PENSION PLANS (CONTINUED)**

These contributions will be recognized as 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:

| Year Ended December 31, | Net Deferred Outflows<br>(Inflows) of Resources |
|-------------------------|---|
| 2021                    | \$ (655,882)                                    |
| 2022                    | (318,620)                                       |
| 2023                    | (1,003,034)                                     |
| 2024                    | (474,820)                                       |
| 2025                    | -   |
| Thereafter              | -   |

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

For the year ended December 31, 2021, we recognized pension expense of \$799,799.

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

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 295,929                           | \$ 1,556                            |
| Changes in assumptions  | -                                    | 45,728                              |
| Net difference between projected and actual earnings on<br>pension plan investments                     | -                                    | 2,077,605                           |
| Changes in proportion and differences between contributions<br>and proportionate share of contributions | 410,892                              | -                                   |
| Contributions subsequent to the measurement date  | 920,809                              | -                                   |
| Total   | <u>\$ 1,627,630</u>                  | <u>\$ 2,124,889</u>                 |

\$920,809 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 7 - PENSION PLANS (CONTINUED)**

These contributions will be recognized as 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:

| Year Ended December 31, | Net Deferred Outflows<br>(Inflows) of Resources |
|-------------------------|---|
| 2021                    | \$ (173,701)                                    |
| 2022                    | (152,177)                                       |
| 2023                    | (747,807)                                       |
| 2024                    | (344,383)                                       |
| 2025                    | -   |
| Thereafter              | -   |

***Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources***

For the year ended December 31, 2021, we recognized pension expense of \$334,918.

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

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 31,503                            | \$ 15,671                           |
| Changes in assumptions  | 43,288                               | 1,245                               |
| Net difference between projected and actual earnings on<br>pension plan investments                     | -                                    | 100,034                             |
| Changes in proportion and differences between contributions<br>and proportionate share of contributions | 50,671                               | -                                   |
| Contributions subsequent to the measurement date  | 748,327                              | -                                   |
| Total   | <u>\$ 873,789</u>                    | <u>\$ 116,950</u>                   |

\$743,327 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 7 - PENSION PLANS (CONTINUED)**

These contributions will be recognized as 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:

| Year Ended December 31, | Net Deferred Outflows<br>(Inflows) of Resources |
|-------------------------|---|
| 2021                    | \$ (17,216)                                     |
| 2022                    | (10,188)  |
| 2023                    | (23,373)  |
| 2024                    | (6,914)   |
| 2025                    | 11,532  |
| Thereafter              | 54,673  |

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

For the year ended December 31, 2021, we recognized pension expense of \$135,560.

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

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 23,028                            | \$ 14                               |
| Changes in assumptions  | 10,350                               | 4,771                               |
| Net difference between projected and actual earnings on<br>pension plan investments                     | -                                    | 28,462                              |
| Changes in proportion and differences between contributions<br>and proportionate share of contributions | 8,192                                | 841                                 |
| Contributions subsequent to the measurement date  | 380,878                              | -                                   |
| Total   | <u>\$ 422,448</u>                    | <u>\$ 34,088</u>                    |

\$380,878 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 7 - PENSION PLANS (CONTINUED)**

These contributions will be recognized as 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:

| Year Ended December 31, | Net Deferred Outflows<br>(Inflows) of Resources |
|-------------------------|---|
| 2021                    | \$ (5,404)                                      |
| 2022                    | (3,636)   |
| 2023                    | (7,083)   |
| 2024                    | (2,561)   |
| 2025                    | 2,444   |
| Thereafter              | 23,721  |

***Actuarial Assumptions***

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

**NOTE 7 - PENSION PLANS (CONTINUED)**

| Asset Class               | Expected Return Arithmetic Basis   |                              |  |
|---------------------------|------------------------------------|------------------------------|--|
|                           | Target Asset Allocation            | Real Return Arithmetic Basis | Long-Term Expected Portfolio Real Rate of Return |
| Equity securities         | 37.00%                             | 6.30%                        | 2.33%  |
| Debt securities           | 20.00%                             | 0.00%                        | 0.00%  |
| Real assets               | 15.00%                             | 6.19%                        | 0.93%  |
| Private equity            | 12.00%                             | 9.50%                        | 1.14%  |
| Absolute return           | 16.00%                             | 2.75%                        | 0.44%  |
| Cash and cash equivalents | 0.00%                              | 0.00%                        | 0.00%  |
| Totals                    | 100.00%                            |                              | 4.84%  |
|                           | Inflation                          |                              | 2.50%  |
|                           | Expected arithmetic nominal return |                              | 7.34%  |

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

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

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

| System                               | 1% Decrease<br>or 5.95% | Discount Rate<br>or 6.95% | 1% Increase<br>or 7.95% |
|--------------------------------------|-------------------------|---------------------------|-------------------------|
| Noncontributory System               | \$ 6,800,016            | \$ 392,225                | \$ (4,949,633)          |
| Public Safety System                 | 6,787,834               | 1,607,787                 | (2,598,402)             |
| Tier 2 Public Employees System       | 575,873                 | 34,223                    | (380,125)               |
| Tier 2 Public Safety and Firefighter | 209,971                 | 44,536                    | (87,410)                |
| Total                                | \$ 14,373,694           | \$ 2,078,771              | \$ (8,015,570)          |

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

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 7 - PENSION PLANS (CONTINUED)**

**Defined Contribution Savings Plan**

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

The 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:

|                        | 2021       | 2020       | 2019       |
|------------------------|------------|------------|------------|
| 401(k) Plan            |            |            |            |
| Employer Contributions | \$ 432,726 | \$ 406,610 | \$ 377,393 |
| Employee Contributions | 260,768    | 229,192    | 175,815    |
| 457 (b) Plan           |            |            |            |
| Employer Contributions | -          | -          | -          |
| Employee Contributions | 81,562     | 87,562     | 43,086     |
| Roth IRA Plan          |            |            |            |
| Employer Contributions | N/A        | N/A        | N/A        |
| Employee Contributions | 58,651     | 53,680     | 45,889     |

**NOTE 8 - BLUEBENCH LANDFILL**

The County purchased a one-half interest in Bluebench Landfill from Duchesne County on July 11, 1995, and entered into an interlocal agreement to jointly own, maintain, use and manage the landfill. On December 14, 1998, Wasatch and Duchesne Counties created the Duchesne/Wasatch County Special Service District and transferred all assets and of the landfill to the District. Both counties jointly govern the operations, maintenance, usage and management liabilities of the District. Each county's share of the net income or loss is allocated and reported based on each county's share of the fee revenue generated by the County. The County has recorded this equity interest in the Wasatch County Solid Waste Special Service District, which is an enterprise fund of the County. This equity interest represents the initial investment by the County adjusted by its share of the net income or loss since the investment.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

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**NOTE 8 - BLUEBENCH LANDFILL (CONTINUED)**

Below is a condensed summary of the 2021 financial statements of the District:

|   | <b>At June 30, 2021</b> |
|---|-------------------------|
| Assets and deferred outflows                          | \$ 5,082,604            |
| Liabilities and deferred inflows                      | 4,066,962               |
| Total net position                                    | <u>\$ 1,015,642</u>     |
| <br><b>For the Year Ended</b><br><b>June 30, 2021</b> |                         |
| Total operating revenue                               | \$ 1,762,866            |
| Total operating expenses                              | (1,438,350)             |
| Nonoperating revenue and expense                      | 371,515                 |
| Change in net position                                | <u>\$ 696,031</u>       |

A complete copy of the District's audited financial statements as of December 31, 2021 is available at the Duchesne County offices or at the Wasatch County Clerk/Auditor's office.

**NOTE 9 – TRANSFERS**

The following is a summary of inter-fund transfers during 2021:

|                              | <b>Transfers In</b> | <b>Transfers Out</b> |
|------------------------------|---------------------|----------------------|
| General fund                 | \$ 90,000           | \$ 5,083,000         |
| Municipal Building Authority | 800,000             | -                    |
| Convention Bureau            | -                   | 590,000              |
| Special Events Center        | 5,000,000           | -                    |
| Tourist and Recreation       | -                   | 300,000              |
| Debt Service                 | 83,000              | -                    |
| Total                        | <u>\$ 5,973,000</u> | <u>\$ 5,973,000</u>  |

**NOTE 10 - OTHER INFORMATION**

*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; and natural disasters for which the government carries commercial insurance. The County also carries commercial workers' compensation insurance. There were no significant reductions in coverage from the prior year, and settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

**NOTE 10 - OTHER INFORMATION (CONTINUED)**

*Subsequent events*

Subsequent events have been evaluated through June 30, 2022, the date that the financial statements were available to be issued. There have been no subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet.

**NOTE 11 – CONDENSED FINANCIAL STATEMENTS – DISCRETELY PRESENTED COMPONENT UNITS**

Condensed statement of Discretely Presented Component Units Governmental Activities:

|  | <u>Governmental Activities</u>                            |  |  | <u>Total<br/>Governmental<br/>Activities</u> |
|--|---|--|--|--|
|  | <u>Wasatch County<br/>Special Service<br/>District #9</u> | <u>Heber Valley<br/>Tourism and<br/>Economic<br/>Development</u> | <u>Wasatch County<br/>Fire Protection<br/>Special Service<br/>District</u> |  |
| <b><u>ASSETS</u></b>                             |   |  |  |  |
| Cash and investments                             | \$ 1,275,436  | \$ 424,430   | \$ 8,268,093   | \$ 9,967,959                                 |
| Restricted cash and investments                  | -   | -  | 497,824  | 497,824                                      |
| Receivables:                                     |   |  |  |  |
| Accounts, net of allowance                       | -   | 1,800  | 132,290  | 134,090                                      |
| Due from other governments                       | -   | -  | 1,378,216  | 1,378,216                                    |
| Prepaid and other assets                         | -   | -  | 810  | 810  |
| Other assets                                     | -   | -  | 2,500  | 2,500  |
| Net pension asset                                | -   | -  | 1,014,716  | 1,014,716                                    |
| Capital assets not being depreciated:            |   |  |  |  |
| Land, easements, and water rights                | -   | -  | 2,441,442  | 2,441,442                                    |
| Construction-in-progress                         | -   | -  | 474,624  | 474,624                                      |
| Capital assets, net of accumulated depreciation: |   |  |  |  |
| Buildings and improvements                       | -   | 5,593  | 943,744  | 949,337                                      |
| Machinery and equipment                          | -   | 40,000   | 3,353,870  | 3,393,870                                    |
| Infrastructure                                   | 1,053,353   | -  | -  | 1,053,353                                    |
| <b>Total assets</b>                              | <b>2,328,789</b>  | <b>471,823</b>   | <b>18,508,129</b>  | <b>21,308,741</b>                            |
| Deferred outflows of resources:                  |   |  |  |  |
| Deferred outflows related to pensions            | -   | -  | 588,234  | 588,234                                      |
| <b>Total deferred outflows of resources</b>      | <b>-</b>  | <b>-</b>   | <b>588,234</b>   | <b>588,234</b>                               |
| <b><u>LIABILITIES</u></b>                        |   |  |  |  |
| Current liabilities:                             |   |  |  |  |
| Accounts payable and accrued liabilities         | 540   | 10,937   | 458,647  | 470,124                                      |
| Noncurrent liabilities:                          |   |  |  |  |
| Compensated absences                             | -   | -  | 483,341  | 483,341                                      |
| Net pension liability                            | -   | -  | 35,659   | 35,659                                       |
| <b>Total liabilities</b>                         | <b>540</b>  | <b>10,937</b>  | <b>977,647</b>   | <b>989,124</b>                               |
| Deferred inflows of resources:                   |   |  |  |  |
| Deferred inflows related to pensions             | -   | -  | 766,151  | 766,151                                      |
| <b>Total deferred inflows of resources</b>       | <b>-</b>  | <b>-</b>   | <b>766,151</b>   | <b>766,151</b>                               |
| <b><u>NET POSITION</u></b>                       |   |  |  |  |
| Net investment in capital assets                 | 1,053,353   | 45,593   | 7,187,185  | 8,286,131                                    |
| Restricted for:                                  |   |  |  |  |
| Capital outlay                                   | 1,274,896   | -  | 277,824  | 1,552,720                                    |
| Other purposes                                   | -   | -  | 1,104,171  | 1,104,171                                    |
| Unrestricted                                     | -   | 415,293  | 8,783,385  | 9,198,678                                    |
| <b>Total net position</b>                        | <b>\$ 2,328,249</b>                                       | <b>\$ 460,886</b>  | <b>\$ 17,352,565</b>   | <b>\$ 20,141,700</b>                         |



Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

**NOTE 11 – CONDENSED FINANCIAL STATEMENTS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)**

Business-Type Activities and total discrete component units (continued from previous page):

|  | Business-Type Activities              |  |                                     |                      |                        |                                |                              | Total Business-Type Activities |
|--|---------------------------------------|--|-------------------------------------|----------------------|------------------------|--------------------------------|------------------------------|--------------------------------|
|  | Heber Valley Special Service District | Timberlakes Water Speckal Service District | Jordanelle Special Service District | Twin Creeks District | North Village District | Wasatch County Service Area #1 | Strawberry Lakeview District |                                |
| <b>ASSETS</b>                                    |                                       |  |                                     |                      |                        |                                |                              |                                |
| Cash and investments                             | \$ 1,059,166                          | \$ 746,570                                 | \$ 13,237,612                       | \$ 5,311,724         | \$ 4,066,061           | \$ 2,268,550                   | \$ 66,466                    | \$ 26,756,149                  |
| Restricted cash and investments                  | 6,595,811                             | 268,827                                    | 16,997,752                          | 2,734,417            | 263,894                | -                              | -                            | 26,860,701                     |
| Receivables:                                     |                                       |  |                                     |                      |                        |                                |                              |                                |
| Accounts, net of allowance                       | -                                     | 130,525                                    | 2,603,835                           | 1,338,562            | 142,398                | 141,256                        | 4,912                        | 4,361,488                      |
| Other  | 125,999                               | 2,613,577                                  | 6,054,072                           | 7,559,208            | -                      | -                              | -                            | 16,352,856                     |
| Prepaid and other assets                         | -                                     | 3,363                                      | 12,139                              | 16,062               | 5,035                  | -                              | -                            | 36,599                         |
| Other assets                                     | 11,455                                | -  | 389,272                             | -                    | -                      | -                              | -                            | 400,727                        |
| Capital assets not being depreciated:            |                                       |  |                                     |                      |                        |                                |                              |                                |
| Land, easements, and water rights                | 8,842,991                             | 1,646,289                                  | 34,933,029                          | 35,460,977           | 7,716,285              | -                              | -                            | 88,599,571                     |
| Infrastructure                                   | -                                     | -  | -                                   | 1,416,662            | -                      | -                              | -                            | 1,416,662                      |
| Construction-in-progress                         | -                                     | -  | 2,752,866                           | 313,581              | 20,881                 | -                              | -                            | 3,087,328                      |
| Capital assets, net of accumulated depreciation: |                                       |  |                                     |                      |                        |                                |                              |                                |
| Buildings and improvements                       | 9,069,196                             | 167,368                                    | 40,488,971                          | 4,272,060            | -                      | -                              | -                            | 53,997,595                     |
| Machinery and equipment                          | -                                     | 216,476                                    | 1,386,564                           | -                    | -                      | -                              | 216,270                      | 1,819,310                      |
| Infrastructure                                   | -                                     | 8,205,306                                  | 64,370,594                          | 34,653,235           | 8,215,969              | 2,191                          | -                            | 115,447,295                    |
| <b>Total assets</b>                              | <b>25,704,618</b>                     | <b>13,998,301</b>                          | <b>183,226,706</b>                  | <b>93,076,488</b>    | <b>20,430,523</b>      | <b>2,411,997</b>               | <b>287,648</b>               | <b>339,136,281</b>             |
| Deferred outflows of resources:                  |                                       |  |                                     |                      |                        |                                |                              |                                |
| Deferred outflows related to pensions            | 59,892                                | 90,344                                     | 602,225                             | -                    | -                      | -                              | -                            | 752,461                        |
| Deferred loss on debt refunding                  | -                                     | 484,635                                    | -                                   | -                    | -                      | -                              | -                            | 484,635                        |
| <b>Total deferred outflows of resources</b>      | <b>59,892</b>                         | <b>574,979</b>                             | <b>602,225</b>                      | <b>-</b>             | <b>-</b>               | <b>-</b>                       | <b>-</b>                     | <b>1,237,096</b>               |
| <b>LIABILITIES</b>                               |                                       |  |                                     |                      |                        |                                |                              |                                |
| Current liabilities:                             |                                       |  |                                     |                      |                        |                                |                              |                                |
| Accounts payable and accrued liabilities         | 158,834                               | 44,920                                     | 2,170,725                           | 500,142              | 267,644                | -                              | 20,891                       | 3,163,156                      |
| Bonds and deposits held                          | -                                     | -  | 210,279                             | 119,037              | 72,391                 | 167,619                        | -                            | 569,326                        |
| Bonds payable                                    | -                                     | 403,000                                    | 651,868                             | 1,031,000            | -                      | -                              | -                            | 2,085,868                      |
| Notes payable                                    | -                                     | -  | 395,239                             | 21,240               | -                      | -                              | -                            | 416,479                        |
| Noncurrent liabilities:                          |                                       |  |                                     |                      |                        |                                |                              |                                |
| Bonds payable                                    | -                                     | 3,424,000                                  | 8,107,091                           | 13,680,890           | -                      | -                              | -                            | 25,211,981                     |
| Water reservation escrows                        | -                                     | -  | 4,102,685                           | -                    | -                      | -                              | -                            | 4,102,685                      |
| Notes payable                                    | -                                     | -  | 470,602                             | 61,265               | -                      | -                              | -                            | 531,867                        |
| Compensated absences                             | -                                     | 65,154                                     | 642,669                             | -                    | -                      | -                              | -                            | 707,823                        |
| Net pension liability                            | 11,185                                | 12,508                                     | 91,142                              | -                    | -                      | -                              | -                            | 114,835                        |
| <b>Total liabilities</b>                         | <b>170,019</b>                        | <b>3,949,582</b>                           | <b>16,842,300</b>                   | <b>15,413,574</b>    | <b>340,035</b>         | <b>167,619</b>                 | <b>20,891</b>                | <b>36,904,020</b>              |
| Deferred inflows of resources:                   |                                       |  |                                     |                      |                        |                                |                              |                                |
| Related to leases                                | -                                     | -  | 194,539                             | 6,000                | -                      | -                              | -                            | 200,539                        |
| Related to pensions                              | 83,373                                | 100,900                                    | 651,983                             | -                    | -                      | -                              | -                            | 836,256                        |
| <b>Total deferred inflows of resources</b>       | <b>83,373</b>                         | <b>100,900</b>                             | <b>846,522</b>                      | <b>6,000</b>         | <b>-</b>               | <b>-</b>                       | <b>-</b>                     | <b>1,036,795</b>               |
| <b>NET POSITION</b>                              |                                       |  |                                     |                      |                        |                                |                              |                                |
| Net investment in capital assets                 | 17,912,187                            | 7,035,289                                  | 134,893,299                         | 61,404,052           | 15,931,041             | 2,191                          | 216,270                      | 237,394,329                    |
| Restricted for:                                  |                                       |  |                                     |                      |                        |                                |                              |                                |
| Capital outlay                                   | 6,595,811                             | -  | 11,784,892                          | 873,038              | 157,674                | -                              | -                            | 19,411,415                     |
| Debt service                                     | -                                     | 2,695,100                                  | 7,425,216                           | 10,253,851           | -                      | -                              | -                            | 20,374,167                     |
| Unrestricted                                     | 1,003,120                             | 792,409                                    | 12,036,702                          | 5,125,973            | 4,001,773              | 2,242,187                      | 50,487                       | 25,252,651                     |
| <b>Total net position</b>                        | <b>\$ 25,511,118</b>                  | <b>\$ 10,522,798</b>                       | <b>\$ 166,140,109</b>               | <b>\$ 77,656,914</b> | <b>\$ 20,090,488</b>   | <b>\$ 2,244,378</b>            | <b>\$ 266,757</b>            | <b>\$ 302,432,562</b>          |

Wasatch County, Utah  
Notes to the Financial Statements (Continued)  
For the Year December 31, 2021

**NOTE 11 – CONDENSED FINANCIAL STATEMENTS – DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)**

Condensed Statement of Activities of Discretely Presented Component Units:

| Function/Programs                           | Program Revenues |                         |  |  | Net (Expense) Revenues<br>and Changes in Net Position |                             |                |
|---|------------------|-------------------------|--|--|---|-----------------------------|----------------|
|   | Expenses         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital Grants<br>and<br>Contributions | Primary Government                                    |                             |                |
|   |                  |                         |  |  | Governmental<br>Activities                            | Business-type<br>Activities | Total          |
| Component Units:                            |                  |                         |  |  |   |                             |                |
| Governmental activities                     |                  |                         |  |  |   |                             |                |
| Heber Valley Tourism & Economic Development | \$ 1,259,700     | \$ 54,542               | \$ 1,180,274                             | \$ -                                   | \$ (24,884)   |                             | \$ (24,884)    |
| Wasatch County Fire Protection SSD          | 5,764,541        | 4,214,746               | 19,550                                   | 347,059                                | (1,183,186)   |                             | (1,183,186)    |
| Wasatch County SSD #9                       | 338,004          | -                       | -  | 495,712                                | 157,708   |                             | 157,708        |
| Total governmental activities               | 7,362,245        | 4,269,288               | 1,199,824                                | 842,771                                | (1,050,362)   |                             | (1,050,362)    |
| Business-type activities                    |                  |                         |  |  |   |                             |                |
| Wasatch County Service Area #1              | 1,053,334        | 1,075,697               | -  | -                                      |   | 22,363                      | 22,363         |
| Heber Valley SSD                            | 1,733,631        | 928,763                 | -  | 1,472,863                              |   | 667,995                     | 667,995        |
| Jordanelle SSD                              | 12,704,300       | 12,902,646              | -  | 11,196,571                             |   | 11,394,917                  | 11,394,917     |
| North Village SSD                           | 1,647,154        | 1,672,838               | -  | 592,086                                |   | 617,770                     | 617,770        |
| Strawberry Lakeview SSD                     | 56,348           | 52,795                  | -  | -                                      |   | (3,553)                     | (3,553)        |
| Timberlakes Water SSD                       | 1,297,088        | 1,122,475               | -  | -                                      |   | (174,613)                   | (174,613)      |
| Twin Creeks SSD                             | 3,995,629        | 3,385,480               | -  | 4,674,596                              |   | 4,064,447                   | 4,064,447      |
| Total business-type activities              | 22,487,484       | 21,140,694              | -  | 17,936,116                             |   | 16,589,326                  | 16,589,326     |
| Total Component Units                       | \$ 29,849,729    | \$ 25,409,982           | \$ 1,199,824                             | \$ 18,778,887                          | (1,050,362)   | 16,589,326                  | 15,538,964     |
| <b>General Revenues:</b>                    |                  |                         |  |  |   |                             |                |
| Bond interest assessment                    |                  |                         |  |  | -   | 1,543,503                   | 1,543,503      |
| Interest income                             |                  |                         |  |  | 24,482  | 180,509                     | 204,991        |
| Gain/loss on sale of assets                 |                  |                         |  |  | 82,101  | (5,095,489)                 | (5,013,388)    |
| Taxes - advalorem                           |                  |                         |  |  | 5,697,841   | -                           | 5,697,841      |
| Miscellaneous                               |                  |                         |  |  | 83,083  | 89,170                      | 172,253        |
| Total general revenue                       |                  |                         |  |  | 5,887,507   | (3,282,307)                 | 2,605,200      |
| Change in net position                      |                  |                         |  |  | 4,837,145   | 13,307,019                  | 18,144,164     |
| Net position - beginning                    |                  |                         |  |  | 15,304,555  | 289,125,543                 | 304,430,098    |
| Net position - ending                       |                  |                         |  |  | \$ 20,141,700   | \$ 302,432,562              | \$ 322,574,262 |

