

SAN JUAN COUNTY



FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended December 31, 2023



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INDEPENDENT AUDITOR'S REPORT

County Commissioners
San Juan County
Monticello, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of San Juan County, Utah as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of San Juan County, as of December 31, 2023, 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.

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 represent 69%, 72%, and 94%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial 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. San Juan County Transportation Special Service District was unaudited and represents 6%, 6%, and 3%, respectively, of the assets, net position, and revenues of the discretely presented component units and is considered insignificant to the discretely presented component unit opinion unit.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about San Juan County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as 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.

Supplementary 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, the statement on current taxes levied, collected, and treasurer's relief, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements the statement on current taxes levied, collected, and treasurer's relief and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the

statement on current taxes levied, collected, and treasurer's relief and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, 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 28, 2024

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MANAGEMENT'S DISCUSSION & ANALYSIS

This discussion of San Juan County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2023. 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, 2023 by \$114,392,818 (net position). Of this amount \$7,419,571 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$4,051,617.
- At the close of the current year San Juan County governmental funds reported combined ending fund balances of \$38,787,715, an increase of \$1,636,130 in comparison with the prior year. Approximately 14 percent of this total amount, \$5,272,408, 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 \$5,272,408, or approximately 36 percent of total general fund expenditures.
- San Juan County's total long-term debt as of December 31, 2023 was \$4,279,135, an increase of \$670,000 from 2022.

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 \$114,392,818.

The largest segment of the County's net position (64 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 (30 percent) represent resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* \$7,419,571 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 50,495,102	\$ 47,846,692	\$ 1,985,963	\$ 2,222,162	\$ 52,481,065	\$ 50,068,854
Capital assets	75,472,598	73,729,065	1,479,106	1,015,926	76,951,704	74,744,991
Deferred outflows	2,504,806	1,824,374	159,881	116,449	2,664,687	1,940,823
Total assets	<u>128,472,506</u>	<u>123,400,131</u>	<u>3,624,950</u>	<u>3,354,537</u>	<u>132,097,456</u>	<u>126,754,668</u>
Other liabilities	1,794,963	1,225,683	116,046	20,466	1,911,009	1,246,149
Long-term liabilities outstanding	4,910,178	3,417,659	769,160	307,771	5,679,338	3,725,430
Deferred inflows	10,108,299	11,184,636	5,992	257,252	10,114,291	11,441,888
Total liabilities	<u>16,813,440</u>	<u>15,827,978</u>	<u>891,198</u>	<u>585,489</u>	<u>17,704,638</u>	<u>16,413,467</u>
Net position:						
Net investment in capital assets	71,765,117	69,935,584	1,414,106	1,066,697	73,179,223	71,002,281
Restricted	32,941,621	30,498,230	852,403	810,032	33,794,024	31,308,262
Unrestricted	6,952,328	7,138,339	467,243	892,319	7,419,571	8,030,658
Total net position	<u>\$ 111,659,066</u>	<u>\$ 107,572,153</u>	<u>\$ 2,733,752</u>	<u>\$ 2,769,048</u>	<u>\$ 114,392,818</u>	<u>\$ 110,341,201</u>

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 increased by \$4,051,617 during 2023. Net position reported in connection with business-type activities decreased \$35,296 and net position related to governmental activities increased by \$4,086,913.

Total revenues for San Juan County's governmental activities increased \$674,756 from 2022 to 2023 (\$25,470,600 to \$26,145,356). Total expenses for governmental activities decreased \$993,093 from 2022 to 2023 (\$22,530,689 to \$21,537,596). 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	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 3,894,620	\$ 3,513,835	\$ 1,158,519	899,385	\$ 5,053,139	\$ 4,413,220
Operating grants and contributions	9,139,941	7,137,551	-	-	9,139,941	7,137,551
Capital grants and contributions	320,684	3,231,921	-	-	320,684	3,231,921
General revenues:						
Taxes	9,021,639	8,275,044	-	-	9,021,639	8,275,044
Earnings on investments	1,746,013	469,258	75,527	23,736	1,821,540	492,994
Miscellaneous	47,872	820,051	-	-	47,872	820,051
Intergovernmental support	1,768,016	1,724,676	-	-	1,768,016	1,724,676
Other shared taxes	206,571	298,264	-	-	206,571	298,264
Total revenues	<u>26,145,356</u>	<u>25,470,600</u>	<u>1,234,046</u>	<u>923,121</u>	<u>27,379,402</u>	<u>26,393,721</u>
Expenses:						
General government	5,560,934	4,197,303	1,757,392	1,155,418	7,318,326	5,352,721
Public safety	6,374,644	4,852,810	-	-	6,374,644	4,852,810
Public health	2,837,407	2,518,088	-	-	2,837,407	2,518,088
Highways and public improvements	4,457,617	6,178,775	-	-	4,457,617	6,178,775
Parks, recreation, and public property	893,823	3,599,215	-	-	893,823	3,599,215
Community and economic development	1,413,171	1,184,498	-	-	1,413,171	1,184,498
Interest	-	-	32,797	3,200	32,797	3,200
Total expenses	<u>21,537,596</u>	<u>22,530,689</u>	<u>1,790,189</u>	<u>1,158,618</u>	<u>23,327,785</u>	<u>23,689,307</u>
Increase in net assets before transfers	4,607,760	2,939,911	(556,143)	(235,497)	4,051,617	2,704,414
Transfers	(520,847)	(604,425)	520,847	604,425	-	-
Increase (decrease) in net position	4,086,913	2,335,486	(35,296)	368,928	4,051,617	2,704,414
Net position - beginning	107,572,153	105,236,667	2,769,048	2,400,120	110,341,201	107,636,787
Net position - ending	<u>\$ 111,659,066</u>	<u>\$ 107,572,153</u>	<u>\$ 2,733,752</u>	<u>\$ 2,769,048</u>	<u>\$ 114,392,818</u>	<u>\$ 110,341,201</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, 2023, 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 \$38,787,715. This combined balance represents an increase of \$1,636,130 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 \$1,018,728 to \$5,272,408 during the fiscal year ending December 31, 2023.

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 \$91,938 and the Landfill fund realized a net loss of \$127,234. 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, 2023 amounts to \$76,951,704(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 \$2,206,713.

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

	Government Activities		Business-type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 1,632,316	\$ 1,632,316	\$ 25,000	\$ 25,000	\$ 1,657,316	\$ 1,657,316
Buildings and improvements	11,077,529	11,210,788	102,984	117,809	11,180,513	11,328,597
Machinery and equipment	1,003,382	948,787	792,670	873,117	1,796,052	1,821,904
Equipment	3,641,622	3,314,568	-	-	3,641,622	3,314,568
Infrastructure	55,881,009	55,881,009	-	-	55,881,009	55,881,009
Construction in progress	2,236,740	741,597	-	-	2,236,740	741,597
Leased heavy equipment	-	-	558,452	-	558,452	-
Total	<u>\$75,472,598</u>	<u>\$73,729,065</u>	<u>\$ 1,479,106</u>	<u>\$ 1,015,926</u>	<u>\$76,951,704</u>	<u>\$74,744,991</u>

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

- Building and improvements decrease of \$148,084.
- Auto and truck decrease of \$25,852.
- Equipment increase of \$327,054.
- Construction in progress increase of \$1,495,143.
- Leased heavy equipment increase of 558,452

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, 2023 was \$4,279,135. This amount includes revenue bonds, capital leases, compensated absences, and the closure & post closure liability. This represents an increase of \$667,391 over the previous year. The amount due on revenue bonds and capital leases decreased by \$403,305 during the year. This increase is due to regular payments and the addition of leased assets in 2023. The liability for accrued compensated absences increased by \$266,997. The liability for closure and post closure costs decreased by \$2,911.

San Juan County's Outstanding Debt

	Government Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue bonds	\$ 2,057,481	\$ 2,143,481	\$ 65,000	\$ 97,000	\$ 2,122,481	\$ 2,240,481
Lease liability	\$ -	\$ -	\$ 521,305	\$ -	\$ 521,305	\$ -
Closure & post-closure	-	-	113,686	116,597	113,686	116,597
Compensated Absences	1,553,971	1,274,178	81,378	94,174	1,635,349	1,368,352
Total	<u>\$ 3,611,452</u>	<u>\$ 3,417,659</u>	<u>\$ 781,369</u>	<u>\$ 307,771</u>	<u>\$ 4,392,821</u>	<u>\$ 3,725,430</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 \$1,066,022,461 in 2022 to a total of \$1,085,514,014 in 2023, an increase of \$19,491,553.

San Juan County's property tax rate decreased from a rate of 0.003036 in 2022 to 0.003213 in 2023.

All of these factors were considered in preparing San Juan County's budget for the 2023 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.

