

SAN JUAN COUNTY
Basic Financial Statements
with
Independent Auditor's Report
Year Ended December 31, 2020



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INDEPENDENT AUDITOR'S REPORT

County Commissioners
San Juan County
Monticello, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of San Juan County, Utah as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the San Juan Mental Health\Substance Abuse Special Service District and the San Juan Health Service District which are shown as discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for those component units, is based solely on the reports of such other auditors.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise San Juan County's basic financial statements. The combining and individual nonmajor fund financial statements and the Statement on Current Taxes Levied, Collected, and Treasurer's Relief are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2021, on our consideration of San Juan 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 the effectiveness of San Juan County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Juan County's internal control over financial reporting and compliance.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah

June 29, 2021

MANAGEMENT'S DISCUSSION & ANALYSIS

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This discussion of San Juan County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2020. This report is in conjunction with the County's financial statements.

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

Financial Highlights

- The assets of San Juan County exceeded its liabilities as of December 31, 2020 by \$105,527,594 (net position). Of this amount \$1,792,426 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$2,370,381.
- At the close of the current year San Juan County governmental funds reported combined ending fund balances of \$34,242,950, a decrease of \$2,390,875 in comparison with the prior year. Approximately 9 percent of this total amount, \$2,920,551, is available for spending at the government's discretion (assigned and unassigned fund balance).
- At the end of the current year, unassigned fund balance for the general fund was \$2,920,551, or approximately 21 percent of total general fund expenditures.
- San Juan County's total long-term debt as of December 31, 2020 was \$4,894,879, a decrease of \$150,846 from 2019.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to San Juan County's basic financial statements. The basic financial statements are comprised of three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of San Juan County's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all San Juan County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases, or decreases in net position may serve as a useful indicator of whether the financial position of San Juan County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of San Juan County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of San Juan County include general government, public safety, public health, highways and public improvements, parks and recreation, and conservation and economic development.

The government-wide financial statements include not only San Juan County itself (known as the primary government), but also four legally separate special service districts, one for transportation, one for health care, one for mental health services, and one for water and sewer services in Spanish Valley. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

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

Fund Financial Statements. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. This segregation is also used to ensure and demonstrate compliance with finance-related legal requirements. The County utilizes three types of funds; governmental funds, proprietary funds and fiduciary funds. Refer to the table of contents for the location of fund financial statements.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, these fund financial statements are prepared using modified accrual accounting methods which measure cash and other financial assets readily convertible to cash and their balances available for use at year-end. As a result, these statements provide a short-term perspective of the County's general government operations and the basic services provided and may assist in determining the availability of financial resources that could be used in the near future to finance the County's programs.

Reconciliation between the long-term perspective of the government-wide financial statements and the short-term perspective of the fund financial statements are provided as noted in the table of contents of this report.

The County has identified six of its governmental funds to be major governmental funds requiring separate reporting. The remaining governmental funds are non-major funds and are included in the combining statements as noted in the table of contents of this report.

Proprietary funds account for the same functions and utilize the same accounting methods reported as business-type activities in the government-wide financial statements. Full accrual accounting methods are used and provide both long and short-term financial information. The County uses enterprise funds, one type of proprietary fund, to account for its two business-type activities (EMS/Ambulance and Landfill).

Fiduciary funds account for resources held by the County for the benefit of other governmental entities within the County. The County has a fiduciary responsibility to ensure that these resources are used for their intended beneficiaries and purposes. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds cannot be used to finance County programs. The County's fiduciary responsibilities are reported separately in a statement of fiduciary net position. These statements are prepared using full accrual accounting methods similar to those used in preparing proprietary fund statements.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning San Juan County.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As was previously noted, increases or decreases in net position, when viewed over a period of time, may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The County's total net position, assets in excess of liabilities, totaled \$105,527,954.

The largest segment of the County's net position (67 percent) reflect its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure), less any related outstanding debt used to acquire those assets. San Juan County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although San Juan County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of San Juan County's net position (32 percent) represent resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$1,792,426) may be used to meet the government's ongoing obligations to citizens and creditors.

San Juan County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 37,849,174	\$ 40,507,717	\$ 1,847,661	\$ 1,463,967	\$ 39,696,835	\$ 41,971,684
Capital assets	75,442,247	75,735,335	1,141,035	1,311,498	76,583,282	77,046,833
Total assets	113,291,421	116,243,052	2,988,696	2,775,465	116,280,117	119,018,517
Other liabilities	1,266,503	1,286,230	9,570	13,782	1,276,073	1,300,012
Long-term liabilities outstanding	7,953,739	9,073,359	797,479	891,060	8,751,218	9,964,419
Total liabilities	9,220,242	10,359,589	807,049	904,842	10,027,291	11,264,431
Net position:						
Net investment in capital assets	70,674,247	70,826,335	964,130	1,086,688	71,638,377	71,913,023
Restricted	31,298,229	33,190,083	798,922	790,386	32,097,151	33,980,469
Unrestricted	1,373,831	1,867,045	418,595	(6,451)	1,792,426	1,860,594
Total net position	\$ 103,346,307	\$ 105,883,463	\$ 2,181,647	\$ 1,870,623	\$ 105,527,954	\$ 107,754,086

At the end of the current fiscal year, San Juan County is able to report positive balances in all three categories of net position, for the government as a whole, as well as for governmental activities. The business-type activities reported positive balances in two of the three categories of net position, net investment in capital assets and restricted.

Total net position of San Juan County decreased by \$2,226,132 during 2020. Net position reported in connection with business-type activities increased \$311,024 and net position related to governmental activities decreased by \$2,537,156.

Total revenues for San Juan County's governmental activities decreased \$22,348 from 2019 to 2020 (\$22,669,880 to \$22,647,532). Total expenses for governmental activities increased \$4,926,591 from 2019 to 2020 (\$20,402,346 to \$25,328,937). The following schedule of changes in net position presents these changes.

San Juan County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,285,507	\$ 2,948,347	\$ 1,724,435	\$ 1,012,687	\$ 5,009,942	\$ 3,961,034
Operating grants and contributions	8,424,443	6,371,743	-	-	8,424,443	6,371,743
Capital grants and contributions	90,820	43,801	-	-	90,820	43,801
General revenues:						
Taxes	6,231,001	7,260,299	-	-	6,231,001	7,260,299
Earnings on investments	473,169	792,096	15,277	38,109	488,446	830,205
Miscellaneous	533,330	755,947	-	-	533,330	755,947
Intergovernmental support	3,329,313	4,165,317	-	-	3,329,313	4,165,317
Gain (loss) on sale of assets	-	(9,604)	-	6,107	-	(3,497)
Other shared taxes	279,949	341,934	-	-	279,949	341,934
Total revenues	<u>22,647,532</u>	<u>22,669,880</u>	<u>1,739,712</u>	<u>1,056,903</u>	<u>24,387,244</u>	<u>23,726,783</u>
Expenses:						
General government	7,735,338	4,897,879	1,424,013	1,532,509	9,159,351	6,430,388
Public safety	4,573,856	2,260,185	-	-	4,573,856	2,260,185
Public health	3,844,798	3,517,830	-	-	3,844,798	3,517,830
Highways and public improvements	6,982,559	7,219,986	-	-	6,982,559	7,219,986
Parks, recreation, and public property	1,192,550	1,082,244	-	-	1,192,550	1,082,244
Community and economic development	999,836	1,424,222	-	-	999,836	1,424,222
Interest	-	-	4,675	5,400	4,675	5,400
Total expenses	<u>25,328,937</u>	<u>20,402,346</u>	<u>1,428,688</u>	<u>1,537,909</u>	<u>26,757,625</u>	<u>21,940,255</u>
Increase in net assets before transfers	(2,681,405)	2,267,534	311,024	(481,006)	(2,370,381)	1,786,528
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	(2,681,405)	2,267,534	311,024	(481,006)	(2,370,381)	1,786,528
Net position - beginning	105,883,463	103,615,929	1,870,623	2,351,629	107,754,086	105,967,558
Prior period adjustment	144,249	-	-	-	144,249	-
Net position - ending	<u>\$ 103,346,307</u>	<u>\$ 105,883,463</u>	<u>\$ 2,181,647</u>	<u>\$ 1,870,623</u>	<u>\$ 105,527,954</u>	<u>\$ 107,754,086</u>

Governmental Funds Financial Analysis

As was previously noted, the County's governmental funds provide a short-term perspective of the County's general government operations and the financial resources available in the near future to finance the County's programs. Differences between available financial resources and the short-term obligations of general government operations are reported as fund balances. Fund balances are designated as either reserved or unreserved. Reserved fund balances indicate amounts of the fund balance set aside for specific purposes or to meet specific requirements.

As of December 31, 2020, the County's governmental funds, which include the general fund, all special revenue funds, debt service funds and capital projects funds, report a combined fund balance of \$34,242,950. This combined balance represents a decrease of \$2,390,875 from last year's ending fund balances.

The general fund is the main operating fund of the County. All governmental-type activities not accounted for in a special revenue fund, debt service fund, enterprise fund or capital project fund are accounted for in the general fund. Accounting for activities in funds other than the general fund may be required by state regulations or local ordinances; or, the County may simply desire to isolate the revenues and expenditures associated with a particular activity for matching purposes. The general fund balance decreased \$446,515 to \$2,920,551 during the fiscal year ending December 31, 2020.

As was previously noted, the County maintains two enterprise funds (Emergency Medical Services and Landfill Operations) to account for its business-type activities. The separate enterprise fund statements provide the same information, with more detail, as the information provided for business-type activities in the government-wide financial statements. During the current year, the EMS fund realized a net gain of \$79,518 and the Landfill fund realized a net gain of \$231,506. Most revenues in these two funds result from charges for services.

General Fund Budgetary Highlights

The County amended their original budget to increase expenditures and transfers in.

Capital Assets and Debt Administration

San Juan County's investment in capital assets for its governmental and business type activities as of December 31, 2020 amounts to \$43,583,282 (net of accumulated depreciation). This investment in capital assets includes land, rights of way, buildings, improvements other than buildings, equipment and infrastructure, which includes roads and bridges. The total increase in San Juan County's capital assets (net of depreciation) for the current year was \$3,283,796.

San Juan County's Capital Assets (net of depreciation)

	Government Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 1,632,316	\$ 1,632,316	\$ 25,000	\$ 25,000	\$ 1,657,316	\$ 1,657,316
Buildings and improvements	12,385,489	10,822,666	148,571	163,395	12,534,060	10,986,061
Autos and trucks	1,021,956	990,764	148,571	157,072	1,170,527	1,147,836
Equipment	3,785,331	4,170,362	818,893	966,031	4,604,224	5,136,393
Infrastructure	55,881,009	55,881,009	-	-	55,881,009	55,881,009
Construction in Progress	736,146	715,005	-	-	736,146	715,005
Total	\$ 75,442,247	\$ 74,212,122	\$ 1,141,035	\$ 1,311,498	\$ 76,583,282	\$ 75,523,620

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

- Building and improvements of \$2,098,033.
- Auto and truck acquisitions of \$229,408.
- Equipment acquisitions of \$389,661.
- Construction in progress decrease of \$3,305,848.

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

San Juan County's Long-Term Debt

As presented in the following schedule, the total long-term debt of San Juan County on December 31, 2020 was \$4,894,879. This amount includes revenue bonds, capital leases, compensated absences, and the closure & post closure liability. This represents a decrease of \$150,845 over the previous year. The amount due on revenue bonds and capital leases decreased by \$188,906 during the year. This decrease is due to regular payments. The liability for accrued compensated absences increased by \$19,994. The liability for closure and post closure costs increased by \$18,067.

San Juan County's Outstanding Debt

	Government Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue Bonds	\$ 3,118,000	\$ 3,259,000	\$ 176,905	\$ 224,811	\$ 3,294,905	\$ 3,483,811
Closure & Post-Closure	-	-	316,972	298,905	316,972	298,905
Compensated Absences	1,208,706	1,188,711	74,296	74,297	1,283,002	1,263,008
Total	<u>\$ 4,326,706</u>	<u>\$ 4,447,711</u>	<u>\$ 568,173</u>	<u>\$ 598,013</u>	<u>\$ 4,894,879</u>	<u>\$ 5,045,724</u>

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

Economic Factors and Next Year's Budgets and Rates

The taxable value of property, on which the tax rate is applied, in San Juan County, changed from a total of \$767,302,901 in 2019 to a total of \$802,872,986 in 2020, an increase of \$26,793,871.

San Juan County's property tax rate decreased from a rate of 0.002474 in 2019 to 0.002432 in 2020.

All of these factors were considered in preparing San Juan County's budget for the 2020 year.

Requests for Information

This financial report is designed to provide a general overview of San Juan County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the San Juan County Clerk-Auditor, 117 S. Main, P. O. Box 338, Monticello, Utah, 84535.

