



BOX ELDER COUNTY

FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S
REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

County Commission
Box Elder County
Brigham City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Box Elder County, as of and for the year ended December 31, 2022, 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 Box Elder County, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibility of Management's for the Financial Statements

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

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 Box Elder County's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement 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 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 judgement 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 Box Elder County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting principles 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 judgement, there are conditions or events, considered in the aggregate that raise substantial doubt about Box Elder County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 Box Elder County's basic financial statements. The combining and individual nonmajor fund financial statements, the statement of current taxes levied, collected, and treasurer's relief, and the schedule of expenditures of federal award, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the statement of 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 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, 2023, on our consideration of Box Elder County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Box Elder County's internal control over financial reporting and compliance.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah

June 28, 2023

Management's Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Box Elder County's annual financial report is designed to provide an overview of the County's financial activities for the fiscal year that ended December 31, 2022. It is also intended to assist those interested in focusing on significant financial issues including identifying changes in the County's financial position, identifying any material deviations from the approved budget, and identifying individual fund issues or concerns.

FINANCIAL HIGHLIGHTS

Government-wide Level

- Box Elder County's total net position increased \$5.6 million or 9.5%

Long-term Debt

- Box Elder County continues to be completely debt free.

Governmental Fund Balances

- Overall, the County saw a \$1.8 million or 6.4% increase in fund balances.
- The Capital Improvement (CIP) Fund saw a decrease in its fund balance. Traditionally, the County has transferred PILT funds into the CIP Fund. However, in the last couple of years the decision was made to send the PILT funds to the General Fund. This was done to help offset the increasing personnel costs, especially those in public safety.
- The MSF Fund transferred \$300 thousand to the Library Fund to help offset the costs of new Bookmobile building.
- The Capital Projects Fund was moved from a major fund to a non-major fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

Box Elder County's financial statements focus on both the County as a whole (government-wide), and on the major individual funds. "Funds" are resources segregated for the purposes of implementing specific activities in accordance with special regulations, restrictions, or limitations. Both government-wide and fund perspectives allow users to address relevant questions and understand changes in financial conditions. The structure of the financial statements is presented in the following pages of the MD&A.

The MD&A is intended to be an introduction to Box Elder County's basic financial statements and is comprised of three components, including government-wide financial statements, fund financial statements, and notes to financial statements. This report also contains other supplementary information, in addition to the basic financial statements.

Government-Wide Financial Statements – Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities comprise the government-wide financial statements. These statements provide a broad overview with a long-term focus of the County's finances as a whole and are prepared using the full-accrual basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent, and all assets and liabilities, including capital assets and long-term debt, are reported at the entity level.

The government-wide statements report the County's net position and how it has changed from the prior year. Over time, increases and decreases in net position measure whether the County's overall financial condition is getting better or worse. In evaluating the government's overall condition, however, additional non-financial factors should be considered such as the County's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure.

The government-wide statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). Box Elder County's governmental activities

include general government; public safety; highways and streets; public health; planning and economic development; culture and recreation; and debt service costs. The County has one business-type activity, the Municipal Building Authority, which is primarily related to the operation and maintenance of the County's landfill.

Fund Financial Statements

Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements provide detailed information that focus on the most significant funds rather than the County as a whole. Major funds are separately reported to control and manage money and to show that legal responsibilities are met for certain taxes, grants and other designated funds. Box Elder County uses the following types of funds:

Governmental Funds – Most of the County's basic services are accounted for in governmental funds and are essentially the same functions reported as governmental activities in government-wide statements. Governmental funds use the modified accrual basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This short-term view of the County's financial position helps determine whether the County has sufficient resources to cover expenditures for its basic services in the near future.

Proprietary Fund – Box Elder County has one proprietary fund, an *Enterprise Fund*, used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County's one enterprise fund, the Municipal Building Authority Fund, is used to account for the operations of the County's landfill operation and other building functions of the County.