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BASIC FINANCIAL STATEMENTS

San Juan County
Statement of Net Position
December 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Cash and investments	\$ 13,793,918	\$ 1,895,369	\$ 15,689,287	\$ 17,201,903
Restricted cash and investments	31,376,702	852,403	32,229,105	260,644
Trade accounts	1,055,705	144,710	1,200,415	3,978,265
Other governmental units	1,797,339	-	1,797,339	496,258
Internal balances	906,519	(906,519)	-	-
Prepaid expenses	90,301	-	90,301	309,643
Inventory	1,474,618	-	1,474,618	806,853
Notes receivable	-	-	-	122,450
Capital Assets Not Being Depreciated:				
Land	1,632,316	25,000	1,657,316	932,115
Infrastructure	55,881,009	-	55,881,009	11,777,344
Construction in progress	2,236,740	-	2,236,740	20,300
Capital Assets (Net of Accumulated Depreciation and amortization):				
Buildings and improvements	11,077,529	102,984	11,180,513	12,288,189
Autos and trucks	1,003,382	-	1,003,382	3,099,349
Heavy equipment	3,142,124	-	3,142,124	-
Light equipment	499,498	-	499,498	-
Machinery and equipment	-	792,670	792,670	-
Right to use Assets, net	-	558,452	558,452	-
Total Assets	<u>125,967,700</u>	<u>3,465,069</u>	<u>129,432,769</u>	<u>51,293,313</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pensions	2,504,806	159,881	2,664,687	324,445
Total Assets and Deferred Outflows of Resources	<u>\$ 128,472,506</u>	<u>\$ 3,624,950</u>	<u>\$ 132,097,456</u>	<u>\$ 51,617,758</u>
LIABILITIES				
Accounts payable	976,246	14,429	990,675	746,357
Accrued liabilities	716,717	-	716,717	1,049,176
Accrued interest	-	-	-	55,864
Due to other units	-	-	-	92,551
Current portion of lease liability	-	69,617	69,617	-
LTD due within one year	102,000	32,000	134,000	565,726
Long-term liabilities:				
Compensated absences	1,553,971	81,378	1,635,349	640,494
Closure and post closure costs payable	-	113,686	113,686	-
Lease liability	-	451,688	451,688	479,150
LTD due in more than one year	1,955,481	33,000	1,988,481	10,800,727
Net pension liability	1,400,726	89,408	1,490,134	128,386
Total Liabilities	<u>6,705,141</u>	<u>885,206</u>	<u>7,590,347</u>	<u>14,558,431</u>
DEFERRED INFLOWS				
Deferred inflows of resources - grants	10,014,424	-	10,014,424	-
Deferred inflows of resources - pensions	93,875	5,992	99,867	8,843
Total Deferred Inflows	<u>10,108,299</u>	<u>5,992</u>	<u>10,114,291</u>	<u>8,843</u>
Total Liabilities and Deferred Inflows of Resources	<u>16,813,440</u>	<u>891,198</u>	<u>17,704,638</u>	<u>14,567,274</u>
NET POSITION				
Net investment in capital assets	71,765,117	1,414,106	73,179,223	17,361,620
Restricted for:				
Inventory	1,564,919	-	1,564,919	-
Roads	21,192,626	-	21,192,626	-
Capital outlay and debt services	2,597,765	-	2,597,765	1,728,478
Landfill closure costs	-	852,403	852,403	-
Emergency	7,586,311	-	7,586,311	-
Medicaid	-	-	-	222,396
Unrestricted	6,952,328	467,243	7,419,571	17,737,990
Total Net Position	<u>\$ 111,659,066.00</u>	<u>\$ 2,733,752</u>	<u>\$ 114,392,818</u>	<u>\$ 37,050,484</u>

San Juan County
Statement of Activities

For the Year Ended December 31, 2023

Function/Programs Primary Government:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Total
					Governmental Activities	Business-type Activities		
Governmental activities:								
General government	\$ 5,560,934	\$ 224,680	\$ -	\$ -	\$ (5,336,254)	\$ -	\$ (5,336,254)	
Public safety	6,374,644	763,338	266,249	-	(5,345,057)	-	(5,345,057)	
Public health	2,837,407	-	938,033	-	(1,899,374)	-	(1,899,374)	
Highways and public improvements	4,457,617	122,290	6,418,011	320,684	2,403,368	-	2,403,368	
Parks, recreation, and public property	893,823	2,777,131	-	-	1,883,308	-	1,883,308	
Community and economic development	1,413,171	7,181	1,517,648	-	111,658	-	111,658	
Total Governmental Activities	21,537,596	3,894,620	9,139,941	320,684	(8,182,351)	-	(8,182,351)	
Business-type activities:								
Emergency medical services	992,503	563,563	-	-	(428,940)	-	(428,940)	
Landfill	797,686	594,956	-	-	(202,730)	-	(202,730)	
Total Business-type Activities	1,790,189	1,158,519	-	-	(631,670)	-	(631,670)	
Total Primary Government	\$ 23,327,785	\$ 5,053,139	\$ 9,139,941	\$ 320,684	(8,182,351)	(631,670)	(8,814,021)	
Component Units:								
Transportation Special Service District	\$ 725,724	\$ -	\$ 806,779	\$ -	-	-	81,055	
San Juan Health Care Service District	23,325,277	22,298,639	1,251,859	-	-	-	225,221	
San Juan Mental Health/Substance Abuse Special Service District	3,524,151	1,873,851	1,777,498	-	-	-	127,198	
San Juan Spanish Valley Special Service District	832,097	415,923	-	113,350	-	-	(302,824)	
Total Component Units	\$ 28,407,249	\$ 24,588,413	\$ 3,836,136	\$ 113,350	-	-	130,650	
General Revenues:								
Taxes					9,021,639	-	9,021,639	
Earnings on investments					1,746,013	75,527	1,821,540	
Miscellaneous					47,872	-	47,872	
Payment in lieu of tax					1,768,016	-	1,768,016	
Other shared taxes					206,571	-	206,571	
Transfers in(out)					(520,847)	520,847	-	
Total General Revenues					12,269,264	596,374	12,865,638	
Change in Net Position					4,086,913	(35,296)	4,051,617	
Net Position - Beginning					107,572,153	2,769,048	110,341,201	
Net Position - Ending					\$ 111,659,066	\$ 2,733,752	\$ 114,392,818	

San Juan County
Balance Sheet – Governmental Funds
December 31, 2023

	Special Revenue Funds				Total Governmental Funds
	General Fund	Class "B" Roads Fund	General Tax	Other	
			Stability Trust Fund	Governmental Funds	
ASSETS					
Cash and investments	\$ 13,898,191	\$ 16,081,854	\$ 7,586,311	\$ 7,604,264	\$ 45,170,620
Accounts receivable	392,773	-	-	662,932	1,055,705
Other governmental unit receivables	1,029,585	767,754	-	-	1,797,339
Due from other funds	1,464,557	-	-	-	1,464,557
Prepays	-	-	-	90,301	90,301
Inventry	-	1,474,618	-	-	1,474,618
Total Assets	<u>\$ 16,785,106</u>	<u>\$ 18,324,226</u>	<u>\$ 7,586,311</u>	<u>\$ 8,357,497</u>	<u>\$ 51,053,140</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 781,557	\$ 178,791	\$ -	\$ 15,898	\$ 976,246
Accrued liabilities	716,717	-	-	-	716,717
Due to other funds	-	-	-	558,038	558,038
Total Liabilities	1,498,274	178,791	-	573,936	2,251,001
Deferred Inflows of Resources:					
Deferred Inflows - Grants	10,014,424	-	-	-	10,014,424
Total Deferred Inflows of Resources	10,014,424	-	-	-	10,014,424
Fund balances:					
Nonspendable:					
Inventry and prepaids	-	1,474,618	-	90,301	1,564,919
Restricted For:					
Road	-	16,670,817	-	4,521,809	21,192,626
Capital outlay	-	-	-	2,597,765	2,597,765
Emergency	-	-	7,586,311	-	7,586,311
Assigned	-	-	-	573,686	573,686
Unassigned	5,272,408	-	-	-	5,272,408
Total fund balances	5,272,408	18,145,435	7,586,311	7,783,561	38,787,715
Total liabilities, Deferred Inflows of Resources and Fund balances	<u>\$ 16,785,106</u>	<u>\$ 18,324,226</u>	<u>\$ 7,586,311</u>	<u>\$ 8,357,497</u>	<u>\$ 51,053,140</u>

San Juan County
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2023

Total fund balances - governmental fund types:	<u>\$ 38,787,715</u>
Amount reported in the governmental activities on the statement of net position are different because:	
Capital Assets (net) used in the governmental activities are not financial resources and, therefore, are not reported in the funds.	75,472,598
Net pension assets and liabilities are not financial resources and, therefore, are not reported in the funds.	(1,400,726)
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.	2,410,931
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>(3,611,452)</u>
Net position of governmental activities	<u>\$ 111,659,066</u>