BASIC FINANCIAL STATEMENTS

San Juan County
Statement of Net Position
December 31, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
ASSETS AND DEFERRED OUTFLOWS				
OF RESOURCES:				
ASSETS:				
Cash and investments	\$ 792,317	\$ 1,279,860	\$ 2,072,177	\$ 15,417,501
Restricted cash and investments	29,802,402	798,922	30,601,324	2,829,684
Receivables (net of allowance for doubtful accounts)				
Trade accounts	402,308	34,429	436,737	3,560,639
Other governmental units	3,375,053	-	3,375,053	421,215
Internal balances	366,418	(366,418)	-	-
Prepaid expenses	-	-	-	215,576
Inventory	1,495,827	-	1,495,827	454,719
Notes receivable	-	-	-	292,193
Capital Assets Not Being Depreciated:				
Land	1,632,316	25,000	1,657,316	626,425
Infrastructure	55,881,009	-	55,881,009	-
Construction in progress	736,146	-	736,146	12,320,414
Capital Assets (Net of Accumulated Deprecation):				
Buildings and improvements	12,385,489	148,571	12,534,060	6,822,301
Autos and trucks	1,021,956	148,571	1,170,527	-
Heavy equipment	3,315,215	410,873	3,726,088	-
Light equipment	470,116	408,020	878,136	3,623,311
Total Assets	<u>111,676,572</u>	<u>2,887,828</u>	<u>114,564,400</u>	<u>46,583,978</u>
Deferred outflows of resources - pensions	1,614,849	100,868	1,715,717	217,824
Total assets and deferred outflows of resources	<u>\$ 113,291,421</u>	<u>\$ 2,988,696</u>	<u>\$ 116,280,117</u>	<u>\$ 46,801,802</u>
LIABILITIES AND DEFERRED INFLOWS				
OF RESOURCES:				
LIABILITIES:				
Accounts payable	\$ 683,469	\$ 9,570	\$ 693,039	\$ 1,376,132
Accrued liabilities	583,034	-	583,034	2,205,680
Accrued interest	-	-	-	21,163
Noncurrent Liabilities:				
Compensated absences	1,208,706	74,296	1,283,002	595,324
Closure and post closure costs payable	-	316,972	316,972	-
Unearned revenue	724,872	-	724,872	-
Due within one year	119,000	48,905	167,905	545,609
Due in more than one year	2,999,000	128,000	3,127,000	8,474,052
Net pension liability	2,388,704	152,471	2,541,175	264,815
Total Liabilities	<u>8,706,785</u>	<u>730,214</u>	<u>9,436,999</u>	<u>13,482,775</u>
Deferred inflows of resources - pensions	1,238,329	76,835	1,315,164	174,701
Total liabilities and deferred inflows of resources	<u>9,945,114</u>	<u>807,049</u>	<u>10,752,163</u>	<u>13,657,476</u>
NET POSITION				
Net investment in capital assets	70,674,247	964,130	71,638,377	15,385,255
Restricted for:				
Inventory	1,495,827	-	1,495,827	-
Roads	22,220,839	-	22,220,839	-
Capital outlay and debt services	118,756	-	118,756	1,775,946
Landfill closure costs	-	793,320	793,320	-
Emergency	7,462,807	5,602	7,468,409	-
Medicaid	-	-	-	2,829,684
Unrestricted	1,373,831	418,595	1,792,426	13,153,441
Total net position	<u>\$ 103,346,307</u>	<u>\$ 2,181,647</u>	<u>\$ 105,527,954</u>	<u>\$ 33,144,326</u>

San Juan County
Statement of Activities

For the Year Ended December 31, 2020

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions		Governmental Activities	Primary Government Business-type Activities			Total
			Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-type Activities		
Primary Government:									
Governmental activities:									
General government	\$ 7,735,338	\$ 574,490	\$ -	\$ -	\$ (7,160,848)	\$ -	\$ (7,160,848)	\$ -	
Public safety	4,573,856	2,469,008	497,365	-	(1,607,483)	-	(1,607,483)	-	
Public health	3,844,798	-	2,302,380	-	(1,542,418)	-	(1,542,418)	-	
Highways and public improvements	6,982,559	57,859	5,173,994	64,375	(1,686,331)	-	(1,686,331)	-	
Parks, recreation, and public property	1,192,550	176,318	-	-	(1,016,232)	-	(1,016,232)	-	
Community and economic development	999,836	7,832	450,704	26,445	(514,855)	-	(514,855)	-	
Total Governmental Activities	<u>25,328,937</u>	<u>3,285,507</u>	<u>8,424,443</u>	<u>90,820</u>	<u>(13,528,167)</u>	<u>-</u>	<u>(13,528,167)</u>	<u>-</u>	
Business-type activities:									
Emergency medical services	976,796	1,056,209	-	-	-	79,413	79,413	-	
Landfill	451,892	668,226	-	-	-	216,334	216,334	-	
Total Business-type Activities	<u>1,428,688</u>	<u>1,724,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>295,747</u>	<u>295,747</u>	<u>-</u>	
Total Primary Government	<u>\$ 26,757,625</u>	<u>\$ 5,009,942</u>	<u>\$ 8,424,443</u>	<u>\$ 90,820</u>	<u>(13,528,167)</u>	<u>295,747</u>	<u>(13,232,420)</u>	<u>-</u>	
Component Units:									
Transportation Special Service District	\$ 257,729	\$ -	\$ 633,541	\$ -	-	-	-	375,812	
San Juan Health Care Service District	18,430,406	17,130,887	6,814,644	-	-	-	-	5,515,125	
San Juan Mental Health/Substance Abuse Special Service District	3,110,812	1,736,536	1,467,680	-	-	-	-	93,404	
San Juan Spanish Valley Special Service District	537,797	284,301	-	1,713,455	-	-	-	1,459,959	
Total Component Units	<u>\$ 22,336,744</u>	<u>\$ 19,151,724</u>	<u>\$ 8,915,865</u>	<u>\$ 1,713,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,444,300</u>	
General Revenues:									
Taxes					6,231,001		6,231,001	-	
Earnings on investments					473,169	15,277	488,446	155,022	
Miscellaneous					533,330	-	533,330	719,498	
Payment in lieu of tax					3,329,313	-	3,329,313	-	
Gain (loss) on sale of assets					-	-	-	1,000	
Other shared taxes					279,949	-	279,949	-	
Total General Revenues					<u>10,846,762</u>	<u>15,277</u>	<u>10,862,039</u>	<u>875,520</u>	
Change in Net Position					(2,681,405)	311,024	(2,370,381)	8,319,820	
Net Position - Beginning					105,883,463	1,870,623	107,754,086	24,824,506	
Prior Period Adjustment					144,249	-	144,249	-	
Net Position - Ending					<u>\$ 103,346,307</u>	<u>\$ 2,181,647</u>	<u>\$ 105,527,954</u>	<u>\$ 33,144,326</u>	

San Juan County
Balance Sheet – Governmental Funds
 December 31, 2020

	Special Revenue Funds		Capital Projects Funds					Total Governmental Funds
	General Fund	Class "B" Roads Fund	General Tax Stability Trust Fund	Buildings Grounds & Equipment Capital Improvement	Road Capital Improvement Fund	Local Building Authority Fund	Other Governmental Funds	
ASSETS								
Cash and investments	\$ 3,008,929	\$ 16,690,874	\$ 7,462,807	\$ 29,860	\$ 2,987,902	\$ -	\$ 414,347	\$ 30,594,719
Accounts receivable	224,688	(12,327)	-	-	-	-	189,947	402,308
Other governmental unit receivables	1,565,424	729,312	-	-	-	1,080,317	-	3,375,053
Due from other funds	22,236	1,835,883	-	1,690	59,785	-	-	1,919,594
Inventory	-	1,495,827	-	-	-	-	-	1,495,827
Total Assets	\$ 4,821,277	\$ 20,739,569	\$ 7,462,807	\$ 31,550	\$ 3,047,687	\$ 1,080,317	\$ 604,294	\$ 37,787,501
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 592,820	\$ 70,590	\$ -	\$ -	\$ -	\$ 2	\$ 20,057	\$ 683,469
Accrued liabilities	583,034	-	-	-	-	-	-	583,034
Unearned revenue	724,872	-	-	-	-	-	-	724,872
Due to other funds	-	-	-	-	-	993,109	560,067	1,553,176
Due to other units	-	-	-	-	-	-	-	-
Total Liabilities	1,900,726	70,590	-	-	-	993,111	580,124	3,544,551
Fund balances:								
Nonspendable:								
Inventory and prepaids	-	1,495,827	-	-	-	-	-	1,495,827
Restricted For:								
Road	-	19,173,152	-	-	3,047,687	-	-	22,220,839
Capital outlay	-	-	-	31,550	-	87,206	-	118,756
Emergency	-	-	7,462,807	-	-	-	-	7,462,807
Assigned	-	-	-	-	-	-	24,170	24,170
Unassigned	2,920,551	-	-	-	-	-	-	2,920,551
Total fund equity	2,920,551	20,668,979	7,462,807	31,550	3,047,687	87,206	24,170	34,242,950
Total liabilities and fund equity	\$ 4,821,277	\$ 20,739,569	\$ 7,462,807	\$ 31,550	\$ 3,047,687	\$ 1,080,317	\$ 604,294	\$ 37,787,501

San Juan County
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2020

Total fund balances - governmental fund types:	<u>\$ 34,242,950</u>
Amount reported in the governmental activities on the statement of net position are different because:	
Capital Assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds.	75,442,247
Net pension assets and liabilities are not financial resources and, therefore, are not reported in the funds.	(2,388,704)
Deferred outflows and inflows of resources, are an addition or consumption of net position that applies to future periods, is not shown in the fund statements.	376,520
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(4,326,706)</u>
Net position of governmental activities	<u><u>\$ 103,346,307</u></u>

San Juan County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended December 31, 2020

	Special Revenue Funds			Capital Projects Funds			Total Governmental Funds
	General Fund	Class "B" Roads Fund	General Tax Stability Trust Fund	Buildings Grounds Equipment Capital Improvement	Road Capital Improvement Fund	Local Building Authority Fund	
REVENUES							
Taxes	\$ 5,236,895	\$ 350,476	\$ -	\$ -	\$ -	\$ -	\$ 6,231,001
Licenses and permits	90,098	-	-	-	-	-	90,098
Intergovernmental revenues	5,139,150	3,971,888	-	-	-	1,659,717	11,902,436
Charges for services	2,128,458	503,203	-	-	-	44,897	2,676,558
Fines and forfeitures	460,990	-	-	-	-	-	460,990
Investment income	43,458	218,129	167,939	295	38,886	4,462	473,169
Fair value change in investments	-	149	(12,427)	-	-	-	(12,278)
Miscellaneous	279,950	5,199	-	-	539,776	-	825,558
Total Revenues	13,378,999	5,049,044	155,512	295	578,662	1,659,717	22,647,532
EXPENDITURES							
Current:							
General government	7,200,365	-	-	-	-	-	7,433,354
Public safety	4,011,568	-	-	-	-	-	4,011,568
Public health	967,785	-	-	-	-	-	3,910,896
Highways and public improvements	8,070	5,732,282	-	-	10,658	1,720,567	5,751,010
Parks, recreation, and public property	525,383	-	-	-	-	-	998,530
Community and economic development	999,836	-	-	-	-	-	999,836
Capital outlay	-	440,416	-	-	1,309,000	-	1,749,416
Total Expenditures	13,713,007	6,172,698	-	-	1,319,658	1,720,567	24,854,610
Excess Revenues Over (Under) Expenditures	(334,008)	(1,123,654)	155,512	295	(740,996)	(60,850)	(2,207,078)
Other financing sources (uses)							
Contributions other government entities from (to)	(297,107)	-	-	-	-	46,714	(328,046)
Transfers in	500,000	315,400	-	-	-	15,725	831,125
Transfers out	(315,400)	-	(500,000)	-	-	-	(831,125)
Total Other Financing Sources and Uses	(112,507)	315,400	(500,000)	-	-	62,439	(328,046)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(446,515)	(808,254)	(344,488)	295	(740,996)	1,589	(2,535,124)
Fund Balances - Beginning	3,367,066	21,477,233	7,807,295	31,255	3,788,683	85,617	36,633,825
Prior Period Adjustment	-	-	-	-	-	-	144,249
Fund Balances - Ending	\$ 2,920,551	\$ 20,668,979	\$ 7,462,807	\$ 31,550	\$ 3,047,687	\$ 87,206	\$ 34,242,950