Fiduciary Funds – Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds use full-accrual accounting but are not included in the government-wide statements because the assets in these funds are not available to finance the County's own programs. Agency Funds include Held for Litigants, Treasurer's Tax Collection and Special Deposits.

Reconciliation between Government-wide and Fund Statements

The financial statements include schedules that reconcile the amounts reported for governmental activities on the government-wide statements (full-accrual accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual accounting, short-term focus). Following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- Bond proceeds result in liabilities on the government-wide statements but are other financing sources on the governmental fund statements.
- Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements but are deferred revenue on the governmental fund statements.

Notes to the Financial Statements

The financial notes provide additional information that is essential to a complete understanding of the financial statements, and they apply to both the government-wide and fund financial statements.

Required Supplementary Information

Schedules related to the County's participation in the Utah Retirement Systems are provided in the Required Supplementary Information section.

Supplementary Information

This section includes combining statements for the County's nonmajor governmental funds. As well as property tax collections and distributions to all taxing entities within the County are provided, and information related to discrete component units.

FINANCIAL ANALYSIS OF BOX ELDER COUNTY, UTAH: GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY 2022 by \$64.5 million. The largest component of the County's net position, 49 percent, is composed of capital assets (land, buildings, equipment, roads, and other infrastructure) less all outstanding debt that was issued to buy or build those assets. As capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities. Resources needed to repay capital-related debt must be provided from other sources.

Restricted net position comprises 36 percent of total net position and is subject to restrictions on how they may be used. The remaining 15 percent of net position is unrestricted and may be used at the County's discretion to meet its ongoing obligations to citizens and creditors.

Box Elder County's Net Position December 31, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	44,302,188	38,091,316	3,393,801	4,551,517	47,695,989	42,642,833
Capital assets	28,314,143	27,790,013	5,081,734	2,854,767	33,395,877	30,644,780
Total assets	<u>72,616,331</u>	<u>65,881,329</u>	<u>8,475,535</u>	<u>7,406,284</u>	<u>81,091,866</u>	<u>73,287,613</u>
Deferred outflows of resources						
Total assets and deferred outflows of resources	<u>4,019,280</u>	<u>3,567,856</u>	<u>127,488</u>	<u>103,729</u>	<u>4,146,768</u>	<u>3,671,585</u>
Other liabilities	10,126,686	10,391,961	670,100	451,312	10,796,786	10,843,273
Long-term liabilities outstanding	883,595	2,780,414	23,452	121,677	907,047	2,902,091
Total liabilities	<u>11,010,281</u>	<u>13,172,375</u>	<u>693,552</u>	<u>572,989</u>	<u>11,703,833</u>	<u>13,745,364</u>
Deferred inflows of resources						
Total assets and deferred inflows of resources	<u>8,692,688</u>	<u>4,236,716</u>	<u>342,432</u>	<u>107,907</u>	<u>9,035,120</u>	<u>4,344,623</u>
Net position:						
Net investment in capital assets	27,078,331	27,722,525	4,813,234	2,852,656	31,891,565	30,575,181
Restricted	22,114,254	21,427,023	895,261	850,148	23,009,515	22,277,171
Unrestricted	7,740,057	2,890,546	1,858,544	3,126,313	9,598,601	6,016,859
Total net position	<u>56,932,642</u>	<u>52,040,094</u>	<u>7,567,039</u>	<u>6,829,117</u>	<u>64,499,681</u>	<u>58,869,211</u>