## REQUIRED SUPPLEMENTAL INFORMATION

# Wasatch County, Utah

## Condition Rating of County's Road System

### For the Year Ended December 31, 2021

|                | Good/Fair Conditions |              |              |              |              |              |              |
|----------------|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                | Total Miles          | Total Miles  | Total Miles  | Total Miles  | Total Miles  | Total Miles  | Total Miles  |
|                | 2015                 | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
|                |                      |              |              |              |              |              |              |
| <b>Paved</b>   | 156.1                | 128.4        | 128.4        | 128.4        | 128.4        | 165.0        | 173.1        |
| <b>Gravel</b>  | 114.0                | 101.6        | 101.6        | 101.6        | 101.6        | 97.5         | 104.5        |
| <b>Dirt</b>    | 28.4                 | 13.5         | -            | -            | -            | 22.5         | 22.5         |
| <b>Overall</b> | <b>298.5</b>         | <b>243.5</b> | <b>230.0</b> | <b>230.0</b> | <b>230.0</b> | <b>284.9</b> | <b>300.0</b> |

|                | Percentage of Lane Miles in Good or Better Conditions |               |               |               |               |               |                |
|----------------|---|---------------|---------------|---------------|---------------|---------------|----------------|
|                | 2015  | 2016          | 2017          | 2018          | 2019          | 2020          | 2021           |
|                |   |               |               |               |               |               |                |
|                |   |               |               |               |               |               |                |
| <b>Paved</b>   | 95.12%  | 94.13%        | 94.13%        | 94.13%        | 94.13%        | 95.10%        | 100.00%        |
| <b>Gravel</b>  | 93.44%  | 92.70%        | 92.70%        | 92.70%        | 92.70%        | 93.30%        | 100.00%        |
| <b>Dirt</b>    | 75.94%  | 59.93%        | 100.00%       | 100.00%       | 100.00%       | 100.00%       | 100.00%        |
| <b>Overall</b> | <b>92.27%</b>   | <b>90.69%</b> | <b>93.50%</b> | <b>93.50%</b> | <b>93.50%</b> | <b>94.84%</b> | <b>100.00%</b> |

|                | Substandard Conditions |             |             |             |             |             |             |
|----------------|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                | Total Miles            | Total Miles | Total Miles | Total Miles | Total Miles | Total Miles | Total Miles |
|                | 2015                   | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        |
|                |                        |             |             |             |             |             |             |
| <b>Paved</b>   | 8.0                    | 8.0         | 8.0         | 8.0         | 8.0         | 8.5         | -           |
| <b>Gravel</b>  | 8.0                    | 8.0         | 8.0         | 8.0         | 8.0         | 7.0         | -           |
| <b>Dirt</b>    | 9.0                    | 9.0         | -           | -           | -           | -           | -           |
| <b>Overall</b> | <b>25.0</b>            | <b>25.0</b> | <b>16.0</b> | <b>16.0</b> | <b>16.0</b> | <b>15.5</b> | <b>-</b>    |

|                | Percentage of Lane Miles in Substandard Conditions |              |              |              |              |              |              |
|----------------|--|--------------|--------------|--------------|--------------|--------------|--------------|
|                | 2015   | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
|                |  |              |              |              |              |              |              |
|                |  |              |              |              |              |              |              |
| <b>Paved</b>   | 4.88%  | 5.87%        | 5.87%        | 5.87%        | 5.87%        | 4.90%        | 0.00%        |
| <b>Gravel</b>  | 6.56%  | 7.30%        | 7.30%        | 7.30%        | 7.30%        | 6.70%        | 0.00%        |
| <b>Dirt</b>    | 24.06%   | 40.07%       | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        |
| <b>Overall</b> | <b>7.73%</b>                                       | <b>9.31%</b> | <b>6.50%</b> | <b>6.50%</b> | <b>6.50%</b> | <b>5.16%</b> | <b>0.00%</b> |

|                   | Comparison of Needed to Actual Maintenance/Preservation |              |              |              |              |              |               |
|-------------------|---|--------------|--------------|--------------|--------------|--------------|---------------|
|                   | Total Miles   | Total Miles  | Total Miles  | Total Miles  | Total Miles  | Total Miles  | Total Miles   |
|                   | 2015  | 2016         | 2017         | 2018         | 2019         | 2020         | 2021          |
|                   |   |              |              |              |              |              |               |
| <b>Paved:</b>     |   |              |              |              |              |              |               |
| Needed            | 8.00  | 8.00         | 0.00         | 5.99         | 17.38        | 17.38        | 15.00         |
| Actual            | 6.00  | 6.00         | 0.00         | 5.99         | 17.38        | 17.38        | 15.00         |
| <b>Gravel:</b>    |   |              |              |              |              |              |               |
| Needed            | 8.00  | 8.00         | 13.50        | 13.50        | 13.50        | 13.50        | 95.50         |
| Actual            | 0.00  | 0.00         | 13.50        | 13.00        | 13.00        | 13.50        | 95.50         |
| <b>Dirt:</b>      |   |              |              |              |              |              |               |
| Needed            | 9.00  | 9.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00          |
| Actual            | 0.00  | 0.00         | 0.00         | 0.00         | 0.00         | 0.00         | 0.00          |
| <b>Overall:</b>   |   |              |              |              |              |              |               |
| Needed            | <b>25.00</b>  | <b>25.00</b> | <b>13.50</b> | <b>19.49</b> | <b>30.88</b> | <b>30.88</b> | <b>110.50</b> |
| Actual            | <b>6.00</b>   | <b>6.00</b>  | <b>13.50</b> | <b>18.99</b> | <b>30.38</b> | <b>30.88</b> | <b>110.50</b> |
| <b>Difference</b> | <b>19.00</b>  | <b>19.00</b> | <b>0.00</b>  | <b>0.50</b>  | <b>0.50</b>  | <b>0.00</b>  | <b>0.00</b>   |

|                   | Percentage of Lane Miles Maintained/Preserved |               |              |              |              |              |              |
|-------------------|---|---------------|--------------|--------------|--------------|--------------|--------------|
|                   | 2015  | 2016          | 2017         | 2018         | 2019         | 2020         | 2021         |
|                   |   |               |              |              |              |              |              |
|                   |   |               |              |              |              |              |              |
| <b>Paved:</b>     |   |               |              |              |              |              |              |
| Actual            | 75.00%  | 75.00%        | 0.00%        | 100.00%      | 100.00%      | 100.00%      | 100.00%      |
| <b>Gravel:</b>    |   |               |              |              |              |              |              |
| Actual            | 0.00%   | 0.00%         | 100.00%      | 96.30%       | 96.30%       | 100.00%      | 100.00%      |
| <b>Dirt:</b>      |   |               |              |              |              |              |              |
| Actual            | 0.00%   | 0.00%         | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        |
| <b>Overall:</b>   |   |               |              |              |              |              |              |
| Actual            | 24.00%  | 24.00%        | 100.00%      | 97.43%       | 98.38%       | 100.00%      | 100.00%      |
| <b>Difference</b> | <b>76.00%</b>                                 | <b>76.00%</b> | <b>0.00%</b> | <b>2.57%</b> | <b>1.62%</b> | <b>0.00%</b> | <b>0.00%</b> |

The condition of road pavement is measured using the American Association of State Highway and Transportation Officials (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 failed pavement to 100 for pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-60), and substandard condition (<50). It is County policy to maintain at least 60 percent of its road system at a good or fair condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

Wasatch County, Utah  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 Budget and Actual – General Fund  
 For the Year Ended December 31, 2021

|                                  | Budgeted Amounts     |                      | Actual<br>Amounts    | Variance with<br>Final Budget |
|----------------------------------|----------------------|----------------------|----------------------|-------------------------------|
|                                  | Original             | Final                |                      |                               |
| <b>REVENUES</b>                  |                      |                      |                      |                               |
| Taxes                            | \$ 17,607,386        | \$ 17,607,386        | \$ 20,577,957        | \$ 2,970,571                  |
| Licenses and permits             | 2,226,000            | 2,226,000            | 6,466,588            | 4,240,588                     |
| Intergovernmental                | 6,687,963            | 6,687,963            | 5,919,391            | (768,572)                     |
| Charges for services             | 3,311,860            | 3,311,860            | 3,440,749            | 128,889                       |
| Fines and forfeitures            | 633,500              | 633,500              | 467,753              | (165,747)                     |
| Other revenue                    | 198,250              | 198,250              | 280,888              | 82,638                        |
| Interest Income                  | 187,500              | 187,500              | 62,590               | (124,910)                     |
| <b>Total revenues</b>            | <b>\$ 30,852,459</b> | <b>\$ 30,852,459</b> | <b>\$ 37,215,916</b> | <b>\$ 6,363,457</b>           |
| <b>EXPENDITURES</b>              |                      |                      |                      |                               |
| General government:              |                      |                      |                      |                               |
| County Manager                   | 756,592              | 756,592              | 549,201              | 207,391                       |
| Board of Council                 | 359,753              | 359,753              | 311,614              | 48,139                        |
| District Court                   | 16,750               | 16,750               | 13,865               | 2,885                         |
| Justice Court                    | 386,560              | 386,560              | 341,480              | 45,080                        |
| Children's Justice Center        | 128,703              | 128,703              | 114,289              | 14,414                        |
| Central Purchasing               | 282,000              | 282,000              | 279,882              | 2,118                         |
| Personnel                        | 221,007              | 221,007              | 221,327              | (320)                         |
| Clerk                            | 717,267              | 717,267              | 663,839              | 53,428                        |
| Treasurer                        | 432,687              | 432,687              | 434,689              | (2,002)                       |
| Recorder                         | 516,391              | 516,391              | 523,719              | (7,328)                       |
| Attorney                         | 1,135,797            | 1,135,797            | 1,068,392            | 67,405                        |
| Assessor                         | 980,463              | 980,463              | 965,159              | 15,304                        |
| Surveyor                         | 338,000              | 338,000              | 327,422              | 10,578                        |
| Engineer Master Plan             | 328,435              | 328,435              | 337,016              | (8,581)                       |
| Government Buildings             | 909,884              | 909,884              | 578,574              | 331,310                       |
| Elections                        | 78,575               | 78,575               | 74,838               | 3,737                         |
| Planning and Zoning              | 778,106              | 778,106              | 634,856              | 143,250                       |
| Legislative code and public land | 36,500               | 36,500               | 35,500               | 1,000                         |
| Building inspector               | 1,328,724            | 1,328,724            | 1,152,455            | 176,269                       |
| ARPA                             | 3,310,889            | 3,310,889            | 3,312,327            | (1,438)                       |
| <b>Total general government</b>  | <b>13,043,083</b>    | <b>13,043,083</b>    | <b>11,940,444</b>    | <b>1,102,639</b>              |
| Public Safety:                   |                      |                      |                      |                               |
| Sheriff's office patrol          | 2,537,925            | 2,537,925            | 2,575,270            | (37,345)                      |
| Sheriff's office admin           | 1,498,527            | 1,498,527            | 1,492,476            | 6,051                         |
| Court security                   | 403,494              | 403,494              | 275,037              | 128,457                       |
| Sheriff's office dispatch        | 872,339              | 872,339              | 864,269              | 8,070                         |
| Search and rescue                | 460,318              | 460,318              | 448,023              | 12,295                        |
| Sheriff's office investigations  | 1,800,810            | 1,800,810            | 1,826,277            | (25,467)                      |
| Ambulance                        | -                    | -                    | 324                  | (324)                         |
| Fire Department Wildland         | 505,025              | 505,025              | 519,515              | (14,490)                      |
| Sheriff's office corrections     | 2,992,450            | 2,992,450            | 2,999,141            | (6,691)                       |
| Weed and pest control            | 307,648              | 307,648              | 239,147              | 68,501                        |
| Animal control and regulations   | 126,000              | 126,000              | 104,328              | 21,672                        |
| Emergency management             | 112,497              | 112,497              | 86,598               | 25,899                        |
| Indigent                         | 4,000                | 4,000                | 2,888                | 1,112                         |
| Victim advocate                  | 148,905              | 148,905              | 139,506              | 9,399                         |
| Jail                             | 133,300              | 133,300              | 100,056              | 33,244                        |
| <b>Total public safety</b>       | <b>11,903,238</b>    | <b>11,903,238</b>    | <b>11,672,855</b>    | <b>230,383</b>                |