San Juan County

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2020

Net changes in fund balances - total governmental funds	<u>\$ (2,535,124)</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(293,088)
In the statement of activities, certain operating expenses, such as compensated absences, are measured by the amounts earned during the year. In the governmental fund, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.	(19,994)
The Statement of Activities shows pension benefits and pension expenses from the change in post employment benefits plans that are not shown in the fund statements.	25,801
Repayment of bond principal is reported as an expenditure in governmental funds and, thus has the effect of reducing fund balance because current financial resources have been used. In the government-wide statements bond payment reduce the long-term debt on the statement of net position and does not effect the statement of activities.	<u>141,000</u>
Change in net position of governmental activities	<u><u>\$ (2,681,405)</u></u>

San Juan County
Statement of Net Position – Proprietary Funds
December 31, 2020

	Business-Type Activities - Enterprise Funds		
	EMS	Landfill	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Current Assets:			
Cash and cash equivalents	\$ 4,142	\$ 1,275,718	\$ 1,279,860
Accounts receivable	404,599	-	404,599
Allowance for doubtful accounts	(370,170)	-	(370,170)
Due from other funds	-	406,461	406,461
Restricted cash and cash equivalents	5,602	793,320	798,922
Total Current Assets	<u>44,173</u>	<u>2,475,499</u>	<u>2,519,672</u>
Non-Current Assets			
Land	25,000	-	25,000
Buildings, net	130,736	17,835	148,571
Machinery & equipment, net	687,495	279,969	967,464
Total Noncurrent Assets	<u>843,231</u>	<u>297,804</u>	<u>1,141,035</u>
Total Assets	<u>887,404</u>	<u>2,773,303</u>	<u>3,660,707</u>
Deferred outflows or resources - pensions	67,245	33,623	100,868
Total assets and deferred outflows of resources:	<u>\$ 954,649</u>	<u>\$ 2,806,926</u>	<u>\$ 3,761,575</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Current Liabilities:			
Accounts payable	\$ 6,935	\$ 2,635	\$ 9,570
Due to other funds	772,879	-	772,879
Accrued compensated absences	51,359	22,937	74,296
Current portion of long-term debt	18,905	30,000	48,905
Total Current Liabilities	<u>850,078</u>	<u>55,572</u>	<u>905,650</u>
Noncurrent Liabilities:			
Closure and post closure costs	-	316,972	316,972
Bonds payable	-	128,000	128,000
Net pension liability	101,647	50,824	152,471
Total Noncurrent Liabilities	<u>101,647</u>	<u>495,796</u>	<u>597,443</u>
Total Liabilities	<u>951,725</u>	<u>551,368</u>	<u>1,503,093</u>
Deferred inflows or resources - pensions	51,223	25,612	76,835
Total liabilities and deferred inflows of resources:	<u>1,002,948</u>	<u>576,980</u>	<u>1,579,928</u>
NET POSITION			
Net Investment in Capital Assets	824,326	139,804	964,130
Retained Earnings:			
Restricted for:			
Landfill closure costs	-	793,320	793,320
Emergency medical service	5,602	-	5,602
Unreserved	(878,227)	1,296,822	418,595
Total Net Position	<u>\$ (48,299)</u>	<u>\$ 2,229,946</u>	<u>\$ 2,181,647</u>

San Juan County
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>EMS</u>	<u>Landfill</u>	<u>Total</u>
Operating Revenues:			
Charges for sales and services	\$ 1,056,209	\$ 668,226	\$ 1,724,435
Total Operating Revenues	<u>1,056,209</u>	<u>668,226</u>	<u>1,724,435</u>
Operating Expenses:			
Salaries and benefits	658,985	248,531	907,516
Purchased services	55,530	22,615	78,145
General and administrative	30,264	28,444	58,708
Materials and supplies	135,231	61,450	196,681
Total operating expenses	<u>976,796</u>	<u>447,217</u>	<u>1,424,013</u>
Operating Income	<u>79,413</u>	<u>221,009</u>	<u>300,422</u>
Nonoperating Revenues (Expenses):			
Interest revenue	105	15,172	15,277
Interest expense	-	(4,675)	(4,675)
Total Nonoperating Revenues (Expenses)	<u>105</u>	<u>10,497</u>	<u>10,602</u>
Net Income (Loss)	<u>79,518</u>	<u>231,506</u>	<u>311,024</u>
Change in net position	79,518	231,506	311,024
Total net position - beginning	(127,817)	1,998,440	1,870,623
Total net position - ending	<u>\$ (48,299)</u>	<u>\$ 2,229,946</u>	<u>\$ 2,181,647</u>

San Juan County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

	Business-Type Activities - Enterprise Funds		
	EMS	Landfill	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 1,126,496	\$ 668,226	\$ 1,794,722
Payments to suppliers	(220,122)	(99,791)	(319,913)
Payments to employees	(659,927)	(249,003)	(908,930)
Net cash provided (used) by operating activities	<u>246,447</u>	<u>319,432</u>	<u>565,879</u>
Cash Flows From Capital and Related Financing Activities			
Change in due to/due from other funds	(227,542)	(56,915)	(284,457)
Purchase of capital assets	-	(12,500)	(12,500)
Principal paid on capital debt	(18,905)	(29,000)	(47,905)
Interest paid on capital debt	-	(4,675)	(4,675)
Net cash provided (used) by capital and related financing activities	<u>(246,447)</u>	<u>(103,090)</u>	<u>(349,537)</u>
Cash Flows From Investing Activities			
Interest and dividends received	105	15,172	15,277
Net cash provided (used) by investing activities	<u>105</u>	<u>15,172</u>	<u>15,277</u>
Net increase (decrease) in cash and cash equivalents	105	231,514	231,619
Cash and cash equivalents, July 1	9,639	1,837,524	1,847,163
Cash and cash equivalents, June 30	<u>\$ 9,744</u>	<u>\$ 2,069,038</u>	<u>\$ 2,078,782</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income	\$ 79,413	\$ 221,009	\$ 300,422
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Change in pension obligations	(942)	(472)	(1,414)
(Increase) decrease in accounts receivable	70,287	-	70,287
Increase (decrease) in accrued liabilities	903	12,718	13,621
Total adjustments	<u>167,034</u>	<u>98,423</u>	<u>265,457</u>
Net cash provided (used) by operating activities	<u>\$ 246,447</u>	<u>\$ 319,432</u>	<u>\$ 565,879</u>

San Juan County
Combining Statement of Net Position
Discretely Presented Component Units
December 31, 2020

	San Juan County Transportation Special Service District (unaudited)	San Juan Health Services District	San Juan Mental Health/ Substance Abuse Special Service Dist.	San Juan Spanish Valley Special Service District	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS:					
Cash and investments					
Unrestricted	\$ 2,854,653	\$ 9,926,502	\$ 1,157,945	\$ 1,476,826	\$ 15,415,926
Restricted	-	2,829,684	-	-	2,829,684
Investment, at cost	-	-	1,575	-	1,575
Accounts receivable (net after allowance)	-	2,800,220	15,937	744,482	3,560,639
Due from other governments	-	41,152	380,063	-	421,215
Inventory	-	454,719	-	-	454,719
Prepaid expenses	-	181,877	33,699	-	215,576
Note receivable	-	292,193	-	-	292,193
Capital assets					
Land	-	500,425	126,000	-	626,425
Construction in progress	-	707,087	291,290	11,322,037	12,320,414
Buildings, net	-	4,494,035	2,258,487	-	6,752,522
Improvements, net	-	69,779	-	-	69,779
Equipment, net	-	3,538,980	84,331	-	3,623,311
Total Assets	<u>2,854,653</u>	<u>25,836,653</u>	<u>4,349,327</u>	<u>13,543,345</u>	<u>46,583,978</u>
Deferred outflows of resources - pensions	-	-	217,824	-	217,824
Total Assets and Deferred Outflows of Resources	<u>\$ 2,854,653</u>	<u>\$ 25,836,653</u>	<u>\$ 4,567,151</u>	<u>\$ 13,543,345</u>	<u>\$ 46,801,802</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
LIABILITIES:					
Accounts payable	\$ -	\$ 391,943	\$ 331,818	\$ 652,371	\$ 1,376,132
Accrued liabilities	-	2,027,620	178,060	-	2,205,680
Accrued interest payable	-	13,914	7,249	-	21,163
Compensated absences	-	460,876	134,448	-	595,324
Noncurrent liabilities					
Due within one year					
Bonds payable	169,000	227,149	23,960	125,500	545,609
Due in more than one year					
Bonds payable	1,447,000	2,213,872	832,680	3,980,500	8,474,052
Net Pension Liability	-	-	264,815	-	264,815
Total Liabilities	<u>1,616,000</u>	<u>5,335,374</u>	<u>1,773,030</u>	<u>4,758,371</u>	<u>13,482,775</u>
Deferred inflows of resources - pensions	-	-	174,701	-	174,701
Total Liabilities and Deferred Inflows of Resources	<u>1,616,000</u>	<u>5,335,374</u>	<u>1,947,731</u>	<u>4,758,371</u>	<u>13,657,476</u>
NET POSITION					
Net investment in capital assets	-	7,161,478	1,660,111	6,563,666	15,385,255
Restricted for debt service and capital outlay	1,018,339	-	757,607	-	1,775,946
Reserved for medicaid	-	2,829,684	-	-	2,829,684
Unrestricted/Unassigned	220,314	10,510,117	201,702	2,221,308	13,153,441
Total Net Position	<u>\$ 1,238,653</u>	<u>\$ 20,501,279</u>	<u>\$ 2,619,420</u>	<u>\$ 8,784,974</u>	<u>\$ 33,144,326</u>

San Juan County
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended December 31, 2020

Function/Programs Component Units:	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Transportation Special Service District (unaudited)	\$ 257,729	\$ -	\$ 633,541	\$ 375,812
San Juan Health Care Service District	18,430,406	17,130,887	6,814,644	5,515,125
San Juan Mental Health/Substance Abuse Special Service District	3,110,812	1,736,536	1,467,680	93,404
San Juan Spanish Valley Special Service District	537,797	284,301	-	1,459,959
Total Component Units	\$ 22,336,744	\$ 19,151,724	\$ 8,915,865	\$ 7,444,300

General Revenues:

Earnings on investments	155,022
Net gain on disposal of assets	1,000
Impact fees	168,302
Miscellaneous	551,196
Total General Revenues	875,520
Change in Net Position	8,319,820
Net Position - Beginning	24,824,506
Net Position - Ending	\$ 33,144,326

San Juan County
Statement of Fiduciary Net Position
Fiduciary Funds
 December 31, 2020

	<u>Custodial Fund</u> Treasurer's Tax Collection Agency <u>Trust Fund</u>
ASSETS	
Cash and investments	\$ 434,828
Total Assets	<u>\$ 434,828</u>
LIABILITIES	
Due to taxing units	\$ 434,828
Total Liabilities	<u>\$ 434,828</u>

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1.A. FINANCIAL REPORTING ENTITY

San Juan County is a political subdivision of the State of Utah governed by an elected board with three County Commissioners. These financial statements present all fund types and account groups of the County and its component units.

The County has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with the primary government. According to the most recent guidance under GASB, a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

As required by generally accepted accounting principles, these financial statements present San Juan 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. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County.

The County's financial reporting entity comprises the following:

Primary Government: San Juan County

Discretely Presented Component Units:

- San Juan County Transportation District – This District's governing body consists of a five member board, appointed by the San Juan County Board of commissioners. The purpose of the District is to construct, repair and maintain certain roads within its boundaries. The District's financial statements were not audited, however, we have performed limited procedures on balances reported by the District. Following the requirements of the Utah State Auditor the District submitted a financial survey to the Utah State Auditor's Office. A copy of the report can be obtained at the San Juan County Auditor's office in Monticello, Utah, or on the Utah State Auditors website.
- San Juan Health Services District – This District's governing body consists of a six member board appointed by the San Juan County Board of Commissioners. The District operates a hospital and a birthing center in various San Juan County communities. The District was audited by other independent auditors and their report dated June 22, 2021 has been previously issued under separate cover. A copy of the report can be

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

obtained at the San Juan County Auditor's office in Monticello, Utah, or on the Utah State Auditors website.

- San Juan Mental Health/Substance Abuse Special District (Proprietary Fund Type) – This District's governing body consists of a five member board appointed by the San Juan County Board of Commissioners. The District was audited by other independent auditors, and their report, dated June 24, 2021 has been previously issued under separate cover. A copy of the report can be obtained at the San Juan County Auditor's office in Monticello Utah, or on the Utah State Auditors website.
- San Juan Spanish Valley Special Service District – This District's governing body consists of a five member board appointed by the San Juan County Board of Commissioners. The District's financial statements were audited and the report dated July 15, 2020 has been previously issued under a separate cover. A copy of the report can be obtained at the San Juan County Auditor's office in Monticello Utah, or on the Utah State Auditors website.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The government-wide statements include the Statement of Net Position and Statement of Activities, which display information about the primary government (the County) and its component units. They include all funds of the reporting entity except for fiduciary funds. Eliminations have been made to minimize the double-accounting of internal activities. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenue for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the County and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Fund

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Project Fund

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets with transfers made from the General Fund.