Changes in Net Position

Box Elder County's combined ending net position totaled \$64.5 million. A total increase of \$5.6 million or 9.5 percent over the prior year's ending net position balances. Net position of governmental activities increased \$4.9 million or 9.3 percent, while net position of business-type activities increased \$738 thousand or 10.8 percent. The following table summarizes the changes in Box Elder County's net position:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,401,631	\$ 4,608,127	\$ 2,342,605	\$ 2,008,207	\$ 5,744,236	\$ 6,616,334
Operating Grants and Contributions	11,218,245	6,613,703	-	-	11,218,245	6,613,703
Capital Grants and Contributions	467,586	36,555	-	-	467,586	36,555
General Revenues:						
Taxes	25,894,670	23,112,179	37,471	-	25,932,141	23,112,179
Payment in lieu of taxes	3,562,938	-	-	-	3,562,938	-
Other General Revenues	1,437,435	4,975,326	390	8,358	1,437,825	4,983,684
Total Revenues	\$ 45,982,505	\$ 39,345,890	\$ 2,380,466	\$ 2,016,565	\$ 48,362,971	\$ 41,362,455
Expenses:						
General Government	\$ 25,282,952	\$ 7,924,328	\$ -	\$ -	\$ 25,282,952	\$ 7,924,328
Public Safety	4,254,766	15,884,658	-	-	4,254,766	15,884,658
Highway and Streets	5,320,497	4,726,950	-	-	5,320,497	4,726,950
Public Health	-	878,530	-	-	-	878,530
Planning and Economic Development	4,722,326	4,412,219	-	-	4,722,326	4,412,219
Culture and Recreation	1,553,638	2,009,797	-	-	1,553,638	2,009,797
Debt Service	-	-	-	-	-	-
Landfill	-	-	1,598,943	1,313,500	1,598,943	1,313,500
Total Expenses	\$ 41,134,178	\$ 35,836,482	\$ 1,598,943	\$ 1,313,500	\$ 42,733,121	\$ 37,149,982
Change in Net Position Before Transfers	4,818,732	3,509,408	781,523	703,065	5,600,255	4,212,473
Transfers	43,601	-	(43,601)	-	-	-
Change in Net Position	4,862,333	3,509,408	737,922	703,065	5,600,255	4,212,473
Net Position - Beginning	52,040,094	48,530,686	6,829,117	6,126,052	58,869,211	54,656,738
Net Position - Ending	\$ 56,902,427	\$ 52,040,094	\$ 7,567,039	\$ 6,829,117	\$ 64,469,466	\$ 58,869,211

Net Cost Governmental Activities

Sources of revenues for the County's governmental activities are comprised of the items listed below and total \$46 million for 2022.

Taxes constitute the largest source of Box Elder County revenues. They represent 56.4% of the total revenue and signify a \$2.7 million or 12 percent increase from the previous reporting period.

The cost of all governmental activities for FY2022 was \$41.1 million an increase of \$285 thousand over the previous reporting period.

CAPITAL ASSET AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

Box Elder County's net investment in capital assets for its governmental activities as of December 31, 2022, amounts to \$33.4 million (net of accumulated depreciation), an increase of \$2.8 million or 9 percent from the prior year. This investment in capital assets includes land, buildings, and improvements other than buildings and equipment. Roads, highways, bridges and work in progress are incorporated in the infrastructure, as summarized below.

	Government Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,224,194	\$ 2,416,417	\$ 306,190	\$ 306,190	\$ 2,530,384	\$ 2,722,607
Buildings	16,683,582	13,255,140	79,121	85,266	16,762,703	13,340,406
Improv. other than buildings	253,985	776,422	201,667	441,615	455,652	1,218,037
Furniture, machinery and equipment	5,142,573	5,096,505	3,716,059	1,982,828	8,858,632	7,079,333
Vehicles	1,235,812	1,237,784	16,031	33,408	1,251,843	1,271,192
Infrastructure	2,450,616	2,641,307	193,960	-	2,644,576	2,641,307
Work in progress	323,381	2,298,950	568,706	3,349	892,087	2,302,299
Total	\$ 28,314,143	\$ 27,722,525	\$ 5,081,734	\$ 2,852,656	\$ 33,395,877	\$ 30,575,181

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

Long-term Debt

The County continues to be debt-free. It did not enter into any new long-term debt in 2022. The following table presents changes in Box Elder County's long-term obligations relative to the prior year.