San Juan County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	Special Revenue Funds					Total Governmental Funds
	General Fund	Class "B" Roads Fund	General Tax Stability Trust Fund	Other Governmental Funds		
REVENUES						
Taxes	\$ 7,720,025	\$ 571,484	\$ -	\$ 730,130	\$ 9,021,639	
Licenses and permits	288,331	-	-	-	288,331	
Intergovernmental revenues	4,917,105	4,918,915	-	1,514,911	11,350,931	
Charges for services	2,777,131	174,493	-	53,714	3,005,338	
Fines and forfeitures	478,660	-	-	-	478,660	
Investment income	588,166	660,234	319,451	156,102	1,723,953	
Miscellaneous	206,572	12,328	-	57,604	276,504	
Total Revenues	16,975,990	6,337,454	319,451	2,512,461	26,145,356	
EXPENDITURES						
Current:						
General Government	5,413,891	-	-	294,741	5,708,632	
Public Safety	6,387,990	-	-	36,765	6,424,755	
Public Health	1,172,925	-	-	1,492,699	2,665,624	
Highways and Public Improvements		5,741,049	-	18,250	5,759,299	
Parks, Recreation, and Public Property	286,535	-	-	574,702	861,237	
Community and Economic Development	1,344,309	-	-	68,862	1,413,171	
Capital outlay	51,724	920,381	-	216,081	1,188,186	
Total Expenditures	14,657,374	6,661,430	-	2,702,100	24,020,904	
Excess Revenues Over (Under) Expenditures	2,318,616	(323,976)	319,451	(189,639)	2,124,452	
Other financing sources (uses)						
Contributions other government entities from (to)	6,300	-	-	26,225	32,525	
Transfers in	324,850	-	-	3,162,062	3,486,912	
Transfers out	(3,668,494)	(78,000)	(246,850)	(14,415)	(4,007,759)	
Total Other Financing Sources and Uses	(3,337,344)	(78,000)	(246,850)	3,173,872	(488,322)	
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,018,728)	(401,976)	72,601	2,984,233	1,636,130	
Fund Balances - Beginning	6,291,136	18,547,411	7,513,710	4,799,328	37,151,585	
Fund Balances - Ending	\$ 5,272,408	\$18,145,435	\$ 7,586,311	\$ 7,783,561	\$38,787,715	

Notes to the Financial Statements are an integral part of this statement

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, 2023

Net changes in fund balances - total governmental funds	<u>\$ 1,636,130</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.	1,743,533
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.	(279,793)
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.	901,043
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>86,000</u>
Change in net position of governmental activities	<u><u>\$ 4,086,913</u></u>

San Juan County
Statement of Net Position – Proprietary Funds
December 31, 2023

	Business-Type Activities - Enterprise Funds		
	EMS	Landfill	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Current Assets:			
Cash and cash equivalents	\$ -	\$ 1,895,369	\$ 1,895,369
Accounts receivable	576,603	559.00	577,162
Allowance for doubtful accounts	(432,452)	-	(432,452)
Restricted cash and cash equivalents	-	852,403	852,403
Total Current Assets	<u>144,151</u>	<u>2,748,331</u>	<u>2,892,482</u>
Non-Current Assets			
Land	25,000	-	25,000
Buildings, net	89,608	13,376	102,984
Machinery & equipment, net	603,825	188,845	792,670
Right to use Assets, net	-	558,452	558,452
Total Noncurrent Assets	<u>718,433</u>	<u>760,673</u>	<u>1,479,106</u>
Total Assets	<u>862,584</u>	<u>3,509,004</u>	<u>4,371,588</u>
Deferred outflows or resources - pensions	106,587	53,294	159,881
Total assets and deferred outflows of resources:	<u>\$ 969,171</u>	<u>\$ 3,562,298</u>	<u>\$ 4,531,469</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Current Liabilities:			
Accounts payable	\$ 5,900	\$ 8,529	\$ 14,429
Due to other funds	906,519	-	906,519
Accrued compensated absences	51,065	30,313	81,378
Current portion of lease liability	-	69,617	69,617
Current portion of long-term debt	-	32,000	32,000
Total Current Liabilities	<u>963,484</u>	<u>140,459</u>	<u>1,103,943</u>
Noncurrent Liabilities:			
Closure and post closure costs	-	113,686	113,686
Lease liability	-	451,688	451,688
LTD due in more than one year	-	33,000	33,000
Net pension liability	59,605	29,803	89,408
Total Noncurrent Liabilities	<u>59,605</u>	<u>628,177</u>	<u>687,782</u>
Total Liabilities	<u>1,023,089</u>	<u>768,636</u>	<u>1,791,725</u>
Deferred inflows or resources - pensions	3,995	1,997	5,992
Total liabilities and deferred inflows of resources:	<u>1,027,084</u>	<u>770,633</u>	<u>1,797,717</u>
NET POSITION			
Net Investment in Capital Assets	718,433	695,673	1,414,106
Retained Earnings:			
Restricted for:			
Landfill closure costs	-	852,403	852,403
Unreserved	(776,346)	1,243,589	467,243
Total Net Position	<u>\$ (57,913)</u>	<u>\$ 2,791,665</u>	<u>\$ 2,733,752</u>

San Juan County
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>EMS</u>	<u>Landfill</u>	<u>Total</u>
Operating Revenues:			
Charges for sales and services	\$ 563,563	\$ 594,956	\$ 1,158,519
Total Operating Revenues	<u>563,563</u>	<u>594,956</u>	<u>1,158,519</u>
Operating Expenses:			
Salaries and benefits	646,730	415,205	1,061,935
Purchased services	52,693	17,470	70,163
General and administrative	170,802	11,392	182,194
Materials and supplies	33,478	266,014	299,492
Depreciation	88,800	54,808	143,608
Total operating expenses	<u>992,503</u>	<u>764,889</u>	<u>1,757,392</u>
Operating Income (Loss)	<u>(428,940)</u>	<u>(169,933)</u>	<u>(598,873)</u>
Nonoperating Revenues (Expenses):			
Interest revenue	31	75,496	75,527
Interest expense	-	(32,797)	(32,797)
Transfers in (out)	520,847	-	520,847
Total Nonoperating Revenues (Expenses)	<u>520,878</u>	<u>42,699</u>	<u>563,577</u>
Net Income (Loss)	<u>91,938</u>	<u>(127,234)</u>	<u>(35,296)</u>
Change in net position	91,938	(127,234)	(35,296)
Total Net Position - Beginning	<u>(149,851)</u>	<u>2,918,899</u>	<u>2,769,048</u>
Total Net Position - Ending	<u>\$ (57,913)</u>	<u>\$ 2,791,665</u>	<u>\$ 2,733,752</u>

San Juan County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activities - Enterprise Funds		
	EMS	Landfill	Total
Cash Flows From Operating Activities			
Receipts from customers and users	\$ 521,927	\$ 594,717	\$ 1,116,644
Payments to suppliers	(259,154)	(301,643)	(560,797)
Payments to employees	(692,832)	(439,411)	(1,132,243)
Net cash provided (used) by operating activities	<u>(430,059)</u>	<u>(146,337)</u>	<u>(576,396)</u>
Cash Flows From Capital and Related Financing Activities			
Change in due to/due from other funds	(90,819)	-	(90,819)
Purchase of capital assets	-	(19,288)	(19,288)
Principal paid on capital debt	-	(32,000)	(32,000)
Principal paid on leased assets	-	(66,195)	(66,195)
Interest paid on capital debt	-	(32,798)	(32,798)
Net cash provided (used) by capital and related financing activities	<u>(90,819)</u>	<u>(150,281)</u>	<u>(241,100)</u>
Cash Flows From Investing Activities			
Interest and dividends received	31	75,496	75,527
Transfers in (out)	520,847	-	520,847
Net cash provided (used) by investing activities	<u>520,878</u>	<u>75,496</u>	<u>596,374</u>
Net increase (decrease) in cash and cash equivalents	-	(221,122)	(221,122)
Cash and cash equivalents, July 1	-	2,968,894	2,968,894
Cash and cash equivalents, June 30	<u>\$ -</u>	<u>\$ 2,747,772</u>	<u>\$ 2,747,772</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income(loss)	\$ (428,940)	\$ (169,933)	\$ (598,873)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	88,800	54,808	143,608
Change in pension obligations	(38,341)	(19,172)	(57,513)
(Increase) decrease in accounts receivable	(41,636)	(239)	(41,875)
Increase (decrease) in accrued liabilities	(9,942)	(11,801)	(21,743)
Total adjustments	<u>(1,119)</u>	<u>23,596</u>	<u>22,477</u>
Net cash provided (used) by operating activities	<u>\$ (430,059)</u>	<u>\$ (146,337)</u>	<u>\$ (576,396)</u>

San Juan County
Combining Statement of Net Position
Discretely Presented Component Units
December 31, 2023