Proprietary Funds

Enterprise Fund

Enterprise funds account for operations that are financed and operated in a manner similar to private business where the intent of the governing body is that costs of providing services to the public on a continued basis be financed or recovered through user charges. San Juan County maintains two enterprise funds, the Solid Waste Fund (Landfill) and the Emergency Medical Fund.

Fiduciary Funds (Not included in government-wide statements)

Agency Fund

Trust and agency funds account for assets held by the County in a trustee capacity. Nonexpendable trust funds are accounted for in essentially the same manner as enterprise funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds account for assets the County holds on behalf of others.

Major and Non-major Funds

The funds are further classified as major or non-major as follows:

Major	Non-Major
General Fund	Library Fund
Class B Road Fund	Health Fund
Building Grounds Equipment Fund	Tort Liability Fund
Road Capital Improvement Fund	
Tax Stability Trust Fund	
Sanitary Landfill	
Emergency Medical Services (EMS) Fund	
Municipal Building Fund	

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available, means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1.D. ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, “cash, including time deposits” includes all demand, savings accounts, and certificates of deposits of the County. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

term investments with an original maturity of three months or less. Investments of the promissory note trustee accounts are not considered cash equivalents.

The County categorizes the fair value measurements of its investments based on the hierarchy established by general accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant other unobservable inputs. The County does not have any investments that are measured using Level 2 or 3 inputs. Additional cash and investment disclosures are presented in Notes 2.B. and 3.A.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, and grants. Business-type activities report emergency services and landfill charges and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Emergency services and landfill accounts receivable and interest earnings compose the majority of proprietary fund receivables.

Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets that are recorded at their estimated fair value at the date of donation.

Prior to January 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and Improvements	15-40 years	15-40 years
Machinery and Equipment	5-20 years	5-20 years
Vehicles	5-10 years	5-10 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The County accrues the cost for accumulated vacation days. The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only when due.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes include 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 the liabilities, the statement of net position will sometimes include 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 then.

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position—Consists of net assets 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.
- c. Unrestricted net position—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund 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. Proprietary funds report fund balance using the same method as the Government-wide Statements. See Note 3.I. for additional disclosures.

- a. Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- b. Restricted fund balance classification includes those funds restricted by enabling legislation. Also reported if (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through provisions or enabling legislation.
- c. Committed fund balance classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by resolution of the County Commission.
- d. Assigned fund balance classification includes amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are intended to be used for specific purposes.
- e. Unassigned fund balance classification is the residual classification for 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 specific purposes within the General Fund.

1.E. REVENUES, EXPENDITURES, AND EXPENSES

The modified accrual basis of accounting is followed by the governmental funds, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, which is defined as when the revenues are both measurable (when the amount of the transaction can be determined) and available (if collectible within the current period or soon enough thereafter to pay liabilities of the current period).

Property taxes, sales taxes, fines and forfeitures, interest income, and various intergovernmental revenues comprise the significant revenues susceptible to accrual. Accrued sales taxes relate solely to amounts held by agents for the County to be remitted within sixty days. Other accrued revenues represent measurable amounts related to current or prior periods that will be received within sixty days. Grant revenues already received may be deferred to the extent the earnings process is considered incomplete. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Expenditures, other than principal and interest on long-term debt and employee annual leave, are recorded when the related fund liability is incurred.

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Property Tax Calendar:

- January 1 Lien Date – All property appraised based on situs and status as of this date (real and personal)
- March 1 Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice.
- June 22 County Auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the County auditor is to compute taxes and the county treasurer is to mail tax notices.
- July 22 County Auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the County auditor is to compute taxes and the county treasurer is to mail tax notices.
- September 1 State Tax Commission approves tax rate
- November 1 County Auditor is to deliver the equalized assessment roll to the County Treasurer with affidavit.
- November 1 County Auditor to charge the County Treasurer to account for all taxes levied
- November 1 County Treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings.
- November 30 Taxes on real property become delinquent.

The accrual basis of accounting is utilized by the proprietary funds and non-expendable-trust funds. The measurement focus of these funds emphasizes the determination of net income. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds—By Character: Current (further classified by function)

Proprietary Fund—By Operating and Non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

1.F. PENSIONS

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

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the County and its component units are subject to various federal, state, and local laws and contractual regulations. An analysis of the County's compliance with significant laws and regulations and demonstration of its stewardship over County resources follows.

2.A. FUND ACCOUNTING REQUIREMENTS

The County complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the County include the following:

<u>Fund</u>	<u>Required By</u>
General Fund	State Law

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

San Juan 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. All short-term cash surpluses are maintained in either cash or investments and allocated to each fund based on month-end deposit and investment balances.

The County follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of County funds in a "qualified depository." A "qualified depository" is defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Utah Money Management Act also defines the types of securities allowed as appropriate temporary investments for the County and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

Statutes authorize the County to invest in negotiable or non-negotiable 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, one of which must be Moody's Investor Services or Standard & Poor's bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; 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 by the Act; and the Utah Public Treasurers' Investment Fund.

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

The Utah Public Treasurers' Investment Fund (UPTIF) is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. UPTIF is not registered with the SEC as an investment company. The UPTIF is authorized and regulated by the Utah Money Management Act. The Act establishes the Money Management Council, which oversees the activities of the State Treasurer and the UPTIF and details the types of investments that are authorized. UPTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the UPTIF are allocated to participants on the ratio of the participant's average daily balance. The fair value of the UPTIF investment pool is approximately equal to the value of pool shares.

Certain assets are restricted by provisions of the revenue bond resolutions. The resolutions also describe how these restricted assets may be deposited and invested. Restricted cash may only be deposited in state or national banks meeting certain minimum net worth requirements or invested in securities representing direct obligations of or obligations guaranteed by the U.S. government, agencies of the U.S. government, any state within the territorial United States of America, repurchase agreements or interest bearing time deposits with state or national banks meeting certain minimum net worth requirements, or certain other investments.

2.C. REVENUE RESTRICTIONS

The County has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales Tax	See Note 1.E.
Landfill & E911	Debt Service and Utility Operations
Grants	Grant Program Expenditures
B Road Funds	Eligible B Roads

For the year ended December 31, 2020, the County complied, in all material respects, with these revenue restrictions.

2.D. DEBT RESTRICTIONS AND COVENANTS

General Obligation Debt

No debt in excess of total revenue for the current year shall be created by any county unless the proposition to create such debt shall have been submitted to a vote of qualified electors. Counties shall not contract for debt to an amount exceeding four percent of the fair market value of taxable property in their jurisdictions.

Notes Payable

The county has one note payable which is a CIB loan for the Landfill and Solid Waste Collection System. This note was entered into in 1995, bears interest at a rate 2.5% and is payable over 30 years. The balance of this note as of December 31, 2020 was \$158,000.

2.E. FUND EQUITY RESTRICTIONS

Reservations or restrictions of equity represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of equity represent tentative management plans that are subject to change. The following is a list of all reserves and designations used by the County and a description of each:

Restricted for Inventory & Prepaid Expenses--An account used to segregate a portion of the fund balance for inventory and prepaid expenses.

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Restricted for Class 'B' Road--An account used to segregate a portion of the fund balance for the repair of Class 'B' roads.

Restricted for Capital Outlay--An account used to restrict funds for specific future capital projects.

Restricted for Landfill Closure Costs--An account used to reserve funds for payment of the landfill's closure and post-closure costs.

Restricted for Emergency --An account used to set aside funds for emergency medical services in the proprietary funds, and for health and trust accounts in the governmental funds.

2.F. BUDGETARY BASIS OF ACCOUNTING

Budgetary procedures for the County have been established by Utah State Statute in the Fiscal Procedures Act for Utah Counties (the Act). The basis of accounting applied to each fund budget is the same basis as the related fund's financial statements. In accordance with the Act, all appropriations lapse at the end of the budget year. Accordingly, no encumbrances are recorded. At its option, the County may permit its expenditure accounts to remain open for a period of 30 days after the close of its fiscal year for the payment of approved invoices for goods received or services rendered prior to the close of the fiscal year.

Annual budgets are prepared and adopted in accordance with Utah State law by the County Commission on or before December 31 for the following fiscal year, beginning January 1. Budgets may be increased by resolution of the County Commission at any time during the year, provided a public hearing has been held regarding any proposed increase. Budgets are adopted at sub-department levels. However, budget amendments are required only when excess expenditures occur at the departmental level. The County prepares a budget for each fund including the operation of the enterprise funds.

Under Utah Code, the County's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, including revisions, except as allowed by the Code for certain events.

While the County is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual presented for the general fund and the special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The Parks and recreation department in the General Fund, the Municipal Building Fund, the Health Fund, and the Emergency Services fund were over the budgeted appropriations for the period.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

3.A. CASH AND INVESTMENTS

Deposits – Custodial Credit Risk:

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a policy for custodial credit risk. As of December 31, 2020, The County's custodial credit risks for deposits were as follows:

	Custodial Credit Risk	Bank Balance December 31, 2020	
		Primary	Component
		Government	Unit
Depository Accounts	Insured	\$ 466,266	\$ 364,905
	Uninsured and uncollateralized	4,333,447	306,572
Total Depository Accounts		<u>\$ 4,799,713</u>	<u>\$ 671,477</u>

Investments

As of December 31, 2020 the government had the following investments and maturities:

	Fair Value	Investment Maturity in Years			
		Less Than 1	1-5	6-10	More Than 10
Primary Government:					
Investments in Public					
Treasurers' Investment	\$ 15,122,068	\$ 15,122,068	\$ -	\$ -	\$ -
Zion's Wealth	13,777,496	7,284,477	6,493,019	-	-
Total Fair Value - Primary Government	<u>\$ 28,899,564</u>	<u>\$ 22,406,545</u>	<u>\$ 6,493,019</u>	<u>\$ -</u>	<u>\$ -</u>
Component Unit:					
Investments in Public					
Treasurers' Investment	\$ 16,880,998	\$ 16,880,998	\$ -	\$ -	\$ -
Other	740,019	326,803	-	-	1,575
Total Fair Value - Component Unit	<u>\$ 17,621,017</u>	<u>\$ 17,207,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,575</u>

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Credit Risk – The County follows the requirements of the Utah Money Management act (Section 61, chapter 7 of the Utah Code) in handling its depository and investing transactions.

County funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the County to invest in the Utah Public Treasurers' Investment Fund (UPTIF), trade commercial paper, bankers' acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligation of government entities within the State of Utah. The UPTIF is invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the UPTIF. The degree of risk of the UPTIF depends upon the underlying portfolio. The act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. If a qualified depository should become ineligible to hold public funds, public treasurers are notified immediately. The County considers the actions of the Council to be necessary and sufficient for adequate

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

protection of its investments. The County has no investment policy that would further limit its investment choices. The UPTIF is unrated.

Investments are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at December 31, 2020:

Investments	Fair Value	Level 1 Inputs	Level 2 Inputs
Primary Government			
Debt Securities			
U.S. Treasuries	\$ 480,226	\$ 480,226	\$ -
Corporate bonds	5,963,039	5,963,039	-
Utah Public Treasurer's Fund	19,721,396	-	19,721,396
Mortgage-backed securities			
Residential:	2,734,903	2,734,903	-
Total Debt Securities:	<u>\$ 28,899,564</u>	<u>\$ 9,178,168</u>	<u>\$ 19,721,396</u>
Component Units			
Debt Securities			
Utah Public Treasurer's Fund	\$ 16,880,998	\$ -	\$ 16,880,998
Other	740,019	740,019	-
Total Debt Securities:	<u>17,621,017</u>	<u>740,019</u>	<u>16,880,998</u>

The deposits and investments described above are included on the Statement of Net Assets as per the following reconciliation:

Reconciliation to Government-wide Statement of Net Assets:

Deposits	\$ 4,207,499
Investments	28,899,564
Cash on hand	1,266
Total	<u>\$ 33,108,329</u>

Government - Wide

Cash and Cash Equivalents	\$ 2,072,177
Restricted Cash and Cash Equivalents	30,601,324
Fiduciary Restricted Cash	434,828
Total	<u>\$ 33,108,329</u>

San Juan County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

3.B. RESTRICTED ASSETS

The amounts reported as restricted assets are for roads and capital outlay in governmental funds and closure and post closure costs of the landfill, and emergency medical services in proprietary funds. The restricted assets as of December 31, 2020, are as follows:

Type of Restricted Asset	Cash-Including Time Deposits	
	December 31, 2020	December 31, 2019
Governmental		
Roads and Capital Outlay	\$ 22,339,595	\$ 23,774,895
Emergency	7,462,807	7,807,295
Proprietary		
Landfill Closure Costs	793,320	784,844
Emergency Medical Services	5,602	5,542
Total	<u>\$ 30,601,324</u>	<u>\$ 32,372,576</u>

3.C. TAXES RECEIVABLE – GENERAL FUND

San Juan County assesses and collects taxes for the taxing units of the County. The County then remits such monies to the taxing units according to the tax rates set by each taxing unit. The amounts held by the Treasurer at the year-end were considered collected by the County Funds and are shown as cash in the County accounts.