Wasatch County, Utah  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual – General Fund (Continued)  
For the Year Ended December 31, 2021

|  | Budgeted Amounts      |                       | Actual<br>Amounts    | Variance with<br>Final Budget |
|--|-----------------------|-----------------------|----------------------|-------------------------------|
|  | Original              | Final                 |                      |                               |
| Public health and welfare:   |                       |                       |                      |                               |
| Mental Health  | \$ 1,808,824          | \$ 1,808,824          | \$ 549,303           | \$ 1,259,521                  |
| <b>Total public health and welfare</b>                               | <b>1,808,824</b>      | <b>1,808,824</b>      | <b>549,303</b>       | <b>1,259,521</b>              |
| Public works:  |                       |                       |                      |                               |
| Roads and highways   | 2,556,509             | 2,556,509             | 2,219,797            | 336,712                       |
| <b>Total public works</b>  | <b>2,556,509</b>      | <b>2,556,509</b>      | <b>2,219,797</b>     | <b>336,712</b>                |
| Parks, recreation, and culture:                                      |                       |                       |                      |                               |
| Flood control  | 76,150                | 76,150                | (14,501)             | 90,651                        |
| Recreation TV  | 23,200                | 23,200                | 2,972                | 20,228                        |
| Extension service  | 249,076               | 249,076               | 210,451              | 38,625                        |
| <b>Total parks, recreation, and culture</b>                          | <b>348,426</b>        | <b>348,426</b>        | <b>198,922</b>       | <b>149,504</b>                |
| Other expenditures:  |                       |                       |                      |                               |
| Intergovernmental  | 647,067               | 647,067               | 565,113              | 81,954                        |
| <b>Total other expenditures</b>                                      | <b>647,067</b>        | <b>647,067</b>        | <b>565,113</b>       | <b>81,954</b>                 |
| Debt service:  |                       |                       |                      |                               |
| Interest and fiscal charges  | 33,000                | 33,000                | 32,873               | 127                           |
| <b>Total debt service</b>  | <b>33,000</b>         | <b>33,000</b>         | <b>32,873</b>        | <b>127</b>                    |
| <b>Total expenditures</b>  | <b>30,340,147</b>     | <b>30,340,147</b>     | <b>27,179,307</b>    | <b>3,160,840</b>              |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>512,312</b>        | <b>512,312</b>        | <b>10,036,609</b>    | <b>3,202,617</b>              |
| <u>OTHER FINANCING SOURCES (USES)</u>                                |                       |                       |                      |                               |
| Transfers in   | 90,000                | 90,000                | 90,000               | -                             |
| Transfers out  | (5,083,000)           | (5,083,000)           | (5,083,000)          | -                             |
| <b>Net change in fund balance</b>                                    | <b>\$ (4,480,688)</b> | <b>\$ (4,480,688)</b> | <b>5,043,609</b>     | <b>\$ 3,202,617</b>           |
| <b>Fund balance at beginning of year</b>                             |                       |                       | <b>14,732,688</b>    |                               |
| <b>Fund balance at end of year</b>                                   |                       |                       | <b>\$ 19,776,297</b> |                               |

Wasatch County, Utah

Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual – Municipal Building Authority  
For the Year Ended December 31, 2021

|  | Budgeted Amounts |                | Actual<br>Amounts | Variance with<br>Final Budget |
|--|------------------|----------------|-------------------|-------------------------------|
|  | Original         | Final          |                   |                               |
| <u>REVENUES</u>  |                  |                |                   |                               |
| Lease and rental revenue   | \$ 421,880       | \$ 421,880     | \$ -              | \$ (421,880)                  |
| Interest income  | 5,000            | 5,000          | 21,496            | 16,496                        |
| <b>Total revenues</b>  | 426,880          | 426,880        | 21,496            | (405,384)                     |
| <u>EXPENDITURES</u>  |                  |                |                   |                               |
| Capital outlay   | 2,300,000        | 2,300,000      | 2,300,000         | -                             |
| Debt service and other fiscal charges                                | 7,215,648        | 7,215,648      | 6,129,215         | 1,086,433                     |
| <b>Total expenditures</b>  | 9,515,648        | 9,515,648      | 8,429,215         | 1,086,433                     |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | (9,088,768)      | (9,088,768)    | (8,407,719)       | 681,049                       |
| <u>OTHER FINANCING SOURCES (USES)</u>                                |                  |                |                   |                               |
| Proceeds from issuance of debt                                       | 5,362,773        | 5,362,773      | 5,362,773         | -                             |
| Transfers in   | 800,000          | 800,000        | 800,000           | -                             |
| <b>Net change in fund balance</b>                                    | \$ (2,925,995)   | \$ (2,925,995) | (2,244,946)       | \$ 681,049                    |
| <b>Fund balance at beginning of year</b>                             |                  |                | 5,935,990         |                               |
| <b>Fund balance at end of year</b>                                   |                  |                | \$ 3,691,044      |                               |

Wasatch County, Utah  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 Budget and Actual – Convention Bureau  
 For the Year Ended December 31, 2021

|  | <u>Budgeted Amounts</u> |                   | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget</u> |
|--|-------------------------|-------------------|---------------------------|---------------------------------------|
|  | <u>Original</u>         | <u>Final</u>      |                           |                                       |
| <u>REVENUES</u>  |                         |                   |                           |                                       |
| Taxes  | \$ 2,880,000            | \$ 2,880,000      | \$ 3,136,932              | \$ 256,932                            |
| Interest income  | 33,000                  | 33,000            | 12,048                    | (20,952)                              |
| <b>Total revenues</b>  | <u>2,913,000</u>        | <u>2,913,000</u>  | <u>3,148,980</u>          | <u>235,980</u>                        |
| <u>EXPENDITURES</u>  |                         |                   |                           |                                       |
| Economic development   | 1,558,530               | 1,558,530         | 1,619,517                 | (60,987)                              |
| <b>Total expenditures</b>  | <u>1,558,530</u>        | <u>1,558,530</u>  | <u>1,619,517</u>          | <u>(60,987)</u>                       |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <u>1,354,470</u>        | <u>1,354,470</u>  | <u>1,529,463</u>          | <u>174,993</u>                        |
| <u>OTHER FINANCING SOURCES (USES)</u>                                |                         |                   |                           |                                       |
| Transfers in (out), net  | (590,000)               | (590,000)         | (590,000)                 | -                                     |
| <b>Net change in fund balance</b>                                    | <u>\$ 764,470</u>       | <u>\$ 764,470</u> | 939,463                   | <u>\$ 174,993</u>                     |
| <b>Fund balance at beginning of year</b>                             |                         |                   | <u>4,658,531</u>          |                                       |
| <b>Fund balance at end of year</b>                                   |                         |                   | <u>\$ 5,597,994</u>       |                                       |



Wasatch County, Utah  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Utah Retirement Systems  
For the Year Ended December 31, 2021

|  | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b><u>Noncontributory System</u></b>   |              |              |              |              |              |              |              |
| Proportion of the net pension liability (asset)  | 0.7280975%   | 0.7595361%   | 0.7643427%   | 0.7638032%   | 0.7852599%   | 0.7844668%   | 0.7648563%   |
| Proportionate share of the net pension liability (asset)   | \$ 3,161,571 | \$ 4,297,825 | \$ 4,908,016 | \$ 3,346,451 | \$ 5,782,437 | \$ 2,956,552 | \$ 392,225   |
| Covered employee payroll   | \$ 6,192,420 | \$ 6,300,161 | \$ 6,396,977 | \$ 6,274,868 | \$ 6,461,585 | \$ 6,414,833 | \$ 6,189,588 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered employee | 51.10%       | 68.22%       | 76.72%       | 53.33%       | 89.49%       | 46.09%       | 6.34%        |
| Plan fiduciary net position as a percentage of the total pension liability                       | 90.20%       | 87.80%       | 87.30%       | 91.90%       | 87.00%       | 93.70%       | 99.20%       |
| <b><u>Public Safety System</u></b>   |              |              |              |              |              |              |              |
| Proportion of the net pension liability (asset)  | 1.4029710%   | 1.4144483%   | 1.4818348%   | 1.4700657%   | 1.4957706%   | 1.7051213%   | 1.9365295%   |
| Proportionate share of the net pension liability (asse   | \$ 1,764,353 | \$ 2,533,632 | \$ 3,007,052 | \$ 2,306,031 | \$ 3,847,997 | \$ 2,737,773 | \$ 1,607,787 |
| Covered employee payroll   | \$ 2,027,540 | \$ 2,019,629 | \$ 2,156,218 | \$ 2,162,109 | \$ 2,141,960 | \$ 2,345,253 | \$ 2,726,544 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered employee | 87.00%       | 125.45%      | 139.46%      | 106.66%      | 179.65%      | 116.74%      | 58.97%       |
| Plan fiduciary net position as a percentage of the total pension liability                       | 90.50%       | 87.10%       | 86.50%       | 90.20%       | 84.70%       | 90.90%       | 95.50%       |
| <b><u>Tier 2 Public Employees System</u></b>   |              |              |              |              |              |              |              |
| Proportion of the net pension liability (asset)  | 0.1626194%   | 0.2279597%   | 0.2361397%   | 0.2512465%   | 0.2382910%   | 0.2438855%   | 0.2379451%   |
| Proportionate share of the net pension liability (asse   | \$ (4,928)   | \$ (498)     | \$ 26,341    | \$ 22,152    | \$ 102,055   | \$ 54,852    | \$ 34,223    |
| Covered employee payroll   | \$ 799,149   | \$ 1,472,780 | \$ 1,936,523 | \$ 3,456,633 | \$ 2,783,777 | \$ 3,389,735 | \$ 3,804,263 |
| (asset) as a percentage of its covered employee payroll  | -0.60%       | -0.03%       | 1.36%        | 0.90%        | 3.66%        | 1.62%        | 0.90%        |
| Plan fiduciary net position as a percentage of the total pension liability                       | 103.50%      | 100.20%      | 95.10%       | 97.40%       | 90.80%       | 96.50%       | 98.30%       |
| <b><u>Tier 2 Public Safety and Firefighters System</u></b>                                       |              |              |              |              |              |              |              |
| Proportion of the net pension liability (asset)  | 0.3242105%   | 0.3263094%   | 0.3076233%   | 0.3003697%   | 0.4123328%   | 0.4512041%   | 0.4965263%   |
| Proportionate share of the net pension liability (asse   | \$ (4,796)   | \$ (4,767)   | \$ (2,670)   | \$ (3,475)   | \$ 10,331    | \$ 42,442    | \$ 44,536    |
| Covered employee payroll   | \$ 134,127   | \$ 194,146   | \$ 254,166   | \$ 316,999   | \$ 551,168   | \$ 743,701   | \$ 985,721   |
| Proportionate share of the net pension liability (asset) as a percentage of its covered employee | -3.60%       | -2.46%       | -1.05%       | -1.10%       | 1.87%        | 5.71%        | 4.52%        |
| Plan fiduciary net position as a percentage of the total pension liability                       | 120.50%      | 110.70%      | 103.60%      | 103.00%      | 95.60%       | 89.60%       | 93.10%       |