	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	\$ 3,254,896	\$ 11,448,938	\$ 1,655,730	\$ 840,764	\$ 17,200,328
Restricted	-	222,396	38,248	-	260,644
Investment, at cost	-	-	1,575	-	1,575
Accounts receivable (net after allowance)	-	3,917,903	16,668	43,694	3,978,265
Due from other governments	-	58,208	438,050	-	496,258
Inventory	-	806,853	-	-	806,853
Prepaid expenses	2,901	224,789	81,953	-	309,643
Note receivable	-	122,450	-	-	122,450
Capital assets					
Land	-	806,115	126,000	-	932,115
Construction in progress	-	20,300	-	-	20,300
Buildings, net	-	9,886,193	2,279,068	-	12,165,261
Improvements, net	-	41,689	81,239	-	122,928
Infrastructure, net	-	-	-	11,777,344	11,777,344
Equipment, net	-	3,013,841	85,508	-	3,099,349
Total Assets	<u>3,257,797</u>	<u>30,569,675</u>	<u>4,804,039</u>	<u>12,661,802</u>	<u>51,293,313</u>
Deferred outflows of resources - pensions	-	-	324,445	-	324,445
Total Assets and Deferred Outflows of Resources	<u>\$ 3,257,797</u>	<u>\$ 30,569,675</u>	<u>\$ 5,128,484</u>	<u>\$ 12,661,802</u>	<u>\$ 51,617,758</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
LIABILITIES:					
Current Liabilities					
Accounts payable	\$ -	\$ 631,514	\$ 8,691	\$ 106,152	\$ 746,357
Accrued liabilities	-	900,138	149,038	-	1,049,176
Accrued interest payable	-	49,283	6,581	-	55,864
Unamortized bond discount	-	13,226	-	-	13,226
Current portion of LTD	175,000	197,280	25,720	154,500	552,500
Noncurrent liabilities					
Compensated absences	-	550,294	90,200	-	640,494
Deferred revenue	-	-	92,551	-	92,551
Bonds payable	922,000	4,954,440	752,141	4,172,146	10,800,727
Capital Lease	-	479,150	-	-	479,150
Net Pension Liability	-	-	128,386	-	128,386
Total Liabilities	<u>1,097,000</u>	<u>7,775,325</u>	<u>1,253,308</u>	<u>4,432,798</u>	<u>14,558,431</u>
Deferred inflows of resources - pensions	-	-	8,843	-	8,843
Total Liabilities and Deferred Inflows of Resources	<u>1,097,000</u>	<u>7,775,325</u>	<u>1,262,151</u>	<u>4,432,798</u>	<u>14,567,274</u>
NET POSITION					
Net investment in capital assets	-	8,116,968	1,793,954	7,450,698	17,361,620
Restricted for debt service and capital outlay	817,131	-	911,347	-	1,728,478
Reserved for medicaid	-	222,396	-	-	222,396
Unrestricted/Unassigned	1,343,666	14,454,986	1,161,032	778,306	17,737,990
Total Net Position	<u>\$ 2,160,797</u>	<u>\$ 22,794,350</u>	<u>\$ 3,866,333</u>	<u>\$ 8,229,004</u>	<u>\$ 37,050,484</u>

San Juan County
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended December 31, 2023

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units:				
Transportation Special Service District (unaudited)	\$ 725,724	\$ 806,779	\$ -	\$ 81,055
San Juan Health Service District	23,325,277	1,251,859	-	225,221
San Juan Mental Health/Substance Abuse Special Service District	3,524,151	1,777,498	-	127,198
San Juan Spanish Valley Special Service District	832,097	-	113,350	(302,824)
Total Component Units	\$ 28,407,249	\$ 24,588,413	\$ 3,836,136	\$ 130,650
	General Revenues:			
		Earnings on investments		606,982
		Impact fees		289,424
		Miscellaneous		402,852
		Total General Revenues		1,299,258
		Change in Net Position		1,429,908
		Net Position - Beginning		35,620,576
		Net Position - Ending		\$ 37,050,484

San Juan County
Statement of Fiduciary Net Position
Fiduciary Funds
 December 31, 2023

	<u>Custodial Fund</u> Treasurer's Tax Collection Agency <u>Trust Fund</u>
ASSETS	
Cash and investments	\$ 5,870,641
Total Assets	<u>\$ 5,870,641</u>
LIABILITIES	
Due to taxing units	\$ 5,870,641
Total Liabilities	<u>\$ 5,870,641</u>

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San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

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 06, 2024 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, 2023

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 15, 2024 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 June 7, 2024 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 entity. 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, 2023

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
Sanitary Landfill	Tort Liability Fund
Emergency Medical Services (EMS) Fund	Building Grounds Equipment Fund
Tax Stability Trust Fund	Road Capital Improvement Fund
	Municipal Building Fund

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

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

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-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.

Leased Assets

Leased assets are recorded in accordance with GASB 87, showing a right-to-use asset and a corresponding lease liability.

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, 2023

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/Leases

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, 2023

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 Non-spendable, 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. Non-spendable 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, 2023

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, 2023

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, 2023

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, 2023, 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 general obligation 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, 2023 was \$65,000.

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, 2023

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.

See notes to the Required Supplementary information for departments in the general fund, or other funds in total that exceeded budgeted appropriations.

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, 2023

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, 2023, The County's custodial credit risks for deposits were as follows:

	Custodial Credit Risk	Bank Balance December 31, 2023	
		Primary Government	Component Unit
Depository Accounts	Insured	\$ 500,000	\$ 575,711
	Uninsured and uncollateralized	13,856,653	4,102,134
Total Depository Accounts		<u>\$ 14,356,653</u>	<u>\$ 4,677,845</u>

Investments

As of December 31, 2023 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 Fu	\$ 25,566,751	\$ 25,566,751	\$ -	\$ -	\$ -
Zion's Wealth Mgmt.	14,842,724	3,133,172	11,709,552	-	-
Total Fair Value - Primary Government	<u>\$ 40,409,475</u>	<u>\$ 28,699,923</u>	<u>\$ 11,709,552</u>	<u>\$ -</u>	<u>\$ -</u>
Component Unit:					
Investments in Public					
Treasurers' Investment Fu	\$ 13,461,079	\$ 13,461,079	\$ -	\$ -	\$ -
Other	589,025	589,025	-	-	-
Total Fair Value - Component Unit	<u>\$ 14,050,104</u>	<u>\$ 14,050,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

immediately. The County considers the actions of the Council to be necessary and sufficient for adequate 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, 2023:

Investments	Fair Value	Level 1 Inputs	Level 2 Inputs
Primary Government			
Debt Securities			
Utah Public Treasurer's Investment Fund	\$ 27,556,280	\$ -	\$ 27,556,280
Marketable CDs	226,470	226,470	
Corporate bonds	1,351,961	1,351,961	-
Government agency securities	480,502	480,502	-
U.S obligations	6,338,933	6,338,933	-
Corp floating rate	3,957,954	3,957,954	-
International Bonds	497,375	497,375	-
Total Debt Securities:	<u>\$ 40,409,475</u>	<u>\$ 12,853,195</u>	<u>\$ 27,556,280</u>
Component Units			
Debt Securities			
Utah Public Treasurer's Fund	\$ 13,461,079	\$ -	\$ 13,461,079
Other	589,025	589,025	
Total Debt Securities:	<u>\$ 14,050,104</u>	<u>\$ 589,025</u>	<u>\$ 13,461,079</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	\$ 13,378,291
Investments	40,409,475
Cash on hand	1,267
Total	<u>\$ 53,789,033</u>

Government - Wide

Cash and Cash Equivalents	\$ 15,689,287
Restricted Cash and Cash Equivalents	32,229,105
Fiduciary Restricted Cash	5,870,641
Total	<u>\$ 53,789,033</u>

San Juan County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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, 2023, are as follows:

	Cash-Including Time Deposits	
Type of Restricted Asset	December 31, 2023	December 31, 2022
Governmental		
Roads and Capital Outlay	\$ 23,790,391	\$ 21,430,442
Emergency	7,586,311	7,513,710
Proprietary		
Landfill Closure Costs	852,403	810,032
Emergency Medical Services	-	-
Total	\$ 32,229,105	\$ 29,754,184

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.

San Juan County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

3.E. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 741,597	\$ 1,950,730	\$ (455,587)	\$ 2,236,740
Land	1,632,316	-	-	1,632,316
Infrastrure	55,881,009	-	-	55,881,009
Total Assets Not Being Depreciated	<u>58,254,922</u>	<u>1,950,730</u>	<u>(455,587)</u>	<u>59,750,065</u>
Capital Assets Being Depreciated				
Buildings and improvements	19,270,659	455,587	-	19,726,246
Autos and trucks	4,461,857	203,928	-	4,665,785
Heavy equipment	11,973,498	670,467	-	12,643,965
Light equipment	2,731,233	74,888	-	2,806,121
Total Assets Being Depreciated	<u>38,437,247</u>	<u>1,404,870</u>	<u>-</u>	<u>39,842,117</u>
Less Accumulated Depreciation for				
Buildings and improvements	8,059,871	588,846	-	8,648,717
Autos and trucks	3,513,070	149,333	-	3,662,403
Heavy equipment	9,160,670	341,171	-	9,501,841
Light equipment	2,229,493	77,130	-	2,306,623
Total Accumulated Depreciation	<u>22,963,104</u>	<u>1,156,480</u>	<u>-</u>	<u>24,119,584</u>
Total Capital Assets Being Depreciated, Net	<u>15,474,143</u>	<u>248,390</u>	<u>-</u>	<u>15,722,533</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 73,729,065</u>	<u>\$ 2,199,120</u>	<u>\$ (455,587)</u>	<u>\$ 75,472,598</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Total Assets Not Being Depreciated	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Capital Assets Being Depreciated				
Buildings and improvements	560,333	-	-	560,333
Machinery and equipment	3,026,521	19,289	-	3,045,810
Leased heavy equipment	-	587,500	-	587,500
Total Capital Assets Being Depreciated	<u>3,586,854</u>	<u>606,789</u>	<u>-</u>	<u>4,193,643</u>
Less Accumulated Depreciation for				
Buildings	442,524	14,825	-	457,349
Machinery and equipment	2,153,404	99,736	-	2,253,140
Less accumulated ammortization for Leased assets	-	29,048	-	29,048
Total Accumulated Depreciation	<u>2,595,928</u>	<u>143,609</u>	<u>-</u>	<u>2,739,537</u>
Total Capital Assets Being Depreciated, Net	<u>990,926</u>	<u>463,180</u>	<u>-</u>	<u>1,454,106</u>
Business-Type Activities				
Capital Assets, Net	<u>\$ 1,015,926</u>	<u>\$ 463,180</u>	<u>\$ -</u>	<u>\$ 1,479,106</u>

San Juan County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Depreciation expense was charged to governmental activities as follows:

	Depreciation
General government	\$ 335,269.0
Public Safety	127,404
Health	210,125
Highways and Improvements	451,096
Parks & Recreation	32,586
Total	<u><u>\$ 1,156,480.0</u></u>

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, 2023, the governmental long-term debt of the financial reporting entity consisted of the following:

Lease Rev Bond Series 2016	\$ 1,251,000
Lease Rev Bond Series 2018	504,000
Lease Rev Bond Series 2019	302,481
Accrued Compensated Absences	<u>1,553,971</u>
Total Governmental Long-Term Debt	\$ 3,611,452

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 \$571,000. 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.