3.D. NOTES RECEIVABLE

San Juan School District – Long-term Receivables:

Pursuant to an agreement in 2009, the County is assisting the San Juan School District in paying for expenditures related to recreational improvements at local facilities. The improvements were approved and based on a federal grant awarded to the school district. The grant requires that the expenditures be submitted for reimbursement of the grant monies. The school district does not have the ability to pay for the expenditures up front and then submit the expenditures to receive the grant proceeds. The County has agreed to pay for the expenditures and the school district in return will pay back the County with the proceeds from the grant. Expenditures paid for by the County to date were \$500,000, which will be repaid by the school district.

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San Juan County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

3.E. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 715,005	\$ 1,803,774	\$ (1,782,633)	\$ 736,146
Land	1,632,316	-	-	1,632,316
Infrastrure	55,881,009	-	-	55,881,009
Total Assets Not Being Depreciated	58,228,330	1,803,774	(1,782,633)	58,249,471
Capital Assets Being Depreciated				
Buildings and improvements	17,153,043	2,098,033	-	19,251,076
Autos and trucks	4,091,161	229,408	(126,735)	4,193,834
Heavy equipment	11,492,046	360,449	-	11,852,495
Light equipment	2,497,096	29,212	-	2,526,308
Total Assets Being Depreciated	35,233,346	2,717,102	(126,735)	37,823,713
Less Accumulated Depreciation				
Buildings and improvements	6,330,377	535,210	-	6,865,587
Autos and trucks	3,100,397	198,216	(126,735)	3,171,878
Heavy equipment	7,853,899	683,381	-	8,537,280
Light equipment	1,964,881	91,311	-	2,056,192
Total Accumulated Depreciation	19,249,554	1,508,118	(126,735)	20,630,937
Total Capital Assets Being Depreciated, Net	15,983,792	1,208,984	-	17,192,776
Governmental Activities Capital Assets, Net	\$ 74,212,122	\$ 3,012,758	\$ (1,782,633)	\$ 75,442,247
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Total Assets Not Being Depreciated	25,000	-	-	25,000
Capital Assets Being Depreciated				
Buildings and improvements	560,333	-	-	560,333
Machinery and equipment	2,834,998	12,500	-	2,847,498
Total Capital Assets Being Depreciated	3,395,331	12,500	-	3,407,831
Less Accumulated Depreciation				
Buildings	396,939	14,824	-	411,763
Machinery and equipment	1,711,894	168,139	-	1,880,033
Total Accumulated Depreciation	2,108,833	182,963	-	2,291,796
Total Capital Assets Being Depreciated, Net	1,286,498	(170,463)	-	1,116,035
Business-Type Activities Capital Assets, Net	\$ 1,311,498	\$ (170,463)	\$ -	\$ 1,141,035

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Depreciation expense was charged to governmental activities as follows:

	Depreciation
Public Safety (PS)	565,586
Highways and Improvements (HI)	748,512
Parks & Recreation (PR)	194,020
Total	1,508,118

3.F. ACCOUNTS PAYABLE

Payables in the general fund, non-major governmental funds and the enterprise funds are composed of short term payables to vendors.

3.G. LONG-TERM DEBT

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

Governmental Activities:

As of December 31, 2020, the governmental long-term debt of the financial reporting entity consisted of the following:

Lease Rev Bond Series 2016	1,377,000
Lease Rev Bond Series 2018	555,000
Lease Rev Bond Series 2019, Road Dept Shop	853,000
Lease Rev Bond Series 2019	333,000
Accrued Compensated Absences	1,208,706
Total Governmental Long-Term Debt	4,326,706

During 2014 the County issued Utah Lease Revenue bonds in the amount of \$115,000. The bonds were issued at 1.5% interest and mature March 1, 2020.

During 2017 the County issued a loan with CIB in the amount of \$1,500,000. The loan was issued for 30 years at 1.5% interest. This was used in conjunction with grant funding to construct the new Health Service Facility.

During 2018 the County issued Tax Lease Revenue bonds in the amount of \$571,00. The bonds were issued at 1% interest and mature June 1, 2049, These funds were used to build a new Senior Center in Blanding

During 2019 the County issued Tax Lease Revenue bonds in the amount of \$350,000. The bonds were issued at 2% interest and mature December 1, 2048 These funds were used to purchase a house as a day treatment facility for San Juan Counseling.

During 2019 the County issued Tax Lease Revenue bonds in the amount of \$905,000. The bonds were issued at 2% interest and mature October 1, 2034 These funds were used to build a new Road Department Shop and related facilities

San Juan County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Business-type Activities:

Solid Waste Revenue Bonds - During 1995 San Juan County began construction of a solid waste landfill. The project cost approximately \$1,550,000 and was funded by the following sources:

PCIB – Revenue Bonds	\$ 711,750
Health Service Grant	680,000
Local Contribution	<u>158,250</u>
Total	<u>\$ 1,550,000</u>

The terms of the PCIB loan require 30 yearly payments beginning on October of 1996 with interest at 2.5%.

In 1987 San Juan County defeased revenue bonds by placing certain monies in an irrevocable trust to provide for all future debt service payments on bonds. The County has removed the bonds and the respective trust assets from the books. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At December 31, 2020, \$1,800,000 of bonds outstanding is considered defeased.

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2020:

<u>Type of Debt</u>	<u>Balance Jan 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec 31, 2020</u>
Governmental Activities				
Bonds				
Utah Lease Revenue Bonds 2014	24,000	-	24,000	-
Lease Rev Bond Series 2016	1,418,000	-	41,000	1,377,000
Lease Rev Bond Series 2018	571,000	-	16,000	555,000
Lease Rev Bond Series 2019, Road Dept Shop	905,000	-	52,000	853,000
Lease Rev Bond Series 2019	341,000	-	8,000	333,000
Other long-term debt				
Accrued Compansated Absences	1,188,712	19,994	-	1,208,706
Total Governmental Long-Term Debt	<u>4,447,712</u>	<u>19,994</u>	<u>141,000</u>	<u>4,326,706</u>
Business-type				
Bonds				
Solid waste water revenue bonds	186,000	-	28,000	158,000
Direct borrowings				
Ambulance Defibrillator loan	37,811	-	18,905	18,906
Other long-term debt				
Accrued Compansated Absences	74,297	-	-	74,297
Total Business-type Long-Term Debt	<u>298,108</u>	<u>-</u>	<u>46,905</u>	<u>251,203</u>

All of the County's bonds and direct borrowings are collateralized by their respective revenues, real property, or other depreciable property and equipment.

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Annual Debt Service Requirements – Revenue Bonds

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of December 31, 2020, are as follows:

Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 119,000	\$ 55,870	\$ 174,870	\$ 48,905	\$ 3,950	\$ 52,855
2022	121,000	53,570	174,570	31,000	3,200	34,200
2023	123,000	51,220	174,220	32,000	2,425	34,425
2024	126,000	48,830	174,830	32,000	1,625	33,625
2025	127,000	46,015	173,015	33,000	825	33,825
2026-2030	679,000	193,385	872,385	-	-	-
2031-2035	671,000	124,020	795,020	-	-	-
2036-2040	429,000	75,470	504,470	-	-	-
2041-2045	466,000	41,340	507,340	-	-	-
2046-2050	257,000	7,345	264,345	-	-	-
	<u>\$ 3,118,000</u>	<u>\$ 697,065</u>	<u>\$ 3,815,065</u>	<u>\$ 176,905</u>	<u>\$ 12,025</u>	<u>\$ 188,930</u>

Governmental and Business-type Activities – Compensated Absences Payable:

Compensated absences represent accrued vacation and sick pay which is vested and would be paid upon termination or retirement of County employees. Since this accrued liability is not expected to be liquidated with expendable available financial resources, the liability is not reported in the governmental funds. However, it is reported on the Statement of Net Position and the change in the balance over/under the prior year is reported as additional expense on the Statement of Activities.

3.H. INTERFUND TRANSACTIONS AND BALANCES

Operating Transfers

	Transfers in	Transfers out
General Fund	\$ 500,000	\$ 315,400
Class "B" Road Fund	315,400	-
Tax Stability	-	500,000
Health Fund	-	15,725
Local Building Authority	15,725	-
Grand Total	<u>\$ 831,125</u>	<u>\$ 831,125</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Due to due from other funds:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ -	\$ 22,236
B Road Fund	-	1,835,883
Municipal Building Fund	993,109	-
Health Fund	205,512	-
EMS Fund	772,879	-
Capital Projects Fund	-	61,475
Landfill Fund	-	406,461
Tort Liability Fund	268,131	-
Library Fund	86,424	-
Total	<u>\$ 2,326,055</u>	<u>\$ 2,326,055</u>

3.I. FUND EQUITY

Restricted Fund Equity

Class "B" Special Revenue Fund balance is restricted for use on Class "B" roads.

Landfill proprietary fund equity in the amount of \$784,844 is reserved to provide financial assurances for estimated closure and post closure costs of the landfill.

Restricted Fund Equity

	<u>Governmental Activities</u>	<u>Business-Type Activites</u>	<u>Totals</u>
Capital Projects Funds:			
Capital Outlay	\$ 31,550	\$ -	\$ 31,550
Capital Outlay - Roads	3,047,687	-	3,047,687
Local Building Authority	87,206	-	87,206
Special Revenue Fund:			
Class "B" Road Funds	19,173,152	-	19,173,152
Permanent Fund:			
Tax Stability Trust	7,462,807	-	7,462,807
Enterprise Fund:			
Closure & Post Closure Liabilities	-	793,320	793,320
Emergency Medical Service	-	5,602	5,602
Total Restricted Net Position	<u>\$ 29,802,402</u>	<u>\$ 798,922</u>	<u>\$ 30,601,324</u>

NOTE 4. OTHER NOTES

4A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

This information is for the primary government only. For detailed information on the applicable component units see their issued financial statements.

General Information about the Pension Plan

Plan Description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- **Public Employees Noncontributory Retirement System (Noncontributory System);**

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

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

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The System's 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 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 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.gov.

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

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%

* with actuarial reductions

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

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

San Juan County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2020

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System:			
11-Local Governmental Division Tier 1	6.00	14.46	N/A
111-Local Governmental Division Tier 2	N/A	15.80	0.89
Noncontributory System			
15-Local Government Division Tier 1	N/A	18.47	N/A
Public Safety Retirement System			
Contributory			
23 Other Div A with 2.5% COLA	N/A	22.79	N/A
122 Tier 2 DB Hybrid Public Safety	2.27	25.83	N/A
Noncontributory			
43- Other Division A Noncontributory Tier 1	N/A	34.04	N/A
Tier 2 DC Only			
211- Local Government	N/A	6.69	10.00
222- Public Safety	N/A	11.83	14.00

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

For fiscal year ended December 31, 2020, the employer contributions to the systems were as follows;

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 568,670	N/A
Public Safety System	278,871	15,444
Tier 2 Public Employees System	205,151	-
Tier 2 Public Safety and Firefighter	171,543	5,760
Tier 2 DC Only System	25,681	N/A
Tier 2 DC Public Safety and Firefighter System	5,394	N/A
Total	\$ 1,255,310	\$21,204

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

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

At December 31, 2020, we reported a net pension asset of \$0 and a net pension liability of \$2,541,173.

	(Measurement Date): December 31, 2019				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2018	Change (Decrease)
Noncontributory System	\$ -	\$ 1,449,614	0.3846283%	0.3982648%	(0.0136365)%
Contributory System	-	-	- %	- %	- %
Public Safety System	-	1,045,790	0.6513316%	0.6308095%	0.0205221%
Firefightewr System	-	-	- %	- %	- %
Judges Retirement System	-	-	- %	- %	- %
Governors & Legislators Plan	-	-	- %	- %	- %
Tier 2 Public Employees System	-	16,934	0.0752935%	0.0941054%	(0.0188119) %
Tier 2 Public Safety and Fire Fighter System	-	28,835	0.3065475%	0.3152344%	(0.0086869) %
Total Net Pension Asset / Liability	\$ -	\$ 2,541,173			

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

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

For the year ended December 31, 2020. We recognized pension expense of \$1,323,766.