Wasatch County, Utah  
Schedule of County Contributions  
Utah Retirement Systems  
Last 10 Fiscal Years Ended December 31, 2021

|  | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         | 2021         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b><u>Noncontributory System</u></b>                                 |              |              |              |              |              |              |              |
| Actuarial determined contributions                                   | \$ 1,147,355 | \$ 1,164,650 | \$ 1,138,180 | \$ 1,171,176 | \$ 1,157,761 | \$ 1,115,837 | \$ 1,087,853 |
| Contributions in relation to the contractually required contribution | (1,147,355)  | (1,164,650)  | (1,138,180)  | (1,171,176)  | (1,157,761)  | (1,115,837)  | (1,087,853)  |
| Contribution deficiency (excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered employee payroll   | 6,300,838    | 6,396,977    | 6,271,822    | 6,461,252    | 6,414,446    | 6,189,588    | 6,414,446    |
| Contributions as a percentage of covered-employee payroll            | 18.21%       | 18.21%       | 18.15%       | 18.13%       | 18.05%       | 18.03%       | 16.96%       |
| <b><u>Public Safety System</u></b>                                   |              |              |              |              |              |              |              |
| Contractually required contribution                                  | \$ 703,228   | \$ 737,430   | \$ 735,858   | \$ 720,149   | \$ 819,807   | \$ 946,110   | \$ 920,809   |
| Contributions in relation to the contractually required contribution | (703,228)    | (737,430)    | (735,858)    | (720,149)    | (819,807)    | (946,110)    | (920,809)    |
| Contribution deficiency (excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered employee payroll   | 2,019,629    | 2,156,218    | 2,152,794    | 2,137,364    | 2,345,329    | 2,744,365    | 2,655,857    |
| Contributions as a percentage of covered-employee payroll            | 34.82%       | 34.20%       | 34.18%       | 33.69%       | 34.95%       | 34.47%       | 34.67%       |
| <b><u>Tier 2 Public Employees System*</u></b>                        |              |              |              |              |              |              |              |
| Contractually required contribution                                  | \$ 279,796   | \$ 289,910   | \$ 369,097   | \$ 429,317   | \$ 529,539   | \$ 598,794   | \$ 700,386   |
| Contributions in relation to the contractually required contribution | (279,796)    | (289,910)    | (369,097)    | (429,317)    | (529,539)    | (598,794)    | (700,386)    |
| Contribution deficiency (excess)                                     | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ -</u>  |
| Covered employee payroll   | 1,472,780    | 1,943,669    | 2,456,633    | 2,785,026    | 3,392,582    | 3,806,023    | 4,393,607    |
| Contributions as a percentage of covered-employee payroll            | 19.00%       | 14.92%       | 15.02%       | 15.42%       | 15.61%       | 15.73%       | 15.94%       |

Wasatch County, Utah  
Schedule of County Contributions (continued)  
Utah Retirement Systems  
Last 10 Fiscal Years Ended December 31, 2020

|  | 2015        | 2016        | 2017        | 2018        | 2019        | 2020        | 2021        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b><u>Tier 2 Public Safety and Firefighters System*</u></b>          |             |             |             |             |             |             |             |
| Contractually required contribution                                  | \$ 45,982   | \$ 60,136   | \$ 75,205   | \$ 132,363  | \$ 180,702  | \$ 253,410  | \$ 348,033  |
| Contributions in relation to the contractually required contribution | (45,982)    | (60,136)    | (75,205)    | (132,363)   | (180,702)   | (253,410)   | (348,033)   |
| Contribution deficiency (excess)                                     | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered employee payroll   | 194,146     | 254,166     | 317,050     | 551,168     | 743,958     | 985,722     | 1,289,488   |
| Contributions as a percentage of covered-employee payroll            | 23.68%      | 23.66%      | 23.72%      | 24.02%      | 24.29%      | 25.71%      | 26.99%      |
| <b><u>Tier 2 Public Employees DC Only System*</u></b>                |             |             |             |             |             |             |             |
| Contractually required contribution                                  | \$ 5,078    | \$ 11,852   | \$ 8,498    | \$ 18,369   | \$ 31,714   | \$ 37,077   | \$ 47,941   |
| Contributions in relation to the contractually required contribution | (5,078)     | (11,852)    | (8,498)     | (18,369)    | (31,714)    | (37,077)    | (47,941)    |
| Contribution deficiency (excess)                                     | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered employee payroll   | 75,737      | 177,160     | 127,839     | 273,408     | 474,052     | 554,211     | 704,296     |
| Contributions as a percentage of covered-employee payroll            | 6.70%       | 6.69%       | 6.65%       | 6.72%       | 6.69%       | 6.69%       | 6.81%       |
| <b><u>Tier 2 Public Safety and Firefighters DC Only System*</u></b>  |             |             |             |             |             |             |             |
| Contractually required contribution                                  | \$ -        | \$ 3,433    | \$ 6,070    | \$ 9,124    | \$ 18,837   | \$ 25,700   | \$ 32,845   |
| Contributions in relation to the contractually required contribution | -           | (3,433)     | (6,070)     | (9,124)     | (18,837)    | (25,700)    | (32,845)    |
| Contribution deficiency (excess)                                     | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered employee payroll   | -           | 26,427      | 46,654      | 70,240      | 145,011     | 197,843     | 250,783     |
| Contributions as a percentage of covered-employee payroll            | 0.00%       | 12.99%      | 13.01%      | 12.99%      | 12.99%      | 12.99%      | 13.10%      |

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

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

Wasatch County, Utah  
Notes to Required Supplementary Information  
Utah Retirement Systems  
For the Year Ended December 31, 2021

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*Changes in Assumptions*

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

## SUPPLEMENTARY INFORMATION

Wasatch County, Utah  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2021

|  | <u>Special Revenue</u> |                       |                     |                     |                         |                        | Debt<br>Service     | Capital Projects<br>Correctional<br>Facilities | Total<br>Nonmajor<br>Governmental<br>Funds |                          |
|--|------------------------|-----------------------|---------------------|---------------------|-------------------------|------------------------|---------------------|--|--|--------------------------|
|  | Parks &<br>Recreation  | Municipal<br>Services | Public<br>Health    | Library             | Tourist &<br>Recreation | Liquor<br>Distribution |                     |  |  | Emergency<br>911 Service |
| <b>ASSETS</b>  |                        |                       |                     |                     |                         |                        |                     |  |  |                          |
| Cash and investments   | \$ 77,439              | \$ 838,830            | \$ 2,888,484        | \$ 1,018,338        | \$ 4,343,387            | \$ 111,226             | \$ 1,230,907        | \$ 289,871                                     | \$ 1,028,733                               | \$ 11,827,215            |
| Receivables  |                        |                       |                     |                     |                         |                        |                     |  |  |                          |
| Accounts, net of allowance   | 3,752                  | 198,226               | 346,490             | -                   | 143,899                 | -                      | 51,226              | -  | -  | 743,593                  |
| Receivable with Treasurer  | 456,382                | -                     | 157,447             | 269,894             | -                       | -                      | -                   | -  | -  | 883,723                  |
| <b>Total assets</b>  | <b>\$ 537,573</b>      | <b>\$ 1,037,056</b>   | <b>\$ 3,392,421</b> | <b>\$ 1,288,232</b> | <b>\$ 4,487,286</b>     | <b>\$ 111,226</b>      | <b>\$ 1,282,133</b> | <b>\$ 289,871</b>                              | <b>\$ 1,028,733</b>                        | <b>\$ 13,454,531</b>     |
| <b>LIABILITIES</b>   |                        |                       |                     |                     |                         |                        |                     |  |  |                          |
| Accounts payable   | \$ 119,598             | \$ 15,759             | \$ 10,091           | \$ 8,151            | \$ -                    | \$ -                   | \$ 4,411            | \$ -   | \$ -                                       | \$ 158,010               |
| Accrued liabilities  | 44,537                 | 705                   | 51,019              | 16,369              | -                       | -                      | -                   | -  | -  | 112,630                  |
| <b>Total liabilities</b>   | <b>164,135</b>         | <b>16,464</b>         | <b>61,110</b>       | <b>24,520</b>       | <b>-</b>                | <b>-</b>               | <b>4,411</b>        | <b>-</b>                                       | <b>-</b>                                   | <b>270,640</b>           |
| <b>FUND BALANCES</b>   |                        |                       |                     |                     |                         |                        |                     |  |  |                          |
| Restricted:  |                        |                       |                     |                     |                         |                        |                     |  |  |                          |
| Municipal services   | -                      | 1,020,592             | -                   | -                   | -                       | -                      | -                   | -  | -  | 1,020,592                |
| Liquor distribution  | -                      | -                     | -                   | -                   | -                       | 111,226                | -                   | -  | -  | 111,226                  |
| Emergency 911 service  | -                      | -                     | -                   | -                   | -                       | -                      | 1,277,722           | -  | -  | 1,277,722                |
| Debt service   | -                      | -                     | -                   | -                   | -                       | -                      | -                   | 289,871  | -  | 289,871                  |
| Correctional facilities  | -                      | -                     | -                   | -                   | -                       | -                      | -                   | -  | 1,028,733                                  | 1,028,733                |
| Total restricted   | -                      | 1,020,592             | -                   | -                   | -                       | 111,226                | 1,277,722           | 289,871  | 1,028,733                                  | 3,728,144                |
| Committed:   |                        |                       |                     |                     |                         |                        |                     |  |  |                          |
| Tourist and recreation   | -                      | -                     | -                   | -                   | 4,487,286               | -                      | -                   | -  | -  | 4,487,286                |
| Public health and welfare  | -                      | -                     | 3,331,311           | -                   | -                       | -                      | -                   | -  | -  | 3,331,311                |
| Library  | -                      | -                     | -                   | 1,263,712           | -                       | -                      | -                   | -  | -  | 1,263,712                |
| Parks, recreation, and culture   | 373,438                | -                     | -                   | -                   | -                       | -                      | -                   | -  | -  | 373,438                  |
| Total committed  | 373,438                | -                     | 3,331,311           | 1,263,712           | 4,487,286               | -                      | -                   | -  | -  | 9,455,747                |
| <b>Total fund balances</b>   | <b>373,438</b>         | <b>1,020,592</b>      | <b>3,331,311</b>    | <b>1,263,712</b>    | <b>4,487,286</b>        | <b>111,226</b>         | <b>1,277,722</b>    | <b>289,871</b>                                 | <b>1,028,733</b>                           | <b>13,183,891</b>        |
| <b>Total liabilities, deferred inflows of<br/>resources, and fund balances</b> | <b>\$ 537,573</b>      | <b>\$ 1,037,056</b>   | <b>\$ 3,392,421</b> | <b>\$ 1,288,232</b> | <b>\$ 4,487,286</b>     | <b>\$ 111,226</b>      | <b>\$ 1,282,133</b> | <b>\$ 289,871</b>                              | <b>\$ 1,028,733</b>                        | <b>\$ 13,454,531</b>     |