San Juan County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2023:

Type of Debt	Balance Jan 1, 2023	Additions	Reductions	Balance Dec 31, 2023
Governmental Activities				
Bonds				
Lease Rev Bond Series 2016	\$ 1,294,000	\$ -	\$ 43,000	\$ 1,251,000
Lease Rev Bond Series 2018	538,000	-	34,000	504,000
Lease Rev Bond Series 2019	311,481	-	9,000	302,481
Other long-term debt				
Accrued Compensated Absences	1,274,178	279,793	-	1,553,971
Total Governmental Long-Term Debt	\$ 3,417,659	\$ 279,793	\$ 86,000	\$ 3,611,452
Business-type				
Bonds				
Solid waste water revenue bonds	\$ 97,000	\$ -	\$ 32,000	\$ 65,000
Direct borrowings				
Lease Liability - Landfill	-	587,500	66,195	521,305
Other long-term debt				
Accrued Compensated Absences	94,174	-	12,796	81,378
Total Business-type Long-Term Debt	\$ 191,174	\$ 587,500	\$ 110,991	\$ 667,683

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

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, 2023, are as follows:

Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 70,000	\$ 31,480	\$ 101,480	\$ 32,000	\$ 1,625	\$ 33,625
2025	70,000	30,425	100,425	33,000	825	33,825
2026	71,000	29,370	100,370	-	-	-
2027	74,000	28,300	102,300	-	-	-
2028	74,000	27,180	101,180	-	-	-
2029-2033	386,000	118,770	504,770	-	-	-
2034-2038	417,000	88,365	505,365	-	-	-
2039-2043	451,000	55,330	506,330	-	-	-
2044-2048	422,481	19,375	441,856	-	-	-
2049-2053	22,000	220	22,220	-	-	-
	\$ 2,057,481	\$ 428,815	\$ 2,486,296	\$ 65,000	\$ 2,450	\$ 67,450

San Juan County

Notes to the Basic Financial Statements

For the Year Ended December 31, 2023

In 2023 San Juan County entered into a contract with Wheeler Machinery Co. to lease a Caterpillar 980 Medium Wheel Loader with a FV of \$587,500. Payments to wheeler will be made for 7 years in the amount of 96,567 with the final payment of 142,320 being made in 2028. The implicit interest rate in this contract is 5.17%.

Annual Debt Service Requirements – Leases

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2024	\$ 69,617	\$ 26,950	\$ 96,567
2025	73,215	23,351	96,566
2026	77,000	19,566	96,566
2027	80,981	15,585	96,566
2028	85,168	11,399	96,567
2029-2033	135,324	6,996	142,320
2034-2038	-	-	-
2039-2043	-	-	-
2044-2048	-	-	-
2049-2053	-	-	-
	<u>\$ 521,305</u>	<u>\$ 103,847</u>	<u>\$ 625,152</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	324,850	3,668,494
Class "B" Roads Fund	-	78,000
General Tax Stability Trust Fund	-	246,850
Buildings Grounds Equipment		
Capital Improvement	2,780,960	-
Local Building Authority	62,132	-
Health	119,141	14,415
Tort Liability	199,829	-
EMS	520,847	-
Grand Total	<u>\$ 4,007,759</u>	<u>\$ 4,007,759</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, 2023

Due to due from other funds:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ -	\$ 1,464,557
Health Fund	146,162	-
EMS Fund	906,519	-
Tort Liability Fund	411,876	-
Total	<u>\$ 1,464,557</u>	<u>\$ 1,464,557</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 \$852,403 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	\$ 2,561,623	\$ -	\$ 2,561,623
Capital Outlay - Roads	4,521,809	-	4,521,809
Local Building Authority	36,142	-	36,142
Special Revenue Fund:			
Class "B" Road Funds	16,670,817	-	16,670,817
Permanent Fund:			
Tax Stability Trust	7,586,311	-	7,586,311
Enterprise Fund:			
Closure & Post Closure Liabilities	-	852,403	852,403
Total Restricted Net Position	<u>\$ 31,376,702</u>	<u>\$ 852,403</u>	<u>\$ 32,229,105</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); is a multiple employer, cost sharing, public employee retirement system.
- **Public Safety Retirement System** (Public Safety System) is a cost sharing, multiple employer public employee retirement system.
- **Tier 2 Public Employees Contributory Retirement System** (Tier 2 Public Employees System); is a multiple employer cost sharing public employee retirement system;
- **Tier 2 Public Safety and Firefighter Contributory Retirement System** (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

San Juan County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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	1.5% per year to June 30, 2020 2.00% per year July 1, 2020 to present	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 and additional amount to finance any unfunded actuarial accrued liability.

San Juan County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Contribution rates as of December 31, 2023, are as follows:

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System:			
11-Local Governmental Division Tier 1	6.00	13.96	-
111-Local Governmental Division Tier 2	-	16.01	0.18
Noncontributory System			
15-Local Government Division Tier 1	-	17.97	-
Public Safety Retirement System			
Contributory			
23 Other Div A with 2.5% COLA	12.29	22.79	-
122 Tier 2 DB Hybrid Public Safety	2.59	25.83	-
Noncontributory			
43- Other Division A Noncontributory Tier 1	-	34.04	-
Tier 2 DC Only			
211- Local Government	-	6.19	10.00
222- Public Safety	-	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, 2023, the employer contributions to the systems were as follows;

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 590,627	\$ -
Public Safety System	379,879	23,216
Tier 2 Public Employees System	375,379	-
Tier 2 Public Safety and Firefighter	242,941	24,360
Tier 2 DC Only System	19,852	-
Tier 2 DC Public Safety and Firefighter System	23,972	-
Total	\$ 1,632,650	\$ 47,576

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, 2023, we reported a net pension asset of \$0 and a net pension liability of \$1,490,134.

	(Measurement Date): December 31, 2022				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	Change (Decrease)
Noncontributory System	\$ -	\$ 559,510	0.3266739%	0.3274789%	(0.0008050)%
Contributory System	-	-	- %	- %	- %
Public Safety System	-	825,084	0.6380791%	0.6646915%	(0.0266124)%
Firefighter System	-	-	- %	- %	- %
Judges Retirement System	-	-	- %	- %	- %
Governors & Legislators Plan	-	-	- %	- %	- %
Tier 2 Public Employees System	-	85,442	0.0784671%	0.0760994%	0.0023677 %
Tier 2 Public Safety and Fire Fighter System	-	20,098	0.2409091%	0.3027796%	(0.0618705)%
Total Net Pension Asset / Liability	\$ -	\$ 1,490,134			

San Juan County
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For the Year Ended December 31, 2023

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 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, 2023. We recognized pension expense of \$673,726.

At December 31, 2023, 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	\$ 231,985	\$ 10,055
Changes in assumptions	154,274	4,464
Net difference between projected and actual earnings on pension plan investments	615,601	-
Changes in proportion and differences between contributions and proportionate share of contributions	30,177	85,348
Contributions subsequent to the measurement date	1,632,650	-
Total	<u>\$ 2,664,687</u>	<u>\$ 99,867</u>

\$1,632,650 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, 2022.

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,	Net Deferred Outflows (inflows) of Resources
2023	\$ (280,520)
2024	(7,507)
2025	250,920
2026	923,154
2027	8,622
Thereafter	37,499

Actuarial assumptions: The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement:

Inflation	2.50 percent
Salary increases	3.25-9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a

San Juan County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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	35%	6.58 %	2.30 %
Debt securities	20%	1.08 %	0.22 %
Real assets	18%	5.72 %	1.03 %
Private equity	12%	9.80 %	1.18 %
Absolute return	15%	2.91 %	0.44 %
Cash and cash equivalents	0%	0.11 %	0.00 %
Totals	100%		5.17%
	Inflation		2.50%
	Expected arithmetic nominal return		7.67%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85 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 the current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 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 (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease	Discount Rate	1% Increase
	5.85	6.85	7.85
Noncontributory System	\$ 3,526,222	\$ 559,510	\$ (1,919,333)
Public Safety System	2,657,188	825,084	(664,848)
Tier 2 Public Employees System	373,336	85,442	(136,343)
Tier 2 Public Safety and Firefighter	160,876	20,098	(91,788)
Total	\$ 6,717,622	\$ 1,490,134	\$ (2,812,312)

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, 2023

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:

	2023	2022	2021
401(k) Plan			
Employer Contributions	\$ 76,195	\$ 65,211	\$ 69,141
Employee Contributions	\$ 93,852	\$ 81,600	\$ 68,519
457 Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 8,658	\$ 7,424	\$ 5,585
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 15,935	\$ 14,902	\$ 16,035
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 1,350	\$ 1,950	\$ 50