At December 31, 2020, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 163,406	\$ 48,975
Changes in assumptions	203,294	747
Net difference between projected and actual earnings on pension plan investments	-	1,110,291
Changes in proportion and differences between contributions and proportionate share of contributions	59,123	120,570
Contributions subsequent to the measurement date	1,255,311	-
Total	\$ 1,681,134	\$ 1,280,583

There were \$1,255,311 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2020	\$ (190,925)
2021	(285,983)
2022	15,754
2023	(419,414)
2024	2,978
Thereafter	22,831

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

Inflation	2.60 percent
Salary increases	3.25-9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense including inflation

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

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

The actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

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

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

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

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 4,527,648	\$ 1,449,614	\$ (1,117,435)
Public Safety System	2,709,001	1,045,790	(305,890)
Tier 2 Public Employees System	146,030	16,934	(82,833)
Tier 2 Public Safety and Firefighter	101,864	28,835	(25,377)
Total	\$ 7,484,543	\$ 2,541,173	\$ (1,531,535)

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

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

Defined Contribution Savings Plans

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

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

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

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

	2020	2019	2018
401(k) Plan			
Employer Contributions	\$ 71,281	\$ 63,609	\$ 54,664
Employee Contributions	\$ 83,743	\$ 117,102	\$ 119,245
457 Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 5,213	\$ 5,847	\$ 6,051
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 17,960	\$ 20,599	\$ 21,040
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 50	\$ -	\$ 200

4.B. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the Utah Counties Indemnity Pool, a self-funded risk financing pool. Through the Pool, the County maintains general liability, errors and omissions, newly acquired property, builders risk, unscheduled locations, and crime. The Pool is reinsured through commercial companies for the following coverage:

Property Coverage	\$500,250,000	per Occurrence
General Liability	5,000,000	per Occurrence
	5,000,000	Annual Aggregate
Public Officials Errors and Omissions Liability	2,750,000	Per Occurrence
	2,750,000	Annual Aggregate
Employee Benefits	5,000,000	per Occurrence
	5,000,000	Annual Aggregate
Auto Liability	5,000,000	per Occurrence

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

The Pool does not provide coverage for all risks and hazards; however, the County has obtained coverage for employee accidental death and dismemberment, workers compensation, airport liability and surety bond coverage through commercial carriers.

In 1999 the County provided medical, health, dental and vision coverage through an agreement with CIGNA, using a partially self-funded plan with a loss of \$100,000 per claim and a total maximum aggregate claims liability of specific stop loss.

Claims have not exceeded coverage in any of the last 3 calendar years.

4.C. COMMITMENTS AND CONTINGENCIES

Solid Waste Landfill Closure and Post-closure Care Costs

Class I Landfill

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closures and post closure care costs as an expense in the Landfill Enterprise Fund each period based on landfill capacity used as of each balance sheet date. The \$301,603 reported as landfill closure and post closure care liability at December 31, 2020 represents the cumulative amount reported to date based on the percentage used of the estimated capacity of the landfill. The capacity full is currently estimated at 38%. The County will recognize the remaining estimated cost of the closure and post closure care of \$457,671 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2020. The County expects to close the landfill in the year 2055. The estimated closure date was changed in 2005 from 2046. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The county is required by State and Federal laws and regulations to make annual contributions to a trust to finance closure and post closure care. The County is in compliance with these requirements, and at December 31, 2020 investments of \$753,654 are held for these purposes. These are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

Class IV Landfill

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste. The final closure of this Class IV Landfill shall consist of leveling waste to the extent practicable, covering with a minimum of two feet of earthen material, and seeding with grass according to the closure plan contained in the permit applications. San Juan County shall also meet the requirements of UAC R315-309 by recording with the San Juan County Recorder, as part of the record of title, that the property was used as landfill. Although closure & post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as expenditure in the General Fund each period based on landfill capacity used as of each balance sheet date. The \$15,369 reported as landfill closure and post closure care liability for the Class IV Landfill at December 31, 2020, represents the cumulative amount reported to date based on the use of less than 37% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post closure care of \$24,811 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2020

2020, The County expects to close the landfill in the year 2055. Actual costs may be higher due to inflation or changes in regulations.

The County is required by State and Federal laws and regulations to make annual contributions to a trust to finance closure and post closure care. The County is in compliance with these requirements, and, at December 31, 2020, investments of \$39,666 are held for these purposes. These are reported as restricted assets on the balance sheet. The County expects that inflation costs will be paid from interest earnings on these annual contributions. However, if interest is inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future Landfill users or from future tax revenue.

4.E. ECONOMIC DEPENDENCY

The County receives over 50% of its property tax revenue from State assessed property tax from oil and gas properties.

4.F. SUBSEQUENT EVENTS

Management has evaluated events and transactions which occurred through the date of the audit report, which is the date the financial statements were available to be issued.

4.G. EFFECT OF COVID-19

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

4.H. ROUNDING CONVENTION

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without manually balancing each column, the sum of displayed amounts in a column may not equal the total displayed in that column or separate schedules. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

San Juan County
Information About Infrastructure Assets Reported
Using the Modified Approach
(Condition Rating of County's Road System)
For the Year Ended December 31, 2020

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

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

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

ROADS

San Juan County applies the modified approach to all roads owned and/or maintained by the County. The goal of the County in conjunction with adopting the modified approach is to develop and provide a cost effective maintenance program that preserves the County's investment in it's road network and enhances public transportation and safety.

Condition Assessments

Roads are categorized as natural rock, gravel and oil surface. Formal condition assessments are not done on natural and rock surface roads. These roads are maintained on an as-needed basis, for example, when a road is washed out. Formal condition assessments are performed on all gravel and oil surface roads each year. The process and purpose of these condition assessments are described briefly below.

Gravel Surface Roads: The condition assessments of gravel roads are based on gravel thickness and surface smoothness. Roads are rated as excellent, good and fair. A fair rating indicates gravel thickness of less than 1" excessive surface deterioration. Roads rated in fair condition require maintenance. It is the County's policy maintain at least 60% of its gravel surface roads miles in good or excellent condition.

San Juan County

Information About Infrastructure Assets Reported Using the Modified Approach (Condition Rating of County's Road System) For the Year Ended December 31, 2020

Oil Surface Roads: The condition assessments of oil surface roads are based on the following criteria: potholes, cracking, rutting, shoulder condition, surface smoothness and base condition. Roads are rated as excellent, good, fair and poor. It is the County's policy to maintain at least 60% of its oil surface roads miles in good or excellent condition. No more than 10% of oil surface road miles will be in poor condition.

Condition Rating of the County's Road System

Percentage of Lane-Miles in Good or Excellent Conditions in:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Paved	64	62	38
Gravel	71	65	68
Overall System	68	64	53

Percentage of Lane-Miles in Fair or Poor Conditions in:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Paved	36	38	62
Gravel	29	35	32
Overall System	33	37	47

Comparison of Needed-to Actual Maintenance/Preservation:

	2016	2017	2018	2019	2020
Estimated	750,000	744,000	750,000	2,039,523	669,311
Actual	983,749	983,749	1,113,414	1,498,786	1,783,460

BRIDGES

The County's bridges are inspected every other year by the State of Utah Department of Transportation. Based on a variety of factors, each bridge is assigned a sufficiency rating between 0 and 100. Bridges receiving a rating below 50 are eligible for state and/or federal funding for replacement or repair. It is the County's policy to actively pursue replacement or repair of any bridge receiving a rating of below 50.

San Juan County

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

General Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Over(Under)
REVENUES				
Taxes	\$ 6,239,979	\$ 5,245,319	\$ 5,236,895	\$ (8,424)
Licenses and permits	63,500	64,400	90,098	25,698
Intergovernmental revenues	3,946,608	4,873,869	5,139,150	265,281
Charges for services	2,191,886	2,151,706	2,128,458	(23,248)
Fines and forfeitures	496,962	511,962	460,990	(50,972)
Investment income	130,000	65,000	43,458	(21,542)
Miscellaneous	669,717	594,717	279,950	(314,767)
Total Revenues	<u>\$ 13,738,652</u>	<u>\$ 13,506,973</u>	<u>\$ 13,378,999</u>	<u>\$ (127,974)</u>
EXPENDITURES				
General government				
Commissioners	\$ 234,830	\$ 209,830	\$ 195,838	\$ (13,992)
Planning - personnel	258,700	197,200	204,628	7,428
J.P. Court	154,856	154,356	143,442	(10,914)
Sanity Hearings	600	600	993	393
Public Defender	196,000	196,000	236,913	40,913
Clerk-auditor	186,003	207,503	153,251	(54,252)
Attorney	338,649	346,149	330,569	(15,580)
Recorder	229,289	246,489	224,218	(22,271)
Treasurer	136,611	131,441	130,720	(721)
Assessor	229,633	229,333	213,608	(15,725)
Data Processing	109,004	107,298	82,012	(25,286)
Surveyor	179,799	166,799	162,786	(4,013)
Historical Preservation	8,300	8,300	22,534	14,234
Legal Defense	1,502,000	1,502,000	1,357,671	(144,329)
Courthouse and Grounds	94,225	117,175	98,778	(18,397)
Elections	216,627	325,427	214,342	(111,085)
Non-departmental	175,800	906,850	1,384,775	477,925
Employee Benefits	1,806,000	2,033,000	1,476,443	(556,557)
Other	2,000	2,000	699	(1,301)
Blanding Annex Building	9,800	9,300	8,326	(974)
Administration	150,290	200,290	557,819	357,529
Total General Government	<u>\$ 6,219,016</u>	<u>\$ 7,297,340</u>	<u>\$ 7,200,365</u>	<u>\$ (96,975)</u>
Public safety				
Sheriff	\$ 1,592,196	\$ 1,586,172	\$ 1,513,284	\$ (72,888)
Sheriff Airplane	21,800	21,800	12,185	(9,615)
County Jail	1,997,999	2,019,813	1,936,787	(83,026)
Fire Rescue	138,741	138,241	121,445	(16,796)
Fire Control	225,264	219,764	184,873	(34,891)
Building Inspection	79,564	74,214	78,133	3,919
Search and Rescue	7,000	7,000	7,312	312
Drug Expenditures	70,000	70,000	69,558	(442)
Weed and Rodent Control	122,148	114,848	115,120	272
Emergency Services	293,189	506,389	(27,129)	(533,518)
Total Public Safety	<u>\$ 4,547,901</u>	<u>\$ 4,758,241</u>	<u>\$ 4,011,568</u>	<u>\$ (746,673)</u>

continued on next page

San Juan County

**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
General Fund**

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
Public Health				
Public welfare	\$ 1,166,080	\$ 1,160,080	\$ 967,785	\$ (192,295)
Highway and public improvements				
County roads	-	-	15	15
Snow removal	26,991	26,991	8,055	(18,936)
Total Highways and Public Improvements	<u>\$ 26,991</u>	<u>\$ 26,991</u>	<u>\$ 8,070</u>	<u>\$ (18,921)</u>
Parks, recreation and public property				
Interagency recreation	\$ 41,000	\$ 97,000	\$ 35,550	\$ (61,450)
Television/communication	231,000	172,585	180,832	8,247
Airports	118,400	123,900	309,001	185,101
Total Parks, Recreation and Public Property	<u>\$ 390,400</u>	<u>\$ 393,485</u>	<u>\$ 525,383</u>	<u>\$ 131,898</u>
Community and economic development				
Agriculture and extension service	\$ 61,500	\$ 61,500	\$ 52,866	\$ (8,634)
Southern San Juan County fair	142,700	50,000	44,623	(5,377)
Economic development	160,552	159,552	166,621	7,069
Visitor services	998,988	869,383	648,762	(220,621)
Special projects	366,933	66,000	86,964	20,964
Total Conservation and Economic Dev.	<u>\$ 1,730,673</u>	<u>\$ 1,206,435</u>	<u>\$ 999,836</u>	<u>\$ (206,599)</u>
Total Expenditures	<u>\$ 14,081,061</u>	<u>\$ 14,842,572</u>	<u>\$ 13,713,007</u>	<u>\$ (1,129,565)</u>
Excess Revenues Over (Under)				
Expenditures	<u>\$ (342,409)</u>	<u>\$ (1,335,599)</u>	<u>\$ (334,008)</u>	<u>\$ 1,001,591</u>
Other financing sources (uses)				
Transfers in	\$ 940,000	\$ 1,480,000	\$ 500,000	\$ (980,000)
Transfers out	(526,591)	(603,339)	(315,400)	287,939
Contributions to other government entities	(81,000)	349,812	(297,107)	(646,919)
Total Other Financing Sources and Uses	<u>\$ 332,409</u>	<u>\$ 1,226,473</u>	<u>\$ (112,507)</u>	<u>\$ (1,338,980)</u>
Excess of Revenues and Other Sources				
Over (under) expenditures and other uses	\$ (10,000)	\$ (109,126)	\$ (446,515)	\$ (337,389)
Fund Balances - Beginning			3,367,066	
Fund Balances - Ending			<u>\$ 2,920,551</u>	