Wasatch County, Utah  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year December 31, 2021

|   | Special Revenue    |                     |                     |                     |                      |                     |                       | Debt Service      | Capital Projects Correctional Facilities | Total Nonmajor Governmental Funds |
|---|--------------------|---------------------|---------------------|---------------------|----------------------|---------------------|-----------------------|-------------------|--|-----------------------------------|
|   | Parks & Recreation | Municipal Services  | Public Health       | Library             | Tourist & Recreation | Liquor Distribution | Emergency 911 Service |                   |  |                                   |
| <b>REVENUES</b>                           |                    |                     |                     |                     |                      |                     |                       |                   |  |                                   |
| Taxes                                     | \$ 2,303,677       | \$ -                | \$ 794,840          | \$ 1,362,021        | \$ 944,722           | \$ -                | \$ -                  | \$ 660,575        | \$ -                                     | \$ 6,065,835                      |
| Intergovernmental                         | 13,418             | 1,119,730           | 2,131,784           | 8,200               | -                    | 57,753              | -                     | -                 | -  | 3,330,885                         |
| Charges for services                      | 1,734,206          | -                   | 393,658             | 1,951               | -                    | -                   | 282,167               | -                 | -  | 2,411,982                         |
| Fines and forfeitures                     | -                  | -                   | -                   | -                   | -                    | -                   | -                     | -                 | -  | -                                 |
| Impact fees                               | -                  | -                   | -                   | -                   | -                    | -                   | -                     | -                 | 930,804                                  | 930,804                           |
| Other revenues                            | 528,393            | -                   | 15,061              | 405                 | -                    | -                   | -                     | 333               | -  | 544,192                           |
| Interest income                           | -                  | 5,094               | 10,681              | 2,358               | 16,542               | 350                 | 4,733                 | 223               | 3,817                                    | 43,798                            |
| <b>Total revenues</b>                     | <b>4,579,694</b>   | <b>1,124,824</b>    | <b>3,346,024</b>    | <b>1,374,935</b>    | <b>961,264</b>       | <b>58,103</b>       | <b>286,900</b>        | <b>661,131</b>    | <b>934,621</b>                           | <b>13,327,496</b>                 |
| <b>EXPENDITURES</b>                       |                    |                     |                     |                     |                      |                     |                       |                   |  |                                   |
| Current operating                         |                    |                     |                     |                     |                      |                     |                       |                   |  |                                   |
| General government                        | -                  | -                   | -                   | 1,115,830           | -                    | 37,080              | -                     | -                 | -  | 1,152,910                         |
| Public works                              | -                  | 1,093,641           | -                   | -                   | -                    | -                   | -                     | -                 | -  | 1,093,641                         |
| Public safety                             | -                  | -                   | -                   | -                   | -                    | -                   | 115,436               | -                 | -  | 115,436                           |
| Public health and welfare                 | -                  | -                   | 2,952,672           | -                   | -                    | -                   | -                     | -                 | -  | 2,952,672                         |
| Parks, recreation, and culture            | 3,358,791          | -                   | -                   | -                   | 110,000              | -                   | -                     | -                 | -  | 3,468,791                         |
| Capital outlay                            | -                  | -                   | -                   | -                   | -                    | -                   | -                     | -                 | 311,056                                  | 311,056                           |
| Debt service:                             |                    |                     |                     |                     |                      |                     |                       |                   |  |                                   |
| Principal                                 | -                  | -                   | -                   | -                   | -                    | -                   | -                     | 340,000           | 24,458                                   | 364,458                           |
| Interest and other financials             | -                  | -                   | -                   | -                   | -                    | -                   | -                     | 200,901           | 5,633                                    | 206,534                           |
| <b>Total expenditures</b>                 | <b>3,358,791</b>   | <b>1,093,641</b>    | <b>2,952,672</b>    | <b>1,115,830</b>    | <b>110,000</b>       | <b>37,080</b>       | <b>115,436</b>        | <b>540,901</b>    | <b>341,147</b>                           | <b>9,665,498</b>                  |
| <b>OTHERS FINANCING SOURCES (USES)</b>    |                    |                     |                     |                     |                      |                     |                       |                   |  |                                   |
| Transfers in                              | -                  | -                   | -                   | -                   | -                    | -                   | -                     | 83,000            | -  | 83,000                            |
| Transfers out                             | -                  | -                   | -                   | -                   | (300,000)            | -                   | -                     | -                 | -  | (300,000)                         |
| Total other financing sources (uses)      | -                  | -                   | -                   | -                   | (300,000)            | -                   | -                     | 83,000            | -  | (217,000)                         |
| <b>Net change in fund balance</b>         | <b>1,220,903</b>   | <b>31,183</b>       | <b>393,352</b>      | <b>259,105</b>      | <b>551,264</b>       | <b>21,023</b>       | <b>171,464</b>        | <b>203,230</b>    | <b>593,474</b>                           | <b>3,444,998</b>                  |
| <b>Fund balances at beginning of year</b> | <b>(847,465)</b>   | <b>989,409</b>      | <b>2,937,959</b>    | <b>1,004,607</b>    | <b>3,936,022</b>     | <b>90,203</b>       | <b>1,106,258</b>      | <b>86,641</b>     | <b>435,259</b>                           | <b>9,738,893</b>                  |
| <b>Fund balances at end of year</b>       | <b>\$ 373,438</b>  | <b>\$ 1,020,592</b> | <b>\$ 3,331,311</b> | <b>\$ 1,263,712</b> | <b>\$ 4,487,286</b>  | <b>\$ 111,226</b>   | <b>\$ 1,277,722</b>   | <b>\$ 289,871</b> | <b>\$ 1,028,733</b>                      | <b>\$ 13,183,891</b>              |

Wasatch County, Utah  
Combining Statement of Net Position – Internal Service Funds  
December 31, 2021

|                                  | <b>Internal Service Funds</b>   |                                   |                                   |  |                                    |                     |
|----------------------------------|---------------------------------|-----------------------------------|-----------------------------------|--|------------------------------------|---------------------|
|                                  | <b>Computer<br/>Replacement</b> | <b>Auto Fleet<br/>Maintenance</b> | <b>Auto Fleet<br/>Replacement</b> | <b>Information<br/>System Services</b> | <b>Communication<br/>Equipment</b> | <b>Total</b>        |
| <b>ASSETS</b>                    |                                 |                                   |                                   |  |                                    |                     |
| Current assets:                  |                                 |                                   |                                   |  |                                    |                     |
| Cash and investments             | \$ 555,750                      | \$ 354,803                        | \$ 321,935                        | \$ 14,555                              | \$ 346,236                         | \$ 1,593,279        |
| Total current assets             | 555,750                         | 354,803                           | 321,935                           | 14,555                                 | 346,236                            | 1,593,279           |
| Noncurrent assets:               |                                 |                                   |                                   |  |                                    |                     |
| Capital assets:                  |                                 |                                   |                                   |  |                                    |                     |
| Buildings and improvements       | -                               | -                                 | -                                 | 502,129                                | -                                  | 502,129             |
| Machinery and equipment, net     | 94,933                          | -                                 | 2,079,747                         | 447,266                                | 200,845                            | 2,822,791           |
| Accumulated depreciation         | (94,933)                        | -                                 | (1,318,745)                       | (273,573)                              | (161,285)                          | (1,848,536)         |
| Total noncurrent assets          | -                               | -                                 | 761,002                           | 675,822                                | 39,560                             | 1,476,384           |
| <b>Total assets</b>              | <b>\$ 555,750</b>               | <b>\$ 354,803</b>                 | <b>\$ 1,082,937</b>               | <b>\$ 690,377</b>                      | <b>\$ 385,796</b>                  | <b>\$ 3,069,663</b> |
| <b>LIABILITIES</b>               |                                 |                                   |                                   |  |                                    |                     |
| Current liabilities:             |                                 |                                   |                                   |  |                                    |                     |
| Accounts payable                 | \$ -                            | \$ 2,044                          | \$ -                              | \$ 54,792                              | \$ 2,873                           | \$ 59,709           |
| Accrued liabilities              | -                               | -                                 | -                                 | 21,284                                 | 1,411                              | 22,695              |
| Total current liabilities        | -                               | 2,044                             | -                                 | 76,076                                 | 4,284                              | 82,404              |
| Noncurrent liabilities:          |                                 |                                   |                                   |  |                                    |                     |
| Compensated absences             | -                               | -                                 | -                                 | 37,618                                 | -                                  | 37,618              |
| Total noncurrent liabilities     | -                               | -                                 | -                                 | 37,618                                 | -                                  | 37,618              |
| <b>Total liabilities</b>         | <b>-</b>                        | <b>2,044</b>                      | <b>-</b>                          | <b>113,694</b>                         | <b>4,284</b>                       | <b>120,022</b>      |
| <b>NET POSITION</b>              |                                 |                                   |                                   |  |                                    |                     |
| Net investment in capital assets | -                               | -                                 | 761,002                           | 675,822                                | 39,560                             | 1,476,384           |
| Unrestricted                     | 555,750                         | 352,759                           | 321,935                           | (99,139)                               | 341,952                            | 1,473,257           |
| <b>Total net position</b>        | <b>\$ 555,750</b>               | <b>\$ 352,759</b>                 | <b>\$ 1,082,937</b>               | <b>\$ 576,683</b>                      | <b>\$ 381,512</b>                  | <b>\$ 2,949,641</b> |



Wasatch County, Utah  
Combining Statement of Revenues, Expenses, and Changes in Net Position –  
Internal Service Funds  
Agency Fund Types  
For the Year December 31, 2021

|  | <u>Internal Service Funds</u> |                               |                               |                                    |                                | <u>Total</u>        |
|--|-------------------------------|-------------------------------|-------------------------------|------------------------------------|--------------------------------|---------------------|
|  | <u>Computer Replacement</u>   | <u>Auto Fleet Maintenance</u> | <u>Auto Fleet Replacement</u> | <u>Information System Services</u> | <u>Communication Equipment</u> |                     |
| <u>OPERATING REVENUES</u>                |                               |                               |                               |                                    |                                |                     |
| Rent and maintenance                     | \$ 308,552                    | \$ 57,800                     | \$ 247,200                    | \$ 1,608,198                       | \$ 195,957                     | \$ 2,417,707        |
| <b>Total operating revenues</b>          | <b>308,552</b>                | <b>57,800</b>                 | <b>247,200</b>                | <b>1,608,198</b>                   | <b>195,957</b>                 | <b>2,417,707</b>    |
| <u>OPERATING EXPENSES</u>                |                               |                               |                               |                                    |                                |                     |
| Salaries and wages                       | -                             | -                             | -                             | 610,275                            | 41,156                         | 651,431             |
| Employee benefits                        | -                             | -                             | -                             | 251,972                            | 21,882                         | 273,854             |
| Materials and supplies                   | 117,419                       | 61,022                        | -                             | 353,484                            | 100,766                        | 632,691             |
| Depreciation                             | -                             | -                             | 168,097                       | 56,037                             | 15,307                         | 239,441             |
| <b>Total operating expenses</b>          | <b>117,419</b>                | <b>61,022</b>                 | <b>168,097</b>                | <b>1,271,768</b>                   | <b>179,111</b>                 | <b>1,797,417</b>    |
| <b>Operating income</b>                  | <b>191,133</b>                | <b>(3,222)</b>                | <b>79,103</b>                 | <b>336,430</b>                     | <b>16,846</b>                  | <b>620,290</b>      |
| <u>NONOPERATING REVENUES</u>             |                               |                               |                               |                                    |                                |                     |
| Interest revenue                         | 1,966                         | 1,472                         | 1,054                         | 35                                 | 1,495                          | 6,022               |
| Gain on sale of assets                   | -                             | -                             | 114,796                       | -                                  | -                              | 114,796             |
| <b>Total nonoperating revenues</b>       | <b>1,966</b>                  | <b>1,472</b>                  | <b>115,850</b>                | <b>35</b>                          | <b>1,495</b>                   | <b>120,818</b>      |
| <b>Change in net position</b>            | <b>193,099</b>                | <b>(1,750)</b>                | <b>194,953</b>                | <b>336,465</b>                     | <b>18,341</b>                  | <b>741,108</b>      |
| <b>Net position at beginning of year</b> | <b>362,651</b>                | <b>354,509</b>                | <b>887,984</b>                | <b>240,218</b>                     | <b>363,171</b>                 | <b>2,208,533</b>    |
| <b>Net position at end of year</b>       | <b>\$ 555,750</b>             | <b>\$ 352,759</b>             | <b>\$ 1,082,937</b>           | <b>\$ 576,683</b>                  | <b>\$ 381,512</b>              | <b>\$ 2,949,641</b> |