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, 2023

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 \$108,482 reported as landfill closure and post closure care liability at December 31, 2023 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 23%. The County will recognize the remaining estimated cost of the closure and post closure care of \$364,733 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 2023. 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, 2023 investments of \$767,020 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 \$5,204 reported as landfill closure and post closure care liability for the Class IV Landfill at December 31, 2023, represents the cumulative amount reported to date based on the use of less than 27% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post closure care of \$14,081 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, 2023

2023, 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, 2023, investments of \$40,369 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. 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, 2023

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

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

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

ROADS

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, 2023

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>2023</u>	<u>2022</u>	<u>2021</u>
Paved	75	65	66
Gravel	74	73	92
Overall System	74	69	79

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Paved	25	35	34
Gravel	26	27	8
Overall System	26	31	21

Comparison of Needed-to Actual Maintenance/Preservation:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Estimated	2,039,523	669,311	2,600,000	2,100,000	1,081,000
Actual	1,498,786	1,783,460	2,029,205	2,095,547	1,059,694

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, 2023

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		with Final Budget Over(Under)
REVENUES				
Taxes	\$ 6,047,528	\$ 6,933,330	\$ 7,720,025	\$ 786,695
Licenses and permits	240,200	289,700	288,331	(1,369)
Intergovernmental revenues	7,288,791	5,294,560	4,917,105	(377,455)
Charges for services	3,372,833	3,059,136	2,777,131	(282,005)
Fines and forfeitures	452,715	496,500	478,660	(17,840)
Investment income	80,000	570,000	588,166	18,166
Miscellaneous	271,845	984,575	206,572	(778,003)
Total Revenues	<u>\$ 17,753,912</u>	<u>\$ 17,627,801</u>	<u>\$ 16,975,990</u>	<u>\$ (651,811)</u>
EXPENDITURES				
General government				
Commissioners	\$ 254,989	\$ 248,770	\$ 244,284	\$ (4,486)
Planning - personnel	220,171	193,830	192,312	(1,518)
J.P. Court	186,813	190,415	185,115	(5,300)
Sanity Hearings	1,000	1,500	1,378	(122)
Public Defender	260,000	366,873	364,894	(1,979)
Clerk-auditor	221,392	208,380	208,233	(147)
Attorney	505,593	536,745	521,748	(14,997)
Recorder	256,215	266,330	260,662	(5,668)
Treasurer	152,951	157,490	152,901	(4,589)
Assessor	279,245	294,455	284,703	(9,752)
Data Processing	320,891	307,848	298,544	(9,304)
Surveyor	204,028	203,100	194,327	(8,773)
Historical Preservation	5,000	3,000	1,687	(1,313)
Legal Defense	261,328	259,350	255,957	(3,393)
Courthouse and Grounds	166,971	150,440	150,135	(305)
Elections	155,029	128,655	128,318	(337)
Non-departmental	3,157,631	2,923,241	219,870	(2,703,371)
Employee Benefits	1,674,844	2,207,785	1,604,283	(603,502)
Other	29,686	14,310	9,340	(4,970)
Blanding Annex Building	9,782	10,690	10,609	(81)
Administration	178,104	178,030	176,315	(1,715)
Total General Government	<u>\$ 8,501,663</u>	<u>\$ 8,851,237</u>	<u>\$ 5,465,615</u>	<u>\$ (3,385,622)</u>
Public safety				
Sheriff	\$ 2,660,280	\$ 2,851,063	\$ 2,848,649	\$ (2,414)
Sheriff Airplane	450	55	53	(2)
County Jail	2,429,337	2,709,485	2,705,615	(3,870)
Fire Rescue	142,500	142,940	112,851	(30,089)
Fire Control	230,868	233,650	225,608	(8,042)
Building Inspection	98,327	93,025	93,018	(7)
Search and Rescue	9,000	8,500	6,735	(1,765)
Drug Expenditures	70,000	55,155	54,295	(860)
Weed and Rodent Control	145,142	144,004	143,904	(100)
Emergency Services	409,289	204,285	197,262	(7,023)
Total Public Safety	<u>\$ 6,195,193</u>	<u>\$ 6,442,162</u>	<u>\$ 6,387,990</u>	<u>\$ (54,172)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
Continued from previous page				
Public Health				
Public welfare	\$ 1,303,251	\$ 1,196,260	\$ 1,172,925	\$ (23,335)
Parks, recreation and public property				
Television/communication	106,300	98,500	98,419	(81)
Airports	167,400	189,020	188,116	(904)
Total Parks, Recreation and Public Property	\$ 273,700	\$ 287,520	\$ 286,535	\$ (985)
Community and economic development				
Agriculture and extension service	\$ 57,750	\$ 57,750	\$ 55,138	\$ (2,612)
Southern San Juan County fair	103,500	120,979	119,952	(1,027)
Economic development	387,132	327,655	314,630	(13,025)
Visitor services	988,897	630,010	588,816	(41,194)
Special projects	556,167	327,717	265,773	(61,944)
Total Conservation and Economic Dev.	\$ 2,093,446	\$ 1,464,111	\$ 1,344,309	\$ (119,802)
Total Expenditures	\$ 18,367,253	\$ 18,241,290	\$ 14,657,374	\$ (3,583,916)
Excess Revenues Over (Under)				
Expenditures	\$ (613,341)	\$ (613,489)	\$ 2,318,616	\$ 2,932,105
Other financing sources (uses)				
Transfers in	\$ 185,750	\$ 326,850	\$ 324,850	\$ (2,000)
Transfers out	(2,146,080)	(3,106,675)	(3,668,494)	(561,819)
Contributions to other government entities	-	206,300	6,300	(200,000)
Sale of Fixed Assets	65,000	1,260		
Total Other Financing Sources and Uses	\$ (1,895,330)	\$ (2,572,265)	\$ (3,337,344)	\$ (763,819)
Excess of Revenues and Other Sources Over (under) expenditures and other uses	\$ (2,508,671)	\$ (3,185,754)	\$ (1,018,728)	\$ 2,168,286
Fund Balances - Beginning			6,291,136	
Fund Balances - Ending			\$ 5,272,408	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over(Under)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 5,398,739	\$ 5,924,060	\$ 4,918,915	\$ (1,005,145)
Charges for services	175,000	175,000	745,977	570,977
Interest income	130,000	590,675	660,234	69,559
Transfers In	1,244,738	-	-	-
Miscellaneous	50,000	50,000	12,328	(37,672)
Total Revenues	6,998,477	6,739,735	6,337,454	(402,281)
Expenditures				
Current:				
Highways and public improvements	5,794,252	5,669,860	5,741,049	71,189
Capital outlay	1,108,475	991,875	920,381	(71,494)
Transfers out	95,750	78,000	78,000	-
Total Expenditures	6,998,477	6,739,735	6,739,430	(305)
Excess of Revenues Over (Under) Expenditures	-	-	(401,976)	(401,976)
Net Change in Fund Balance	-	-	(401,976)	(401,976)
Fund Balance Beginning of Year			18,547,411	
Fund Balance End of Year			<u>\$ 18,145,435</u>	

San Juan County
Schedule of the Proportionate Share of the Net Pension Liability
Utah Retirement Systems
December 31, 2023
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)					
	2023	0.3266739%	0.6380791%	0.0746710%	0.2409091%
	2022	0.3274789%	0.6646915%	0.0760994%	0.3027796%
	2021	0.3698105%	0.6473296%	0.0815217%	0.3520208%
	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)					
	2023	\$ 559,510	\$ 825,084	\$ 85,442	\$ 20,098
	2022	\$ (1,875,507)	\$ (539,824)	\$ (32,208)	\$ (15,303)
	2021	\$ 189,692	\$ 537,440	\$ 11,725	\$ 31,574
	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					
	2023	\$ 2,875,676	\$ 900,322	\$ 1,713,553	\$ 741,219
	2022	\$ 2,778,964	\$ 861,291	\$ 1,411,964	\$ 724,057
	2021	\$ 3,142,711	\$ 858,907	\$ 1,302,813	\$ 694,789
	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					
	2023	19.46%	91.64%	4.99%	2.71%
	2022	-67.49%	-62.68%	-2.28%	-2.11%
	2021	6.04%	62.57%	0.90%	4.54%
	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.					
	2023	97.5%	93.6%	92.3%	96.4%
	2022	108.7%	104.2%	103.8%	102.8%
	2021	99.2%	95.5%	98.3%	93.1%
	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.

San Juan County
Schedule of Contributions
Utah Retirement Systems
December 31, 2023
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
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%
	2021	499,640	499,640	-	2,778,444	17.98%
	2022	512,893	512,893	-	2,875,676	17.84%
	2023	590,627	590,627	-	3,391,931	17.41%
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%
	2021	279,048	279,048	-	861,291	32.40%
	2022	291,966	291,966	-	900,322	32.43%
	2023	379,879	379,879	-	1,178,409	32.24%
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	-	1,303,726	15.74%
	2021	226,642	226,642	-	1,421,874	15.94%
	2022	275,837	275,837	-	1,647,064	16.75%
	2023	375,379	375,379	-	2,337,233	16.06%
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%
	2021	187,758	187,758	-	726,897	25.83%
	2022	191,079	191,079	-	739,756	25.83%
	2023	242,941	242,941	-	940,538	25.83%
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%
	2021	22,802	22,802	-	295,177	7.72%
	2022	21,786	21,786	-	255,010	8.54%
	2023	19,852	19,852	-	246,370	8.06%
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%
	2021	14,010	14,010	-	116,304	12.05%
	2022	13,659	13,659	-	115,465	11.83%
	2023	23,972	23,972	-	115,465	11.83%

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

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI.