	Balance 2021	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental Activities:					
Compensated Absences	\$ 751,981	\$ 131,614	\$ -	\$ 883,595	\$ -
Governmental Activity Long-Term Liabilities	\$ 751,981	\$ 131,614	\$ -	\$ 883,595	\$ -
Business-Type Activities:					
Compensated Absences	\$ 18,215	\$ 5,237	\$ -	\$ 23,452	\$ -
Business-Type Activity Long-Term Liabilities	\$ 18,215	\$ 5,237	\$ -	\$ 23,452	\$ -

More detailed information about the County's long-term liabilities is available in the notes to the financial statements.

FINANCIAL ANALYSIS OF THE COUNTY'S GOVERNMENTAL FUNDS

Fund Balances

At December 31, Box Elder County's governmental funds reported combined fund balances of \$29.5 million, an increase of 6.4 percent from 2021. Of the total fund balances, \$10.7 million or 36.4 percent is restricted for various purposes such as the County Library, assessing and collecting, and Class B Road projects. Therefore, is unavailable for future spending. \$11.4 million has been assigned for various purposes such as future capital projects, economic development, municipal services, and the justice court.

General Fund Budgetary Highlights

Differences between the original revenue budget of \$17.6 million and the final amended budget of \$24.5 million occurred because of changes made to intergovernmental revenues. The difference between the final adopted expenditure budget including transfers and the actual expenditures during the year was \$4.6 million. The general fund is required to be in budget compliance at the department level. For the total budget of the General Fund, actual expenditures were less than the final adopted budget.

Municipal Service Fund

The Municipal Service fund provides services to the unincorporated areas of the county. Its major programs are public safety, highways and streets, and planning and economic development. The actual expenditure was \$2.4 million less than budgeted expenditures.

Nonmajor Governmental Funds

Box Elder County's nonmajor funds include the Capital Projects Fund, Tourism, County Library (Bookmobile) and the Justice Court.

Capital Projects Fund

The Capital Projects Fund is used to fund large capital purchases and projects. Patrol vehicles and other equipment for various county departments were purchased with this fund

FINANCIAL ANALYSIS OF THE COUNTY'S PROPRIETARY FUND

Results of operations for the County's enterprise fund mirror the discussion above under the heading "Business-type Activities" and need not be repeated here.

Municipal Building Authority Fund

This fund is used to account for the operations of the County's landfill. The operating revenues decreased \$334 thousand or 16.7 percent. The fund's total net position increased \$737 thousand or 10.8 percent in 2022.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of Box Elder County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information in this report or any other matters related to the County's budget and finances should be addressed to the Box Elder County Auditor, One South Main, Brigham City, UT 84302.