San Juan County

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

Special Revenue Fund (Class B Road Fund)

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Over(Under)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 4,181,922	\$ 4,181,922	\$ 3,971,888	\$ (210,034)
Charges for services	331,001	331,001	853,679	522,678
Interest income	400,000	400,000	218,129	(181,871)
Miscellaneous	315,000	315,000	5,348	(309,652)
Total Revenues	<u>5,227,923</u>	<u>5,227,923</u>	<u>5,364,444</u>	<u>136,521</u>
Expenditures				
Current:				
Highways and public improvements	7,130,890	7,130,890	5,732,282	(1,398,608)
Capital outlay	8,000	8,000	440,416	432,416.00
Transfers out	78,000	78,000	-	(78,000)
Total Expenditures	<u>7,216,890</u>	<u>7,216,890</u>	<u>6,172,698</u>	<u>(1,044,192)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,988,967)</u>	<u>(1,988,967)</u>	<u>(808,254)</u>	<u>1,180,713</u>
Net Change in Fund Balance	(1,988,967)	(1,988,967)	(808,254)	1,180,713
Fund Balance Beginning of Year			21,477,233	
Fund Balance End of Year			<u>\$ 20,668,979</u>	

San Juan County
Schedule of the Proportionate Share of the Net Pension Liability
Utah Retirement Systems
December 31, 2020
Last 10 Fiscal Years*

	Noncontributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)				
2020	0.3846283%	0.6513316%	0.7529350%	0.3065475%
2019	0.3982648%	0.6308095%	0.0941054%	0.3152344%
2018	0.4270319%	0.6038551%	0.0786714%	0.3354604%
2017	0.4242361%	0.6229811%	0.0697048%	0.3563046%
2016	0.4242361%	0.6229811%	0.0697048%	0.3563046%
2015	0.4331797%	0.6637367%	6.5950800%	0.3283607%
2014	0.4127884%	0.6908048%	0.0359885%	0.3057400%
Proportionate share of the net pension liability (asset)				
2020	\$ 2,932,712	\$ 1,622,811	\$ 40,303	\$ 7,898
2019	\$ 1,449,614	\$ 1,045,790	\$ 16,934	\$ 28,835
2018	\$ 1,870,955	\$ 947,242	\$ 6,936	\$ (3,882)
2017	\$ 2,724,115	\$ 1,264,201	\$ 7,776	\$ (3,093)
2016	\$ 2,724,115	\$ 1,264,201	\$ 7,776	\$ (3,093)
2015	\$ 2,451,141	\$ 1,188,919	\$ (144)	\$ (4,797)
2014	\$ 1,792,424	\$ 868,744	\$ (1,091)	\$ (4,523)
Covered Employee Payroll				
2020	\$ 3,316,693	\$ 941,850	\$ 1,046,719	\$ 505,299
2019	\$ 3,330,749	\$ 926,660	\$ 1,099,248	\$ 422,290
2018	\$ 3,619,426	\$ 892,766	\$ 769,620	\$ 354,127
2017	\$ 3,648,798	\$ 904,998	\$ 571,630	\$ 294,389
2016	\$ 3,648,798	\$ 904,998	\$ 571,630	\$ 294,389
2015	\$ 3,648,057	\$ 985,728	\$ 426,173	\$ 195,408
2014	\$ 3,723,756	\$ 1,035,825	\$ 176,581	\$ 126,365
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll				
2020	43.71%	111.04%	1.62%	5.71%
2019	88.05%	175.12%	3.67%	1.87%
2018	51.69%	106.10%	0.90%	-1.10%
2017	74.66%	139.69%	1.36%	-1.05%
2016	74.66%	139.69%	1.36%	-1.05%
2015	67.19%	120.61%	0.03%	-2.45%
2014	48.10%	83.90%	-0.60%	-3.60%
Plan fiduciary net position as a percentage of the total pension liability.				
2020	93.7%	90.9%	96.5%	89.6%
2019	87.0%	84.7%	90.8%	95.6%
2018	91.9%	90.2%	97.4%	103.0%
2017	87.3%	86.5%	95.1%	103.6%
2016	87.3%	86.5%	95.1%	103.6%
2015	87.8%	87.1%	100.2%	110.7%
2014	90.2%	90.5%	103.5%	120.5%

* In accordance with paragraph 81 of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10 year schedule will need to be built prospectively. The schedule above is only for the prior 7 years.

San Juan County
Schedule of Contributions
Utah Retirement Systems
December 31, 2020
Last 10 Fiscal Years*

As of fiscal Year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution		Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
		2014	2015			
Noncontributory System						
2014	638,359	638,359	-	-	3,744,558	17.05%
2015	663,967	663,967	-	-	3,637,226	18.25%
2016	666,027	666,027	-	-	3,648,339	18.26%
2017	659,928	659,928	-	-	3,656,405	18.05%
2018	606,819	606,819	-	-	3,407,789	17.81%
2019	556,708	556,708	-	-	3,327,228	16.73%
2020	568,670	568,670	-	-	3,144,111	18.09%
Public Safety System						
2014	324,935	324,935	-	-	1,035,825	31.37%
2015	323,645	323,645	-	-	995,096	32.52%
2016	290,028	290,028	-	-	902,892	32.12%
2017	279,423	279,423	-	-	892,766	31.30%
2018	287,299	287,299	-	-	952,737	30.16%
2019	268,994	268,994	-	-	938,338	28.67%
2020	278,871	278,871	-	-	860,777	32.40%
Tier 2 Public Employees System*						
2014	25,595	25,595	-	-	180,244	14.20%
2015	74,856	74,856	-	-	504,416	14.84%
2016	88,017	88,017	-	-	590,322	14.91%
2017	115,005	115,005	-	-	766,376	15.01%
2018	168,550	168,550	-	-	1,100,021	15.32%
2019	151,428	151,428	-	-	1,052,620	14.39%
2020	205,151	205,151	-	-	1,305,726	15.74%
Tier 2 Public Safety and Firefighter System						
2014	26,837	26,837	-	-	127,536	21.04%
2015	42,989	42,989	-	-	194,726	22.08%
2016	65,616	65,616	-	-	293,009	22.39%
2017	81,015	81,015	-	-	358,139	22.62%
2018	96,413	96,413	-	-	422,290	22.83%
2019	107,063	107,063	-	-	500,286	21.40%
2020	171,543	171,543	-	-	694,789	24.69%
Tier 2 Public Employees DC Only System*						
2014	-	-	-	-	-	0.00%
2015	13,969	13,969	-	-	208,494	6.70%
2016	19,408	19,408	-	-	290,110	6.69%
2017	20,865	20,865	-	-	311,880	6.69%
2018	17,712	17,712	-	-	264,755	6.69%
2019	19,538	19,538	-	-	299,698	6.52%
2020	25,681	25,681	-	-	338,279	7.59%
Tier 2 Public Safety and Firefighter DC Only System*						
2014	-	-	-	-	-	0.00%
2015	-	-	-	-	-	0.00%
2016	-	-	-	-	-	0.00%
2017	-	-	-	-	-	0.00%
2018	-	-	-	-	-	0.00%
2019	1,833	1,833	-	-	15,497	11.83%
2020	5,394	5,394	-	-	43,742	12.33%

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

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

Changes in Assumptions Related to Pensions

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

Budgetary Comparison Schedules

The budgetary Comparison Schedule present in this section of the report is for the County's General Fund

Budgeting and Budgetary Control

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

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

Current Year Excess of Expenditures over Appropriations

For the year ended December 31, 2020, the following departments or funds exceeded budget appropriations: Parks, recreation and public property department in the General Fund; Municipal Building Fund; Health Fund; and Emergency Medical Services Fund.

SUPPLEMENTARY INFORMATION

San Juan County
Combining Balance Sheet for Non-major Governmental Funds
December 31, 2020

	Library	Health	Tort Liability	Total Non-major Governmental Funds
ASSETS				
Cash and investments	\$ 381,420	\$ 26,511	\$ 6,416	\$ 414,347
Accounts receivable	37,685	141,773	10,489	189,947
Total Assets	<u>\$ 419,105</u>	<u>\$ 168,284</u>	<u>\$ 16,905</u>	<u>\$ 604,294</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 6,028	\$ 14,029	\$ -	\$ 20,057
Due to other funds	86,424	205,512	268,131	560,067
Total Liabilities	<u>92,452</u>	<u>219,541</u>	<u>268,131</u>	<u>580,124</u>
Fund balances:				
Assigned	326,653	(51,257)	(251,226)	24,170
Total Fund Balances	<u>326,653</u>	<u>(51,257)</u>	<u>(251,226)</u>	<u>24,170</u>
Total Liabilities and Fund Balance	<u>\$ 419,105</u>	<u>\$ 168,284</u>	<u>\$ 16,905</u>	<u>\$ 604,294</u>

San Juan County

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-major Governmental Funds

For the Year Ended December 31, 2020

	Library	Health	Tort Liability	Total Non-major Governmental Funds
REVENUES				
Taxes	\$ 427,685	\$ 145,456	\$ 70,489	\$ 643,630
Intergovernmental revenues	32,027	1,099,654	-	1,131,681
Charges for services	7,832	37,065	-	44,897
Other	233	400	-	633
Interest	4,122	271	69	4,462
Total Revenues	<u>471,899</u>	<u>1,282,846</u>	<u>70,558</u>	<u>1,825,303</u>
EXPENDITURES				
Current:				
General government	-	-	232,989	232,989
Public health	-	1,222,544	-	1,222,544
Parks, recreation, and public property	473,147	-	-	473,147
Total Expenditures	<u>473,147</u>	<u>1,222,544</u>	<u>232,989</u>	<u>1,928,680</u>
Excess Revenues Over (Under)				
Expenditures	<u>(1,248)</u>	<u>60,302</u>	<u>(162,431)</u>	<u>(103,377)</u>
Other financing sources (uses)				
Contributions to Other Government Entities	(6,881)	(70,772)	-	(77,653)
Transfers in (out)	-	(15,725)	-	(15,725)
Total Other Financing Sources and Uses	<u>(6,881)</u>	<u>(86,497)</u>	<u>-</u>	<u>(93,378)</u>
Excess of Revenues and Other Sources				
Over (under) expenditures and other uses	(8,129)	(26,195)	(162,431)	(196,755)
Fund Balances - Beginning	334,782	(169,311)	(88,795)	76,676
Prior Period Adjustment	-	144,249	-	144,249
Fund Balances - Ending	<u>\$ 326,653</u>	<u>\$ (51,257)</u>	<u>\$ (251,226)</u>	<u>\$ 24,170</u>

San Juan County
Statement of Current Taxes Levied, Collected, and Treasurer's Relief
For the Year Ended December 31, 2020

1	2	3	4	5	6	7	8	9	10	11	12
ENTITY	YEAR-END REAL PROPERTY VALUE	YEAR-END CENTRALLY ASSESSED PROPERTY VALUE	TOTAL ADJUSTED REAL & CENTRALLY ASSESSED RDA VALUE	TOTAL ADJUSTED REAL & CENTRALLY ASSESSED VALUE (2 + 3 - 4)	YEAR-END PERSONAL PROPERTY VALUE	PERSONAL PROPERTY RDA VALUE	TOTAL ADJUSTED PERSONAL PROPERTY VALUE (6 - 7)	TOTAL ADJUSTED VALUE (5 + 8)	CURRENT YEAR REAL & CENTRALLY ASSESSED TAX RATE	PRIOR YEAR PERSONAL PROPERTY TAX RATE	REAL AND CENTRALLY ASSESSED PROPERTY TAXES CHARGED (5 x 10)
San Juan County Funds:											
County General	\$ 448,652,220	\$ 354,220,766	\$ -	\$ 802,872,986	\$ 84,564,165	\$ -	\$ 84,564,165	\$ 887,437,151	0.002432	0.002474	\$ 1,952,587
Library	448,652,220	354,220,766	-	802,872,986	84,564,165	-	84,564,165	887,437,151	0.000491	0.000500	394,211
Tort Liability	448,652,220	354,220,766	-	802,872,986	84,564,165	-	84,564,165	887,437,151	0.000081	0.000082	65,033
Public Health	448,652,220	354,220,766	-	802,872,986	84,564,165	-	84,564,165	887,437,151	0.000167	0.000170	134,080
Assessing and Collecting - State	448,652,220	354,220,766	-	802,872,986	84,564,165	-	84,564,165	887,437,151	0.000012	0.000009	9,634
Assessing and Collecting - County	448,652,220	354,220,766	-	802,872,986	84,564,165	-	84,564,165	887,437,151	0.000364	0.000370	292,246
Total County Funds											
San Juan School District	386,418,306	352,467,782	-	738,886,088	84,371,527	-	84,371,527	823,257,615	0.001531	0.001549	2,847,790
Grand County School District in San Juan	62,233,914	1,752,984	-	63,986,898	192,638	-	192,638	64,179,536	0.001049	0.001055	5,657,651
Water Conservancy District	448,652,220	354,220,766	-	802,872,986	84,564,165	-	84,564,165	887,437,151	0.000438	0.000284	470,048
Health Service	448,652,220	354,220,766	-	802,872,986	84,564,165	-	84,564,165	887,437,151	0.000981	0.001000	703,317
Cities and Towns:											
Blanding City	103,260,131	4,775,096	-	108,035,227	4,393,195	-	4,393,195	112,428,422	0.002192	0.002414	787,618
Bluff	26,494,282	1,416,610	-	27,910,892	718,872	-	718,872	28,629,764	0.001130	0.000000	236,813
Monticello City	69,926,695	39,134,397	-	109,061,092	3,324,758	-	3,324,758	112,385,850	0.002551	0.002661	31,539
Total Cities and Towns											
Other Special Districts:											
Blanding Cemetery	145,200,575	36,136,728	-	181,337,303	4,783,857	-	4,783,857	186,121,160	0.000341	0.000332	546,567
Monticello Cemetery	95,439,576	46,161,794	-	141,601,370	68,459,160	-	68,459,160	210,060,530	0.000232	0.000231	61,836
Total Other Special Districts											
GRAND TOTALS											\$ 11,107,679