Changes in Assumptions Related to Pensions

No changes were made in actuarial assumptions from the prior year's valuation.

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, 2023, all departments and funds were within budgeted appropriations.

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SUPPLEMENTARY INFORMATION

San Juan County
Combining Balance Sheet for Non-major Governmental Funds
 December 31, 2023

	Capital Projects Funds						Total Non-major Governmenta Funds
	Buildings Grounds & Equipment Capital Improvement	Road Capital Improvement Fund	Local Building Authority Fund	Library	Health	Tort Liability	
Cash and investments	\$ 2,561,623	\$ 4,521,809	\$ 36,142	\$ 484,690	\$ -	\$ -	\$ 7,604,264
Accounts receivable	-	-	-	44,710.00	607,807	10,415.00	662,932
Prepaid expenses	-	-	-	-	90,301	-	90,301
Total Assets	\$ 2,561,623	\$ 4,521,809	\$ 36,142	\$ 529,400	\$ 698,108	\$ 10,415	\$ 8,357,497

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 5,625	\$ 10,273	\$ -	\$ 15,898
Due to other funds	-	-	-	-	146,162	411,876	558,038
Total Liabilities	-	-	-	5,625	156,435	411,876	573,936

Fund balances:							
Nonspendable:							
Inventory and prepaids	-	-	-	-	90,301	-	\$ 90,301
Restricted For:							
Road	-	4,521,809	-	-	-	-	4,521,809
Capital outlay	2,561,623	-	36,142	-	-	-	2,597,765
Assigned	-	-	-	523,775	451,372	(401,461)	573,686
Total Fund Balances	2,561,623	4,521,809	36,142	523,775	541,673	(401,461)	7,783,561
Total Liabilities and Fund Balance	\$ 2,561,623	\$ 4,521,809	\$ 36,142	\$ 529,400	\$ 698,108	\$ 10,415	\$ 8,357,497

San Juan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended December 31, 2023

	Buildings Grounds	Road Capital Improvement Fund	Local Building Authority Fund	Health	Tort Liability	Total Non-major Governmental Funds
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 165,197	\$ 80,415	\$ 730,130
Intergovernmental revenues	-	-	-	1,499,096	-	1,514,911
Charges for services	-	-	-	46,533	-	53,714
Investment income	1,454	154,648	-	-	-	156,102
Other	-	-	-	34,775	-	35,544
Interest	-	-	-	1,340	343	22,060
Total Revenues	1,454	154,648	-	1,746,941	80,758	2,512,461
EXPENDITURES						
Current:						
General government	-	-	-	-	294,741	294,741
Public safety	36,765	-	-	-	36,765	36,765
Public health	-	-	87,656	1,405,043	-	1,492,699
Highways and public improvements	-	18,250	-	-	-	18,250
Parks, recreation, and public property	-	-	-	-	-	574,702
Community and economic development	68,862	-	-	-	-	68,862
Capital outlay	216,081	-	-	-	-	216,081
Total Expenditures	321,708	18,250	87,656	1,405,043	294,741	2,702,100
Excess Revenues Over (Under) Expenditures	(320,254)	136,398	(87,656)	341,898	(213,983)	(189,639)
Other financing sources (uses)						
Contributions to Other Government Entities	68,827	-	46,808	(90,898)	-	26,225
Transfers in	2,780,960	-	62,132	119,141	199,829	3,162,062
Transfers out	-	-	-	(14,415)	-	(14,415)
Total Other Financing Sources and Uses	2,849,787	-	108,940	13,828	199,829	3,173,872
Excess of Revenues and Other Sources Over (under) expenditures and other uses	2,529,533	136,398	21,284	355,726	(14,154)	2,984,233
Fund Balances - Beginning	32,090	4,385,411	14,858	185,947	(387,307)	4,799,328
Fund Balances - Ending	\$ 2,561,623	\$ 4,521,809	\$ 36,142	\$ 541,673	\$ (401,461)	\$ 7,783,561

San Juan County
Statement of Current Taxes Levied, Collected, and Treasurer's Relief
For the Year Ended December 31, 2023

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)
Entity											
San Juan County	\$ 684,766,379	\$ 294,593,501	\$ -	\$ 979,359,880	\$ 106,154,134	\$ -	\$ 106,154,134	\$ 1,085,514,014	0.003213	0.003036	\$ 3,146,683
San Juan School District	578,591,624	292,065,609	-	870,657,233	105,566,934	-	105,566,934	976,224,167	0.006788	0.006913	5,910,021
Grand County School District in San Juan	106,174,755	2,527,892	-	108,702,647	587,200	-	587,200	109,289,847	0.006315	0.007050	686,457
Water Conservancy District	684,766,379	294,593,501	-	979,359,880	106,154,134	-	106,154,134	1,085,514,014	0.000706	0.000700	691,428
Health Service	684,766,379	294,593,501	-	979,359,880	106,154,134	-	106,154,134	1,085,514,014	0.000835	0.000817	817,765
Cities and Towns:											
Blanding City	146,235,198	734,995	-	146,970,193	8,650,212	-	8,650,212	155,620,405	0.001685	0.001658	247,645
Bluff	45,068,123	1,853,377	-	46,921,500	2,174,909	-	2,174,909	49,096,409	0.000733	0.000715	34,393
Monticello City	111,101,806	29,995,185	-	141,096,991	8,398,551	-	8,398,551	149,495,542	0.002026	0.001955	285,863
Total Cities and Towns											567,901
Other Special Districts:											
Blanding Cemetery	214,119,411	38,530,428	-	252,649,839	9,762,811	-	9,762,811	262,412,650	0.000258	0.000263	65,184
Monticello Cemetery	151,100,920	36,531,132	-	187,632,052	71,721,542	-	71,721,542	259,353,594	0.000199	0.000192	37,339
Total Other Special Districts											102,522
GRAND TOTALS											<u>\$ 11,922,779</u>

(Continued on next page)

San Juan County
Statement of Current Taxes Levied, Collected, and Treasurer's Relief (continued)
For the Year Ended December 31, 2023

Continued from previous page

Entity	13	14	15	16	17	18	19	20	21	22	23	24	25	26
	PERSONAL PROPERTY TAXES CHARGED (8 x 11)	TAXES CHARGED (12 + 13)	UNPAID TAXES	ABATEMENTS	OTHER	TOTAL RELIEF	TAXES COLLECTED (14 - 18)	ANNUAL COLLECTION RATE	ALLOCATIO PERS PROP	FEE-IN-LIEU REVENUE/ AGEBASED REVENUE	MISC. COLLECTIONS	DELINQUENT TAXES	DELINQUENT INTEREST & PENALTIES	Refunds (Subtract)
San Juan County	\$ 322,284	\$ 3,468,967	\$ 226,596	\$ 49,906	\$ -	\$ 276,502	\$ 3,192,465	92.03%	23,132	\$ 143,123	\$ 198,853	\$ 234,755	\$ 37,761	\$ 120,972
San Juan School District	729,784	6,639,806	350,383	92,059	-	442,442	6,197,364	93.34%	(26,257)	325,629	252,360	475,690	10,233	255,574
Grand County School District in San Juan	4,140	690,597	81,674	12,445	-	94,119	596,478	86.37%	(257)	406	42,046	56,906	2,169	-
Water Conservancy District	74,308	765,736	45,573	10,966	-	56,539	709,197	92.62%	151	32,999	28,834	48,530	1,112	26,582
Health Service	86,728	904,493	68,707	11,048	(14,606)	65,149	839,344	92.80%	(2,242)	37,452	19,894	67,979	908	21,302
Cities and Towns:														
Blanding City	14,342	261,987	11,055	5,008	-	16,063	245,924	93.87%	357	27,328	7,898	12,901	517	312
Bluff	1,555	35,949	2,984	362	-	3,346	32,603	90.69%	23	351	1,058	857	48	-
Monticello City	16,419	302,282	9,820	6,237	-	16,057	286,225	94.69%	778	16,418	6,736	8,461	302	-
Total Cities and Towns	32,316	600,217	23,859	11,607	-	35,466	564,751	94.09%	1,158	44,097	15,692	22,219	867	312
Other Special Districts:														
Blanding Cemetery	2,568	67,751	3,223	1,487	-	4,710	63,041	93.05%	(175)	4,570	2,023	3,113	132	48
Monticello Cemetery	13,771	51,109	1,338	809	-	2,147	48,962	95.80%	434	1,887	618	1,229	45	85
Total Other Special Districts	16,338	118,861	4,561	2,296	-	6,857	112,004	94.23%	259	6,457	2,641	4,342	177	133
	\$1,265,898	\$ 13,188,677	\$ 801,353	\$ 190,327	\$ (14,606)	\$ 977,074	\$12,211,603	92.59%	\$ (4,056)	\$ 590,163	\$ 560,320	\$ 910,421	\$ 53,227	\$ 424,875

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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, 2023, 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 28, 2024.