Basic Financial Statements

Box Elder County
Statement of Net Position
December 31, 2022

	Primary Government			Component Unit (Unaudited)
	Governmental Activities	Business-type Activities	Totals	
ASSETS AND DEFERRED OUTFLOWS				
OF RESOURCES:				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 17,506,263	\$ 1,805,338	\$ 19,311,601	\$ 394,537
Restricted Cash and Cash Equivalents	10,398,110	895,261	11,293,371	-
Taxes Receivable	10,425,303	-	10,425,303	-
Accounts Receivable	-	448,609	448,609	-
Due from Other Governmental Units	434,085	-	434,085	-
Prepays	36,676	-	36,676	-
Other Receivables	118,996	-	118,996	-
Restricted assets: due from other governments	708,118	-	708,118	-
Total Current Assets	39,627,551	3,149,208	42,776,759	394,537
<i>Noncurrent Assets</i>				
Net Pension Asset	4,674,637	244,593	4,919,230	-
Capital Assets (Net of Accumulated Depreciation):				
Land	2,224,194	306,190	2,530,384	-
Construction in Progress	323,381	568,706	892,087	-
Buildings	16,683,582	79,121	16,762,703	-
Improvements Other Than Buildings	253,985	201,667	455,652	-
Equipment	5,142,573	3,716,059	8,858,632	-
Vehicles	1,235,812	16,031	1,251,843	-
Infrastructure	2,450,616	193,960	2,644,576	-
Total NonCurrent Assets	32,988,780	5,326,327	38,315,107	-
<i>Deferred Outflows of Resources</i>				
Deferred Outflows of Resources - Pensions	4,019,280	127,488	4,146,768	-
Total assets and deferred outflows of resources	\$ 76,635,611	\$ 8,603,023	\$ 85,238,634	\$ 394,537
LIABILITIES				
<i>Current Liabilities</i>				
Accounts Payable	\$ 2,323,968	\$ 232,311	\$ 2,556,279	\$ -
Unearned Revenue	3,313,613	-	3,313,613	-
Accrued Payroll Liabilities	931,280	36,189	967,469	-
Landfill closure and post closure costs	-	401,600	401,600	-
Due to Other Governments	3,557,825	-	3,557,825	-
Total Current Liabilities	10,126,686	670,100	10,796,786	-
<i>Noncurrent Liabilities:</i>				
Compensated Absences	883,595	23,452	907,047	-
Total NonCurrent Liabilities	883,595	23,452	907,047	-
<i>Deferred inflows of Resources</i>				
Deferred Inflows of Resources - Pensions	8,692,688	342,432	9,035,120	-
Total liabilities and deferred inflows of resources	19,702,969	1,035,984	20,738,953	-
NET POSITION				
Net Investment in Capital Assets	27,078,331	4,813,234	31,891,565	-
<i>Restricted</i>				
Assessing and Collecting	90,665	-	90,665	-
Elections	28,628	-	28,628	-
Highways and streets	8,664,219	-	8,664,219	-
Tourism, recreation, culture & facilities	1,206,405	-	1,206,405	-
Landfill post closure costs	-	895,261	895,261	-
Public Safety - Fire	117,782	-	117,782	-
Public Safety- Liquor Law	128,376	-	128,376	-
County Library	455,821	-	455,821	-
Monument Preservation	28,030	-	28,030	-
Service District	-	-	-	394,537
Capital Projects	635,186	-	635,186	-
Minicipal Services	5,202,889	-	5,202,889	-
Redevelopment areas	3,796,238	-	3,796,238	-
Justice Court	1,760,015	-	1,760,015	-
Unrestricted	7,740,057	1,858,544	9,598,601	-
Total Net Position	\$ 56,932,642	\$ 7,567,039	\$ 64,499,681	\$ 394,537

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County
Statement of Activities
For the year ended December 31, 2022

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Total
					Governmental Activities	Business-type Activities		
Primary Government:								
Governmental Activities:								
General government	\$ 25,282,952	\$ 1,948,204	\$ 768,621	\$ 448,381	\$ (22,147,341)	\$ -	\$ (22,147,341)	
Public health	-	138,251	6,498,099	-	6,636,350	-	6,636,350	
Planning and economic development	4,722,326	42,554	-	-	(4,679,772)	-	(4,679,772)	
Culture and recreation	1,553,638	469,822	91,588	19,205	(973,023)	-	(973,023)	
Public safety	4,254,766	648,472	999,407	-	(2,606,887)	-	(2,606,887)	
Highways and streets	5,320,497	154,328	2,860,530	-	(2,305,639)	-	(2,305,639)	
Total Governmental Activities	\$ 41,134,178	\$ 3,401,631	\$ 11,218,245	\$ 467,586	\$ (26,076,311)	\$ -	\$ (26,076,311)	
Business-type Activities:								
Landfill	\$ 1,598,943	\$ 2,342,605	\$ -	\$ -	\$ 743,662	\$ 743,662	\$ 743,662	
Total Business-type Activities	1,598,943	2,342,605	-	-	743,662	743,662	743,662	
Total Primary Government	\$ 42,733,121	\$ 5,744,236	\$ 11,218,245	\$ 467,586	\$ (26,076,311)	\$ 743,662	\$ (25,332,649)	
Component Unit:								
Mineral Lease Special Service District	\$ 251,966	\$ -	\$ -	\$ 256,844	\$ -	\$ -	\$ 4,878	
Total Component Units	\$ 251,966	\$ -	\$ -	\$ 256,844	\$ -	\$ -	\$ 4,878	
General Revenues:								
Property Taxes				14,967,321	-	-	14,967,321	
Tax Increment				2,779,342	-	-	2,779,342	
Sales Taxes				6,231,690	-	-	6,231,690	
Corridor Preservation				627,016	-	-	627,016	
Restaurant Taxes				878,238	-	-	878,238	
Transient Room Taxes				610,610	-	-	610,610	
Fines				880,471	-	-	880,471	
Investment Earnings				427,469	37,471	-	464,940	
Miscellaneous				253,862	390	-	254,252	
Payment in lieu of Taxes				3,562,938	-	-	3,562,938	
Gain(loss) on Disposal of Fixed Assets				(323,914)	-	-	(323,914)	
Transfers				43,601	(43,601)	-	-	
Total General Revenues and Transfers				30,938,644	(5,740)	30,932,904	5,672	
Change in Net Position				4,862,333	737,922	-	5,600,255	
Net Position - Beginning				52,040,094	6,829,117	-	58,869,211	
Net Position - Ending				\$ 56,902,427	\$ 7,567,039	\$ 64,469,466	\$ 394,537	