(Continued on next page)

San Juan County
Statement of Current Taxes Levied, Collected, and Treasurer's Relief (continued)
 For the Year Ended December 31, 2020

Continued from previous page

ENTITY	13	14	15	16	17	18	19	20	21	22	23	24	25
PERSONAL PROPERTY TAXES CHARGED (8 x 11)	TAXES CHARGED (12 + 13)	UNPAID TAXES	ABATEMENTS	OTHER	TOTAL RELIEF	TAXES COLLECTED (14 + 18)	ANNUAL COLLECTION RATE	FEE-IN-LIEU REVENUE/ AGE BASED REVENUE	MISC. COLLECTIONS	DELINQUENT TAXES	DELINQUENT INTEREST & PENALTIES	Refunds (Subtract)	
San Juan County Funds:													
County General	\$ 209,212	\$ 2,161,799	\$ 216,401	\$ 22,016	\$ (11,926)	\$ 226,491	89.52%	\$ 88,341	\$ 40,579	\$ 61,521	\$ 28,096	\$ 2,989	
Library	42,282	436,493	43,696	4,445	(2,481)	45,660	89.54%	17,854	6,734	12,432	616	595	
Tort Liability	6,934	71,967	7,202	733	(357)	7,578	89.47%	2,928	1,110	2,039	101	98	
Public Health	14,376	148,456	14,861	1,512	(838)	15,535	89.54%	6,070	2,290	4,226	209	202	
Assessing and Collecting - State	761	10,396	1,025	109	279	8,983	86.41%	321	158	2,227	11	14	
Assessing and Collecting - County	31,289	323,535	32,385	3,295	(1,766)	289,621	89.52%	13,212	4,991	9,199	456	441	
Total County Funds	304,854	3,152,644	315,570	32,110	(17,089)	2,822,053	89.51%	128,726	55,862	91,644	29,489	4,339	
San Juan School District	653,457	6,311,108	640,998	60,243	(24,835)	676,406	89.28%	276,311	93,161	164,910	8,629	8,581	
Grand County School District in San Juan	1,423	471,470	38,112	8,706	(7,962)	38,856	91.76%	236	7,233	25,946	840	648	
Water Conservancy District	48,032	751,349	51,315	5,251	(527)	56,039	92.54%	20,282	7,908	14,149	702	698	
Health Service	84,564	872,183	87,317	8,880	(5,062)	91,135	89.55%	35,708	13,461	25,149	1,255	1,189	
Cities and Towns:													
Blanding City	10,605	247,418	18,084	5,130	(4,545)	18,669	92.45%	30,514	4,332	15,557	520	385	
Bluff	-	31,539	2,711	512	(807)	2,416	92.34%	-	487	-	-	41	
Monticello City	8,847	287,062	4,909	(893)	4,421	282,641	98.46%	17,590	4,556	3,434	123	408	
Total Cities and Towns	19,452	566,020	25,704	4,749	(4,947)	540,514	95.49%	48,104	9,375	18,991	643	834	
Other Special Districts:													
Blanding Cemetery	1,588	63,424	3,676	1,242	(192)	4,726	92.55%	4,506	1,058	2,990	108	94	
Monticello Cemetery	15,814	48,666	1,663	557	292	2,512	94.84%	1,864	771	635	26	69	
Total Other Special Districts	17,402	112,090	5,339	1,799	100	7,238	93.54%	6,370	1,829	3,625	134	163	
\$	1,129,185	\$ 12,236,864	\$ 1,164,355	\$ 121,738	\$ (60,322)	\$ 11,011,093	\$	\$ 515,737	\$ 188,829	\$ 344,414	\$ 41,692	\$ 16,452	

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

County Commissioners
San Juan County
Monticello, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of San Juan County, Utah, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise San Juan County’s basic financial statements and have issued our report thereon dated June 29, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Juan 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 San Juan County’s internal control. Accordingly, we do not express an opinion on the effectiveness of San Juan County’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Juan County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah

June 29, 2021



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

County Commissioners
San Juan County
Monticello, Utah

Report on Compliance with General State Compliance Requirements

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

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

- | | |
|---------------------------------------|------------------------------|
| Budgetary Compliance | Open and Public Meetings Act |
| Fund Balance | Tax Levy Recognition |
| Justice Courts | Fraud Risk Assessment |
| Restricted Taxes and Related Revenues | |

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on San Juan 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 San Juan County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of San Juan County’s compliance with those requirements.

Opinion on Compliance

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our management letter dated June 29, 2021, as items SC-2020.1 and SC-2020.2. Our opinion on compliance is not modified with respect to these matters.

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of San Juan 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 San Juan County's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness San Juan County's internal control over compliance.

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

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

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

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
June 29, 2021



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

County Commissioners
San Juan County
Monticello, Utah

Report on Compliance for Each Major Federal Program

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

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of San Juan County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about San Juan County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of San Juan County’s compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of San Juan County, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered San Juan County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of San Juan County's internal control over compliance.

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

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

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

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah

June 29, 2021

SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unqualified opinion on the basic financial statements of the San Juan County.
2. No reportable conditions related to the audit of the financial statements are reported in the Auditor's Report on Internal Controls and Compliance with Laws and Regulations.
3. No instances of noncompliance material to the financial statements of the San Juan County were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award program is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with Uniform Guidance.
5. The independent auditor's report on compliance for the major federal award programs for the San Juan County, expresses an unqualified opinion.
6. The audit disclosed no audit findings that are required to be reported under 2 CFR section 200.516(a).
7. The programs tested as a major programs include:
 - Coronavirus, Aid, Relief, and Economic Security Act or the CARES Act
21.019
8. The threshold for distinguishing Types A and B programs is \$750,000 of federal awards expended.
9. San Juan County was determined to be a low-risk auditee.

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San Juan County

Schedule of Findings and Questioned Costs (continued)

For the Year Ended December 31, 2020

FINANCIAL STATEMENT FINDINGS

No findings noted during current audit

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted during current audit

SUMMARY OF PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS

No findings noted during prior audit.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted during prior audit

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

Federal Grantor/Pass-Thru/ Grantor/Program Title	Federal CFDA Number	Pass-Through Grantors Contract	Amount of Expenditures
U.S. Department of Transportation:			
Highway Safety Grant	20.614	None	\$ 6,500
Total Department of Transportation			<u>6,500</u>
U.S. Department of the Interior:			
BIA Maintenance Contract	15.033	AGN00040013	244,719
Total Department of the Interior			<u>244,719</u>
U.S. Department of Agriculture			
NCRS	10.923	68-8D43-16-208	51,260
Forest Service Contract	10.699	None	5,000
Total U.S. Department of Agriculture			<u>56,260</u>
U.S. Department of Agriculture			
Passed Through State Department of Public Safety			
** WIC Administration Grant Revenue	10.557	202700369	49,627
WIC Client Services Grant Revenue	10.557	202700369	58,951
WIC Nutrition Education Grant Revenue	10.557	202700369	8,152
WIC Breast Feeding Grant Revenue	10.557	202700369	4,655
WIC Peer Counseling Grant Revenue	10.557	202700369	612
WIC Infrastructure Grant Revenue	10.578	202700230	6,394
Summer Food	10.559	162700939	305
Elderly Feeding Program CIC	10.550	06866H	13,000
Secure Rural School Funding Title III	10.226		59,375
Total U.S. Department of Agriculture			<u>201,070</u>
U.S. Department of Homeland Security			
Emergency Services Grants	97.042		342,209
Hazard Mitigation	97.039		8,812
Total U.S. Department of Homeland Security			<u>351,021</u>
U.S. Department of Health and Human Services			
Passed Through State Department of Human Services			
Ombudsman Services for Older Individuals	93.042	06866H	7,353
Preventative Health Program - Title 3F	93.043	06866H	527
Special Program for Aging - Title 3B	93.044	06866H	98,408
Elderly Feeding Program Title III C (HDM)	93.045	092306	163,137
Elderly Feeding Program Title III C (Congregate)	93.045	092306	52,972
Senior Medicare Patrol	93.048	None	2,000
Health Insurance Counseling - HIPP	93.779	06866H	13,351
PHEP Emergency Preparedness	93.069	212700118	94,523
TB Elimination	93.116	202700576	56
Overdose Data to Action Grant Revenue	93.136	212700635	2,977
COVID-19 Immunization Grant Revenue	93.268	202701053	2,444
Epi-Covid DREAM & DCP Grant Revenue	93.323	202700951	4,489
Epidemiology Grant Revenue	93.323	202700508	1,520
COVID-19 PPPHEA Grant Revenue	93.323	212700330	2,426
EPICC 1815 Cat A Grant Revenue	93.426	192700359	1,608
EPICC 1815 Cat B Grant Revenue	93.426	192700359	1,009
EPICC 1817 Cat A Grant Revenue	93.435	192700359	2,519
EPICC 1817 Cat B Grant Revenue	93.435	192700359	2,043
EPICC 1807 Grant Revenue	93.493	192700359	1,702
Community Service Block Grant	93.569	None	26,444
Title III E NFCSRP Respite Caregivers Support	93.052	06866H	30,564
Medicaid Waiver	93.778	100246	58,102
St Waiver	93.778	100246	60,746
TCM Grant Revenue	93.778	162701002	381
CHEC Admin Grant Revenue	93.778		136
EPICC PBG Grant Revenue	93.991	192700359	3,701
EPICC PBG Grant Revenue	93.991	212700635	1,090
MCH Injury Prevention Grant Revenue	93.994	212700635	2,730
MCH Block Grant - ASQs Grant Revenue	93.994	212700505	7,441
CSHCN Grant Revenue	93.994	182700583	54,951
MCH Grant - Prenatal Depression Grant Revenue	93.994	212700505	5,815
MCH Grant - Breastfeeding Grant Revenue	93.994	212700505	3,116
Early Childhood Planning	93.110	172700606	74,246
Total U.S. Department of Health and Human Services			<u>784,530</u>
U.S. Department of Justice			
Passed Through the State Commission on Criminal and Juvenile Justice			
VOCA Crime Victim Assistance Discretionary Grant	16.807		51,902
Opioid Contract Grant Revenue	16.754		1,658
Total U.S. Department of Justice			<u>53,561</u>
U.S. Department of Treasury			
Pass-through San Juan County			
* Coronavirus, Aid, Relief, and Economic Security Act or the CARES Act	21.019	None	1,662,988
Covid-Community Outreach Grant Revenue	21.019	212700101	50,000
COVID-19 Contract Tracing Grant Revenue	21.019		36,654
COVID-19 Response	21.019		95,265
COVID-19 GF Distribution	21.019		71,699
COVID-19 LPH Emergency Fund	21.019		3,846
Cares Act Relief COVID-19	21.019		9,835
Total U.S. Department of Treasury			<u>1,930,287</u>
U.S. Environmental Protection Agency			
DEQ Air Quality Grant Revenue	66.605		3,000
DEQ Drinking Water Grant Revenue	66.605		7,151
Total U.S. Environmental Protection Agency			<u>10,151</u>
Federal Institute of Museum and Library Services			
Library Grants	45.310		24,627
Total Federal Institute of Museum and Library Services			<u>24,627</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 3,662,727</u></u>

* Major Program
** Non-cash assistance

San Juan County

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2020

1. **Reporting Entity**

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

2. **Basis of Presentation**

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

3. **Summary of Significant Accounting Policies**

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

4. **Loans Outstanding**

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

5. **Non-Cash Assistance**

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