Wasatch County, Utah  
Combining Statement of Cash Flows – Internal Service Funds  
Agency Fund Types  
For the Year December 31, 2021

|  | Internal Service Funds  |                           |                           |                                |                            | Total               |
|--|-------------------------|---------------------------|---------------------------|--------------------------------|----------------------------|---------------------|
|  | Computer<br>Replacement | Auto Fleet<br>Maintenance | Auto Fleet<br>Replacement | Information<br>System Services | Communication<br>Equipment |                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                         |                           |                           |                                |                            |                     |
| Receipts from customers and users  | \$ 308,552              | \$ 57,800                 | \$ 275,006                | \$ 1,608,198                   | \$ 195,957                 | \$ 2,445,513        |
| Payments to suppliers  | (117,419)               | (59,008)                  | -                         | (474,402)                      | (100,799)                  | (751,628)           |
| Payments to employees  | -                       | -                         | -                         | (867,823)                      | (62,440)                   | (930,263)           |
| Net cash provided (used) in operating activities   | <u>191,133</u>          | <u>(1,208)</u>            | <u>275,006</u>            | <u>265,973</u>                 | <u>32,718</u>              | <u>763,622</u>      |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>   |                         |                           |                           |                                |                            |                     |
|  | -                       | -                         | -                         | -                              | -                          | -                   |
| <b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>  |                         |                           |                           |                                |                            |                     |
| Purchase of capital assets   | -                       | -                         | (325,962)                 | (251,453)                      | -                          | (577,415)           |
| Proceeds from disposal of assets   | -                       | -                         | 130,195                   | -                              | -                          | 130,195             |
| Net cash used by capital and related financing activities                                      | <u>-</u>                | <u>-</u>                  | <u>(195,767)</u>          | <u>(251,453)</u>               | <u>-</u>                   | <u>(447,220)</u>    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>   |                         |                           |                           |                                |                            |                     |
| Interest income  | 1,966                   | 1,472                     | 1,054                     | 35                             | 1,495                      | 6,022               |
| Net cash provided by investing activities  | <u>1,966</u>            | <u>1,472</u>              | <u>1,054</u>              | <u>35</u>                      | <u>1,495</u>               | <u>6,022</u>        |
| Net increase in cash and cash equivalents  | <u>193,099</u>          | <u>264</u>                | <u>80,293</u>             | <u>14,555</u>                  | <u>34,213</u>              | <u>322,424</u>      |
| Cash and cash equivalents - beginning of year  | 362,651                 | 354,539                   | 241,642                   | -                              | 312,023                    | 1,270,855           |
| Cash and cash equivalents - end of year  | <u>\$ 555,750</u>       | <u>\$ 354,803</u>         | <u>\$ 321,935</u>         | <u>\$ 14,555</u>               | <u>\$ 346,236</u>          | <u>\$ 1,593,279</u> |
| <b>Reconciliation of operating income to net cash used in operating activities:</b>            |                         |                           |                           |                                |                            |                     |
| Operating income (loss)  | \$ 191,133              | \$ (3,222)                | \$ 79,103                 | \$ 336,430                     | \$ 16,846                  | \$ 620,290          |
| <b>Adjustments to reconcile operating income to net cash provided by operating activities:</b> |                         |                           |                           |                                |                            |                     |
| Depreciation expense   | -                       | -                         | 168,097                   | 56,037                         | 15,307                     | 239,441             |
| Increase in receivables  | -                       | -                         | 27,806                    | -                              | -                          | 27,806              |
| Increase in accounts payable and accrued liabilities   | -                       | 2,014                     | -                         | (110,932)                      | 565                        | (108,353)           |
| Increase in compensated absences   | -                       | -                         | -                         | (15,562)                       | -                          | (15,562)            |
| Total adjustments  | <u>-</u>                | <u>2,014</u>              | <u>195,903</u>            | <u>(70,457)</u>                | <u>15,872</u>              | <u>143,332</u>      |
| Net cash used in operating activities  | <u>\$ 191,133</u>       | <u>\$ (1,208)</u>         | <u>\$ 275,006</u>         | <u>\$ 265,973</u>              | <u>\$ 32,718</u>           | <u>\$ 763,622</u>   |

**Wasatch County, Utah**  
**Statement of Receipts and Disbursements – Tax Collection Agency Fund**  
**For the Year December 31, 2021**

|                                  | Treasurer's<br>Balance<br>December 31,<br>2020 | Tax<br>Collection<br>Receipts | Current<br>Taxes<br>Apportioned | Delinquent<br>Taxes, Interest<br>and Other<br>Apportioned | Total       | Distributions           | Treasurer's<br>Balance<br>December 31,<br>2021 |
|----------------------------------|--|-------------------------------|---------------------------------|---|-------------|-------------------------|--|
| <b>Tax Collection Accounts</b>   | \$ 20,610,722                                  | \$ -                          | \$ -                            | \$ -  | \$ -        | \$ -                    | \$ 21,311,751                                  |
| Current year taxes & assessments |  |                               | 96,614,197                      |   |             | (96,614,197)            |  |
| Fee in lieu                      |  |                               | -                               | 3,416,692   |             | (3,416,692)             |  |
| Redemptions of prior year tax    |  |                               | -                               | 5,551,187   |             | (5,551,187)             |  |
| Penalties, interest, and cost    |  |                               | -                               | 413,549   |             | (413,549)               |  |
| Other collections and refunds    |  | (275,943)                     | 1,288,751                       | 1,154,130   |             | (1,465,909)             |  |
|                                  | <u>\$ 20,610,722</u>                           | <u>\$ (275,943)</u>           | <u>\$ 97,902,948</u>            | <u>\$ 10,535,558</u>                                      | <u>\$ -</u> | <u>\$ (107,461,534)</u> | <u>\$ 21,311,751</u>                           |

| Taxing Units                              | Begin                | Refunds             | Current              | Delq UPP             |      | Total                 | Total<br>Distribution | End                  |
|---|----------------------|---------------------|----------------------|----------------------|------|-----------------------|-----------------------|----------------------|
|   |                      |                     |                      | DMV                  | Misc |                       |                       |                      |
| <b>County Funds</b>                       |                      |                     |                      |                      |      |                       |                       |                      |
| General                                   | 2,339,442            | (33,828)            | 12,492,315           | 1,316,472            |      | 13,774,959            | 13,384,442            | 2,729,959            |
| County bonds                              | -                    | (1,507)             | 616,709              | 45,372               |      | 660,574               | 526,527               | 134,047              |
| County interest and penalty               | -                    | -                   | 21,546               | 223,063              |      | 244,609               | 191,634               | 52,975               |
| Library                                   | 308,837              | (3,416)             | 1,233,419            | 132,026              |      | 1,362,029             | 1,400,967             | 269,899              |
| Health                                    | 179,271              | (1,998)             | 719,494              | 77,344               |      | 794,840               | 816,664               | 157,447              |
| Multi-County assessing and collecting 82% | -                    | -                   | -                    | 84                   |      | 84                    | 37                    | 47                   |
| Multi-County assessing and collecting 18% | 16,168               | (247)               | 95,063               | 9,443                |      | 104,259               | 99,744                | 20,683               |
| Local assessing and collecting taxes      | 372,562              | (4,164)             | 1,505,158            | 160,443              |      | 1,661,437             | 1,704,941             | 329,058              |
| Midway Bond                               | -                    | (131)               | 355,304              | 32,324               |      | 387,497               | 327,728               | 59,769               |
| Park City Bond                            | -                    | (7,832)             | 334,312              | 11,354               |      | 337,834               | 234,021               | 103,813              |
| Parks and recreation SSD #21              | 428,381              | (5,774)             | 2,088,337            | 221,044              |      | 2,303,607             | 2,275,672             | 456,316              |
| <b>School Districts</b>                   |                      |                     |                      |                      |      |                       |                       |                      |
| Basic state school levy                   | 2,960,302            | (36,316)            | 13,139,120           | 1,325,400            |      | 14,428,204            | 14,521,022            | 2,867,484            |
| Wasatch County School District            | 8,465,362            | (116,110)           | 42,154,347           | 4,403,126            |      | 46,441,363            | 45,705,222            | 9,201,503            |
| Wasatch County School District Bond       | 2,787,458            | (27,458)            | 9,508,261            | 1,113,082            |      | 10,593,885            | 11,296,027            | 2,085,316            |
| Charter School Fund                       | 92,354               | (1,175)             | 427,160              | 45,350               |      | 471,335               | 470,601               | 93,088               |
| <b>Cities and Towns</b>                   |                      |                     |                      |                      |      |                       |                       |                      |
| Charletson                                | 22,698               | (798)               | 196,393              | 29,558               |      | 225,153               | 223,584               | 24,267               |
| Daniel                                    | 12,415               | (160)               | 44,642               | 4,169                |      | 48,651                | 55,459                | 5,607                |
| Heber City                                | 464,577              | (3,177)             | 2,031,749            | 232,294              |      | 2,260,866             | 2,336,769             | 388,674              |
| Hideout                                   | 15,974               | (104)               | 201,071              | 39,964               |      | 240,931               | 255,937               | 968                  |
| Midway                                    | 238,450              | (353)               | 976,539              | 99,794               |      | 1,075,980             | 1,142,304             | 172,126              |
| Park City                                 | 193,709              | (7,739)             | 330,348              | 12,327               |      | 334,936               | 426,022               | 102,623              |
| Wallsburg                                 | 3,496                | -                   | 17,873               | 3,857                |      | 21,730                | 21,941                | 3,285                |
| Interlaken                                | 23,936               | -                   | 120,027              | 13,340               |      | 133,367               | 127,877               | 29,426               |
| <b>Other Districts</b>                    |                      |                     |                      |                      |      |                       |                       |                      |
| Fire Protection SSD                       | 941,413              | (13,859)            | 5,363,023            | 555,457              |      | 5,904,621             | 5,681,268             | 1,164,766            |
| Central Utah Water Conservancy District   | 705,240              | (8,773)             | 3,164,147            | 325,258              |      | 3,480,632             | 3,495,240             | 690,632              |
| Charleston Water Conservancy District     | -                    | (16)                | 3,303                | 606                  |      | 3,893                 | 3,410                 | 483                  |
| Soldier Summit SSD                        | -                    | (453)               | 1,459                | 2,558                |      | 3,564                 | 3,218                 | 346                  |
| Park City Fire District                   | 19,138               | -                   | 41,131               | 106                  |      | 41,237                | 47,423                | 12,952               |
| Midway Sanitation Improvement District    | 16,450               | (20)                | 66,683               | 6,647                |      | 73,310                | 77,331                | 12,429               |
| Midway Sewer Improvement District         | -                    | -                   | 13,967               | 2,351                |      | 16,318                | 15,098                | 1,220                |
| Twin Creek SSD                            | -                    | -                   | 9,710                | 4,528                |      | 14,238                | 11,717                | 2,521                |
| North Village SSD                         | -                    | -                   | 1,625                | 1,100                |      | 2,725                 | 2,725                 | -                    |
| Jordanelle SSD                            | -                    | -                   | 12,448               | 6,900                |      | 19,348                | 13,349                | 5,999                |
| Timberlakes Water                         | -                    | -                   | 371                  | 13,505               |      | 13,876                | 13,876                | -                    |
| Strawberry Lake SSD                       | -                    | -                   | 1,233                | 1,393                |      | 2,626                 | 2,626                 | -                    |
| Jordanelle Fire District                  | -                    | -                   | -                    | 2,354                |      | 2,354                 | 2,276                 | 78                   |
| Hideout Local District 1                  | 2,768                | (57)                | 85,760               | 19,669               |      | 105,372               | 87,472                | 20,668               |
| Hideout District 1 Fees                   | 321                  | -                   | 227,660              | 3,879                |      | 231,539               | 162,463               | 69,397               |
| Hideout District 2 Fees                   | -                    | -                   | -                    | 18,333               |      | 18,333                | 14,733                | 3,600                |
| Solid Waste Disposal SSD                  | -                    | (478)               | 148,881              | 19,684               |      | 168,087               | 149,094               | 18,993               |
| Solid Waste Secondary SSD                 | -                    | -                   | -                    | -                    |      | -                     | -                     | -                    |
| MIDA                                      | -                    | -                   | 152,360              | -                    |      | 152,360               | 133,073               | 19,287               |
| <b>Total Due to Taxing Districts</b>      | <u>\$ 20,610,722</u> | <u>\$ (275,943)</u> | <u>\$ 97,902,948</u> | <u>\$ 10,535,558</u> |      | <u>\$ 108,162,563</u> | <u>\$ 107,461,534</u> | <u>\$ 21,311,751</u> |