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County
Balance Sheet – Governmental Funds
For the Year Ended December 31, 2022

	<u>Special Revenue Fund</u>			<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Municipal Service</u>	<u>RDA</u>		
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 1,241,843	\$ 8,147,309	4,392,398	\$ 3,724,713	\$ 17,506,263
Taxes Receivable	5,791,675	665,053	3,306,325	662,250	10,425,303
Accounts Receivable	45,960	46,091	-	26,945	118,996
Due from Other Governments Units	419,487	-	-	14,598	434,085
Prepays	35,476	1,200	-	-	36,676
Restricted Cash and cash equivalents	4,898,461	5,499,649	-	-	10,398,110
Restricted assets: due from other governments	-	708,118	-	-	708,118
Total Assets	\$ 12,432,902	\$ 15,067,420	\$ 7,698,723	\$ 4,428,506	\$ 39,627,551
<u>LIABILITIES</u>					
Accounts Payable	\$ 477,381	\$ 820,366	\$ 701,581	\$ 324,640	\$ 2,323,968
Accrued payroll liabilities	649,993	230,854	-	50,433	931,280
Unearned Revenue	3,313,613	-	-	-	3,313,613
Due to other governments	356,921	-	3,200,904	-	3,557,825
Total Liabilities	\$ 4,797,908	\$ 1,051,220	\$ 3,902,485	\$ 375,073	\$ 10,126,686
<u>FUND BALANCE</u>					
Restricted:					
Assessing and Collecting	\$ 90,665	\$ -	\$ -	\$ -	\$ 90,665
Elections	28,628	-	-	-	28,628
Highways and streets	-	8,664,219	-	-	8,664,219
Tourism, recreation, culture & facilities	3,994	-	-	1,202,411	1,206,405
Public Safety - Fire	-	117,782	-	-	117,782
Public Safety - Liquor Law	97,066	31,310	-	-	128,376
County Library	-	-	-	455,821	455,821
Monument Preservation	28,030	-	-	-	28,030
Assigned:					
Capital Projects	-	-	-	635,186	635,186
Municipal Services	-	5,202,889	-	-	5,202,889
Redevelopment Areas	-	-	3,796,238	-	3,796,238
Justice Court	-	-	-	1,760,015	1,760,015
Unassigned:					
General Fund	7,386,611	-	-	-	7,386,611
Total Fund Balances	7,634,994	14,016,200	3,796,238	4,053,433	29,500,865
Total Liabilities and Fund Balances	\$ 12,432,902	\$ 15,067,420	\$ 7,698,723	\$ 4,428,506	\$ 39,627,551

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2022

Total fund balances - governmental fund types: \$ 29,500,865

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 28,314,143

Land	\$ 2,224,194
Buildings	16,683,582
Improvements other than buildings	253,985
Machinery and Equipment	6,378,385
Infrastructure	2,450,616
Work in progress	<u>323,381</u>
Total	<u>\$ 28,314,143</u>

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. (882,366)