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, or significant deficiencies 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 28, 2024

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

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, 2023.

State compliance requirements were tested for the year ended December 31, 2023 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes
- Fraud Risk Assessment

Opinion on Compliance

In our opinion, San Juan County complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of San Juan County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the County’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County’s government programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County’s compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Entity's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

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

Government Auditing Standards require the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Guide . Accordingly, this report is not suitable for any other purpose.


Larson & Company, PC

Spanish Fork, Utah
June 28, 2024



**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

Opinion 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 its’s major federal programs for the year ended December 31, 2023. 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.

In our opinion, San Juan County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards general accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Governments Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of San Juan County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of San Juan County’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to San Juan County’s major federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on San Juan County’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about San Juan County’s compliance with the requirements of each major federal program.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding San Juan County’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of San Juan County’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 San Juan County’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies in material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 28, 2024

San Juan County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Grantor/Pass-Thru/ Grantor/Program Title	Federal ALN Number	Pass-Through Grantors Contract	Amount of Expenditures
United States Department of Health and Human Services			
<i>Passed Through the State Department of Human Services</i>			
Special Programs for the Aging -- Long Term Care Ombudsman Services	93.042	06866H	\$ 10,825
Special Programs for the Aging -- Disease Prevention and Helath Promotion	93.043	06866H	2,047
Preventative Block Grant	93.991	222700489	30,644
HEAL Span	93.493	192700359	4,495
EPICC 1815 Diabetes	93.426	192700359	1,676
EPICC 1815 CVD	93.426	192700359	586
HEAL Diabetes	93.435	192700359	6,679
EPICC 1817 CVD	93.435	192700359	3,648
MCH Injury	93.994	222700549	10,719
Overdose Data to Action Grant	93.136	222700549	17,119
Mobility Limitations	93.184	222700549	406
MCH Block Grant	93.994	212700505	35,416
CSHCN	93.994	182700583	71,689
TB Elimination	93.116	202700576	174
DIS EA	93.977	192700666	20,533
DIS Workforce	93.977	192700666	26,651
STD Prevention	93.977	192700666	874
Federal Immunization	93.268	192701007	1,593
COVID-19 Immunization	93.268	202701053	34
COVID Vaccine Vulnerable	93.268	212701519	23,880
Covid Vaccine Non-Vulnerable	93.268	212701519	315
PHEP Carryover	93.069	212700118	8,331
EED - Epidemiology	93.323	212702391	82,069
EED - Vulnerable Pop	93.323	212702391	7,014
EED - CHW	93.323	212702391	41,447
COVID-19 Health Disparities	93.391	222700144	41,408
Childhood Lead Poisoning	93.197	222700398	6,708
Crisis Response Workforce	93.354	222700714	88,307
Epidemiology	93.323		8,034
MCH Grant - Breastfeeding	93.994		89,227
PDG Grant	93.434		2,360
PH Infrastructure Grant	93.967		3,450
<i>Aging Cluster Pass Through</i>			
Special Programs for the Aging -- Nutrition Services (ADMIN)	93.045	092306	19,873
Special Programs for the Aging -- Supportive Services and Senior Centers (PDS)	93.044	06866H	83,559
Special Programs for the Aging -- Nutrition Services (Congregate)	93.045	092306	58,824
Special Programs for the Aging -- Nutrition Services (HDM)	93.045	092306	91,207
<i>Passed Through the State Department of Public Safety</i>			
PHEP Preparedness	93.069	222700181	110,808
Tobacco Comprehensive	93.387	212700217	11,952
Cross-Cutting EPI Outbreak	93.323	202700508	8,127
<i>Direct Assistance</i>			
Centers for Medicare and Medicaid Services Research	93.779		12,680
National Family Caregiver Support - Caregiver	93.052		32,627
National Family Caregiver Support - Fed Med Waiver	93.052		4,178
National Family Caregiver Support - Fed Med waiver Morning Sun	93.052		11,642
Social Services Block Grant - CSBG	93.667		11,436
Social Services Block Grant - State Waiver	93.667		67,473
Social Services Block Grant - Alternatives	93.667		109,758
Elder Abuse	93.667		1,512

Continued on Next Page

The notes to the schedule of expenditures of federal awards is an integral part of this statement

San Juan County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Continued from Previous Page

Special Programs for the Aging - Discretionary Projects - SMP	93.048		\$ 9,693
Special Programs for the Aging - Discretionary Projects - VDHCB	93.048		56,999
Aging Cluster Direct Assistance			
Nutrition Services Incentive Program(CIC)	93.053		13,900
Nutrition Services Incentive Program (CIH)	93.053		13,900
Total United States Department of Health and Human Services			<u>\$ 1,378,506</u>
United States Department of Homeland Security			
<i>Passed through the State Department of Public Safety</i>			
EMPG Grant	97.042	DEM-EMPG-2022-047	30,475
SHSP Grant	97.067	DEM-SHSP-008	103,311
PDM Bric Grant	97.047	FMD-2020-BR-065	22,500
Total United States Department of Homeland Security			<u>\$ 156,286</u>
United States Department of Agriculture			
<i>Passed through the State of Utah</i>			
WIC Client Services	10.557	202700369	74,187
WIC Admin	10.557	202700369	46,854
WIC Nutrition	10.557	202700369	19,872
WIC Breastfeeding	10.557	202700369	11,344
WIC Peer	10.557	202700369	3,567
Child Nutrition Cluster			
Summer Food	10.559	182700911	221
Total United States Department of Agriculture			<u>\$ 156,045</u>
United States Department of Environmental Protection Agency			
<i>Passed through the State Department of Environmental Quality</i>			
DEQ: Air Quality	66.605		162
DEQ: Drinking Water	66.605		7,847
DEQ: Water Quality	66.605		42,962
DEQ: DERR	66.605		1,992
DEQ: Solid Waste	66.605		1,444
DEQ: District Engineer	66.605		71
Total United States Department of Environmental Protection Agency			<u>\$ 54,478</u>
United States Department of Transportation			
<i>Passed through the State Department of Public Safety</i>			
Highway Safety Cluster			
Highway Safety	20.600		9,022
Highway Planning and Construction Cluster			
BIA Road Maintenance	20.205		205,723
Direct Assistance			
Airport Improvement Programm	20.106		29,465
Total United States Department of Transportation			<u>\$ 244,210</u>
United States Department of Treasury			
Direct Assistance			
* ARPA	21.027		1,399,696
LATCF	21.032		43,467
Total United States Department of Treasury			<u>\$ 1,443,163</u>
United states Department of Veterans Affairs			
Direct Assistance			
Veterans Assistance Grant	64.022		50,256
Total United states Department of Veterans Affairs			<u>\$ 50,256</u>
National Foundation on the Arts and the Humanities			
Direct Assistance			
Grants for Libraries	45.310		6,815
Total National Foundation on the Arts and the Humanities			<u>\$ 6,815</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 3,489,759</u></u>

* Major Program

** Non-cash assistance

The notes to the schedule of expenditures of federal awards is an integral part of this statement

San Juan County

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2023

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, 2023. 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 for applicable current year expenditures if any.

San Juan County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

I. Summary of Auditor's Results

Financial Statements

The independent auditor's report expressed an unmodified opinion on the basic financial statements of San Juan County.

Internal Control over financial reporting:

- Material weaknesses identified Yes No
 - Significant deficiencies identified Yes No
- Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over federal programs

- Material weaknesses identified Yes No
- Significant deficiencies identified Yes No

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of Federal Major Programs and Type of Auditor's Report Issued on Compliance for Major Federal Programs

21.027

American Rescue Plan Act

Unmodified

Dollar threshold used to distinguish between type A and type B Programs:

\$750,000

Auditee qualified as a low-risk auditee?

Yes No

San Juan County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

CURRENT YEAR FINDINGS

Financial Statement, and State Compliance Findings:

2023-001 Financial Reporting

Criteria:

In accordance with Utah Code 17-36-36, Counties are required to present quarterly financial reports to the commission in a public meeting.

Condition:

San Juan County did not prepare quarterly financial reports for the governing body to review.

Cause and effect:

This appears to be caused by a lack of controls over state compliance requirements in regard to the financial reporting requirements set by the state.

Recommendation:

We recommend the client implement controls to ensure financial reports are being presented to the governing body on a quarterly basis.

View of Responsible Officials

After discussions with the external auditor, it was noted that this was not being done. Controls have been put in place to ensure, at a minimum, quarterly reports are presented to the commission in a public meeting.

Federal Award Findings and Questioned Costs:

None noted in current year

PRIOR YEAR FINDINGS

Financial Statement and State Compliance Findings:

2022-001 Budgetary Compliance

Criteria:

In accordance with Utah Code 17-36-21, No officer or employee of a county shall make any expenditure or encumbrance in excess of the total appropriation for any department. Any obligation that is contracted by any such officer or employee in excess of the total departmental appropriation is the personal obligation of the officer or employee and is unenforceable against the county.

Condition:

Within the General Fund, the Assessor's department and the Sherriff's department expenditures exceeded budgeted appropriations.

Status of Finding: Finding appears to have been addressed and corrected during 2023

Federal Award Findings and Questioned Costs:

None Noted in Prior Year