# Wasatch County, Utah

## Statement of Taxes Charged, Collected, and Distributed

### For the Year December 31, 2021

| Taxing Units  | Tax Valuation in Dollars | Tax Percent | Total Taxes Charged   | Treasurer's Relief  |                   |                   |                     | Net Taxes Collected and Apportioned |         | Other Collections   |                     |                     |                   |
|---|--------------------------|-------------|-----------------------|---------------------|-------------------|-------------------|---------------------|-------------------------------------|---------|---------------------|---------------------|---------------------|-------------------|
|   |                          |             |                       | Unpaid Taxes        | Abatements        | Other             | Total               | Amount                              | Percent | Fee in Lieu         | Misc. Collections   | Delinquencies Tax   | Int/Pen           |
| <b>Wasatch County</b>                                   |                          |             |                       |                     |                   |                   |                     |                                     |         |                     |                     |                     |                   |
| General   | \$ 8,438,709,786         | 0.001580    | \$ 13,338,610         | \$ 809,618          | \$ 69,004         | \$ 59,511         | \$ 938,133          | \$ 12,400,477                       | 92.97%  | \$ 437,989          | \$ 234,192          | \$ 715,333          | \$ 265,406        |
| Interest and Sinking Fund/Bond                          | 8,438,709,786            | 0.000008    | 656,076               | 39,930              | 3,407             | 2,938             | 46,275              | 609,802                             | 92.95%  | 14,413              | 11,561              | 25,393              | 912               |
| Library   | 8,438,709,786            | 0.000156    | 1,316,975             | 79,937              | 6,813             | 5,876             | 92,626              | 1,224,349                           | 92.97%  | 43,238              | 23,123              | 72,499              | 2,236             |
| Health  | 8,438,709,786            | 0.000091    | 768,280               | 46,631              | 3,974             | 3,428             | 54,033              | 714,247                             | 92.97%  | 25,356              | 13,488              | 42,443              | 1,303             |
| Multicounty Assessing & Collecting                      | 8,438,709,786            | 0.000012    | 101,265               | 5,964               | 524               | 452               | 6,940               | 94,324                              | 93.15%  | 3,203               | 1,779               | 5,067               | 134               |
| County Assessing & Collecting                           | 8,438,709,786            | 0.000190    | 1,603,980             | 94,442              | 8,298             | 7,156             | 109,896             | 1,494,084                           | 93.15%  | 52,580              | 28,162              | 88,137              | 2,720             |
| Total County  |                          |             | 17,785,186            | 1,076,522           | 92,020            | 79,361            | 1,247,903           | 16,537,283                          |         | 576,779             | 312,305             | 948,872             | 272,711           |
| <b>Wasatch County School District</b>                   |                          |             |                       |                     |                   |                   |                     |                                     |         |                     |                     |                     |                   |
| Basic School Levy                                       | 8,438,709,786            | 0.001661    | 14,013,749            | 844,608             | 72,542            | 62,562            | 979,712             | 13,034,038                          | 93.01%  | 434,519             | 246,198             | 727,847             | 21,919            |
| GO Bond Payments  | 8,438,709,786            | 0.001202    | 10,157,085            | 611,466             | 52,496            | 45,274            | 709,236             | 9,447,849                           | 93.02%  | 361,921             | 178,164             | 614,097             | 19,312            |
| Capital Local Levy                                      | 8,438,709,786            | 0.001552    | 13,102,326            | 789,291             | 67,781            | 58,457            | 915,529             | 12,186,798                          | 93.01%  | 426,034             | 230,042             | 697,899             | 19,947            |
| Voted Local Levy  | 8,438,709,786            | 0.001656    | 13,980,309            | 842,181             | 72,323            | 62,374            | 976,878             | 13,003,431                          | 93.01%  | 454,592             | 245,457             | 744,666             | 21,284            |
| Board Local Levy  | 8,438,709,786            | 0.002121    | 17,900,826            | 1,078,663           | 92,631            | 79,888            | 1,251,182           | 16,649,643                          | 93.01%  | 582,271             | 314,381             | 953,766             | 27,260            |
| Charter School Levy                                     | 8,438,709,786            | 0.000054    | 455,958               | 27,465              | 2,358             | 2,034             | 31,857              | 424,101                             | 93.01%  | 15,213              | 8,004               | 24,533              | 658               |
| Total School District                                   |                          |             | 69,610,253            | 4,193,674           | 360,131           | 310,589           | 4,864,394           | 64,745,860                          |         | 2,274,550           | 1,222,246           | 3,762,808           | 110,380           |
| <b>Cities and towns</b>                                 |                          |             |                       |                     |                   |                   |                     |                                     |         |                     |                     |                     |                   |
| Charleston Town   | 152,356,312              | 0.001371    | 208,865               | 8,522               | 2,511             | 1,230             | 12,263              | 196,601                             | 94.13%  | 6,105               | 2,376               | 20,350              | 521               |
| Daniel Town   | 119,169,911              | 0.000408    | 48,559                | 2,776               | 774               | 290               | 3,840               | 44,720                              | 92.09%  | 2,304               | 250                 | 1,489               | 48                |
| Heber City  | 2,101,633,343            | 0.001035    | 2,174,231             | 104,961             | 19,361            | 12,395            | 136,717             | 2,037,513                           | 93.71%  | 108,007             | 38,441              | 77,875              | 2,206             |
| Hideout Town  | 305,439,873              | 0.000823    | 251,386               | 49,379              | 213               | 632               | 50,224              | 201,162                             | 80.02%  | 5,195               | -                   | 33,471              | 1,208             |
| Interlaken Town   | 60,442,927               | 0.002105    | 127,232               | 5,115               | 1,836             | 421               | 7,372               | 119,860                             | 94.21%  | 2,492               | 137                 | 10,614              | 263               |
| Midway City General Operations                          | 1,144,725,672            | 0.000896    | 1,025,747             | 46,481              | 8,442             | 12,561            | 67,484              | 958,262                             | 93.42%  | 46,236              | 15,644              | 48,204              | 7,987             |
| Midway City Interest and Sinking Fund/Bond              | 1,144,725,672            | 0.000326    | 373,249               | 16,911              | 3,072             | 4,570             | 24,553              | 348,696                             | 93.42%  | 17,414              | 7,824               | 13,459              | 233               |
| Park City General Operations                            | 342,799,921              | 0.001000    | 343,124               | 8,374               | -                 | -                 | 8,374               | 334,750                             | 97.56%  | 401                 | -                   | 7,422               | 103               |
| Park City Interest and Sinking Fund/Bond                | 342,799,921              | 0.001012    | 346,852               | 8,475               | -                 | -                 | 8,475               | 338,377                             | 97.56%  | 370                 | -                   | 6,857               | 63                |
| Wallsburg Town  | 17,814,386               | 0.001193    | 21,212                | 2,359               | 511               | 364               | 3,234               | 17,978                              | 84.75%  | 3,023               | -                   | 711                 | 19                |
| Total cities and towns                                  |                          |             | 4,920,457             | 253,353             | 36,720            | 32,463            | 322,536             | 4,597,919                           |         | 191,547             | 64,672              | 220,452             | 12,651            |
| <b>Other Districts</b>                                  |                          |             |                       |                     |                   |                   |                     |                                     |         |                     |                     |                     |                   |
| Charlestown Water Conservancy District                  | 131,540,156              | 0.000027    | 3,552                 | 171                 | 52                | 36                | 259                 | 3,291                               | 92.65%  | 143                 | 56                  | 407                 | 11                |
| Midway Sanitation District                              | 1,351,872,489            | 0.000052    | 70,301                | 3,376               | 547               | 782               | 4,705               | 65,596                              | 93.31%  | 2,852               | 1,284               | 3,454               | 144               |
| Wasatch County Fire Protection Special Service District | 8,359,202,232            | 0.000684    | 5,720,015             | 341,196             | 29,873            | 25,763            | 396,832             | 5,323,184                           | 93.06%  | 189,389             | 101,385             | 296,677             | 7,846             |
| Park City Fire Service District                         | 72,815,109               | 0.000595    | 43,325                | 2,194               | -                 | -                 | 2,194               | 41,131                              | 94.94%  | 101                 | -                   | 5                   | -                 |
| Wasatch County Special Service District No 21           | 8,438,709,786            | 0.000264    | 2,228,713             | 134,264             | 11,530            | 9,944             | 155,738             | 2,072,975                           | 93.01%  | 73,132              | 39,131              | 120,665             | 3,548             |
| Hideout Local District #1                               | 228,591,842              | 0.000456    | 104,239               | 17,990              | 118               | 350               | 18,458              | 85,780                              | 82.29%  | 1,434               | -                   | 17,386              | 829               |
| Central Utah Water Conservancy District                 | 8,438,709,786            | 0.000400    | 3,375,484             | 203,409             | 17,469            | 15,066            | 235,944             | 3,139,539                           | 93.01%  | 106,761             | 59,289              | 178,451             | 5,364             |
| Soldier Summit Special Service District                 | 6,692,445                | 0.002591    | 17,355                | 15,716              | -                 | -                 | 15,716              | 1,639                               | 9.44%   | 4                   | -                   | 2,010               | 65                |
| Total Other Districts                                   |                          |             | 11,562,984            | 718,316             | 59,589            | 51,941            | 829,846             | 10,733,135                          |         | 373,816             | 201,145             | 619,055             | 17,807            |
| <b>GRAND TOTAL</b>                                      |                          |             | <b>\$ 103,878,880</b> | <b>\$ 6,241,865</b> | <b>\$ 548,460</b> | <b>\$ 474,354</b> | <b>\$ 7,264,679</b> | <b>\$ 96,614,197</b>                |         | <b>\$ 3,416,692</b> | <b>\$ 1,800,368</b> | <b>\$ 5,551,187</b> | <b>\$ 413,549</b> |

## OTHER REPORTS



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC ACCOUNTANTS**

- E. LYNN HANSEN, CPA
- CLARKE R. BRADSHAW, CPA
- GARY E. MALMROSE, CPA
- EDWIN L. ERICKSON, CPA
- MICHAEL L. SMITH, CPA
- JASON L. TANNER, CPA
- ROBERT D. WOOD, CPA
- AARON R. HIXSON, CPA
- TED C. GARDINER, CPA
- JEFFREY B. MILES, CPA
- SHAWN F. MARTIN, CPA

**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**

*Independent Auditor’s Report*

Honorable Members of the County Commission  
Wasatch County, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Wasatch County, Utah (the County) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated June 30, 2022.

***Internal Control over Financial Reporting***

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

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

***HBMC, LLC***

June 30, 2022



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC ACCOUNTANTS**

- E. LYNN HANSEN, CPA
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

Honorable Members of the County Commission  
Wasatch County, Utah

**Report on Compliance**

We have audited Wasatch County, Utah's (the County) compliance with the following applicable state requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended December 31, 2021:

- |   |                       |
|---|-----------------------|
| Budgetary Compliance                            | Fund Balance          |
| Justice Courts                                  | Fraud Risk Assessment |
| Restricted Taxes and Related Restricted Revenue | Government Fees       |
| Cash Management                                 | Impact Fees           |

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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



### ***Opinion on Compliance***

In our opinion, Wasatch County, Utah complied, in all material respects, with the state compliance requirements referred to above as of and for the year ended December 31, 2021.

### ***Report on Internal Control Over Compliance***

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

***ABMC, LLC***

June 30, 2022