Deferred inflows of resources related to pensions	\$ (8,692,688)
Deferred outflowsof resources related to pensions	4,019,280
Net pension asset	4,674,637
Compensated absences	<u>(883,595)</u>
Total	<u>\$ (882,366)</u>

Net position of government activities: \$ 56,932,642

Box Elder County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the year ended December 31, 2022

	<u>Special Revenue Fund</u>			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Municipal Service	RDA		
Revenues					
Property taxes	\$ 12,892,669	\$ 1,095,384	\$ 526,985	\$ 452,283	\$ 14,967,321
Tax Increment	-	-	2,779,342	-	2,779,342
Sales taxes	3,305,010	2,926,680	-	-	6,231,690
Corridor preservation	-	627,016	-	-	627,016
Restaurant taxes	-	-	-	878,238	878,238
Transient room taxes	-	-	-	610,610	610,610
Licenses and permits	8,170	924,649	-	-	932,819
Intergovernmental	7,510,067	3,693,559	298,748	164,252	11,666,626
Charges for services	1,572,114	211,298	29,595	443,809	2,256,816
Fines	-	-	-	880,471	880,471
Investment earnings	144,939	185,122	50,924	46,484	427,469
Contributions and donations	-	-	-	19,205	19,205
Miscellaneous	220,249	5,012	-	28,601	253,862
Payments in lieu of taxes	-	3,562,938	-	-	3,562,938
Rents	12,940	-	-	199,056	211,996
Total Revenues	<u>\$ 25,666,158</u>	<u>\$13,231,658</u>	<u>\$ 3,685,594</u>	<u>\$ 3,723,009</u>	<u>\$ 46,306,419</u>
Expenditures					
Current:					
General Government	\$ 27,502,845	\$ -	\$ -	\$ 111,195	\$ 27,614,040
Public Safety	-	3,276,645	-	1,376,657	4,653,302
Highways and Streets	-	5,323,670	-	-	5,323,670
Planning and economic development	-	1,461,026	3,484,041	43,725	4,988,792
Culture and recreation	-	-	-	1,676,515	1,676,515
Total Expenditures	<u>\$ 27,502,845</u>	<u>\$10,061,341</u>	<u>\$ 3,484,041</u>	<u>\$ 3,208,092</u>	<u>\$ 44,256,319</u>
Excess Revenues Over (Under)					
Expenditures	<u>\$ (1,836,687)</u>	<u>\$ 3,170,317</u>	<u>\$ 201,553</u>	<u>\$ 514,917</u>	<u>\$ 2,050,100</u>
Other Financing Sources (Uses):					
Transfers In	\$ 3,266,520	\$ -	\$ -	\$ 300,000	\$ 3,566,520
Transfers Out	-	(3,187,036)	-	(335,883)	(3,522,919)
Sale of Assets	-	-	-	64,730	64,730
Tax increment to other governments	(356,921)	-	-	-	(356,921)
Total Other Financing Sources and Uses	<u>\$ 2,909,599</u>	<u>\$ (3,187,036)</u>	<u>\$ -</u>	<u>\$ 28,847</u>	<u>\$ (248,590)</u>
Excess of Revenues and Other Sources Over(Under)					
Expenditures and Other Uses	\$ 1,072,912	\$ (16,719)	\$ 201,553	\$ 543,764	\$ 1,801,510
Fund Balances - Beginning	6,562,082	14,032,919	3,594,685	3,509,669	27,699,355
Fund Balances - Ending	<u>\$ 7,634,994</u>	<u>\$14,016,200</u>	<u>\$ 3,796,238</u>	<u>\$ 4,053,433</u>	<u>\$ 29,500,865</u>

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder 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, 2022

Net changes in fund balances - total governmental funds:	<u>\$ 1,801,510</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 expense exceeded capital outlays in the current period.	
	591,618
Capital Projects:	\$ 3,606,425
Depreciation Expense:	<u>(3,014,807)</u>
Net Difference	<u>\$ 591,618</u>
The Statement of Activities show pension benefits and pension expenses from the current year adjustments that are not shown in the fund statements.	2,631,033
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Change in compensated absences.	(131,613)
Change in net assets of governmental activities:	<u><u>\$ 4,862,333</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County
Statement of Net Position – Proprietary Funds
December 31, 2022

	Business-Type Activities Enterprise Funds	
	Municipal Building Authority	Total
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,805,338	\$ 1,805,338
Restricted Cash and Cash Equivalents	895,261	895,261
Accounts Receivable (Net of Allowance)	448,609	448,609
Total Current Assets	<u>3,149,208</u>	<u>3,149,208</u>
Noncurrent Assets:		
Land	306,190	306,190
Construction in Progress	568,706	568,706
Buildings	270,369	270,369
Improvements Other Than Buildings	390,316	390,316
Equipment	5,617,870	5,617,870
Vehicles	81,544	81,544
Infrastructure	919,074	919,074
Less: Accumulated Depreciation	(3,072,335)	(3,072,335)
Net Pension Asset	244,593	244,593
Total Noncurrent Assets	<u>5,326,327</u>	<u>5,326,327</u>
Total Assets	<u>8,475,535</u>	<u>8,475,535</u>
Deferred Outflows of Resources - Pensions	127,488	127,488
Total Assets and Deferred Outflows of Resources:	<u>\$ 8,603,023</u>	<u>\$ 8,603,023</u>
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable	\$ 232,311	\$ 232,311
Accrued Wages and Benefits	36,189	36,189
Landfill closure and post closure costs	401,600	401,600
Total Current Liabilities	<u>670,100</u>	<u>670,100</u>
Noncurrent Liabilities:		
Compensated Absences	23,452	23,452
Total Noncurrent Liabilities	<u>23,452</u>	<u>23,452</u>
Total Liabilities	<u>693,552</u>	<u>693,552</u>
Deferred Inflows of Resources - Pensions	342,432	342,432
Total Liabilities and Deferred Inflows of Resources:	<u>\$ 1,035,984</u>	<u>\$ 1,035,984</u>
Net Position:		
Net Investment in Capital Assets	\$ 4,813,234	\$ 4,813,234
Restricted for (Expendable):		
Landfill Closure and Post Closure Costs	895,261	895,261
Unrestricted	1,858,544	1,858,544
Total Net Position	<u>\$ 7,567,039</u>	<u>\$ 7,567,039</u>

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended December 31, 2022

	Business-Type Activities Enterprise Funds	
	Municipal Building Authority	Total
Operating Revenues:		
Charges for Services	\$ 2,342,605	\$ 2,342,605
Miscellaneous	390	390
Total Operating Revenues	2,342,995	2,342,995
Operating Expenses:		
Solid Waste Management	1,110,091	1,110,091
Depreciation	488,852	488,852
Total Operating Expenses	1,598,943	1,598,943
Operating Income	\$ 744,052	\$ 744,052
Nonoperating Revenues (Expenses):		
Interest Revenue	\$ 37,471	\$ 37,471
Operating Transfers Out	(43,601)	(43,601)
Total Nonoperating Revenues (Expenses)	(6,130)	(6,130)
Change in Net Position	737,922	737,922
Total Net Position - Beginning	6,829,117	6,829,117
Total Net Position - Ending	\$ 7,567,039	\$ 7,567,039

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County
Statement of Cash Flows
For the year ended December 31, 2022

	Business-Type Activities:
	<u>Enterprise Funds</u>
	Municipal
	<u>Building Authority</u>
Cash Flows From Operating Activities	
Cash Received from Customers and Users	\$ 2,049,102
Cash Payments to Employees	(135,177)
Cash Payments to Suppliers	(886,067)
Net Cash Used in Operating Activities	<u>1,027,858</u>
Cash Flows From Non-Capital and Related Financing Activities	
Transfers from(to) Other Funds	<u>(43,601)</u>
Net Cash Provided by Non-Capital and Related Financing Activities	<u>(43,601)</u>
Cash Flows From Investing Activities	
Interest and dividends received	<u>37,471</u>
Net Cash Provided by Investing Activities	<u>37,471</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,696,200)
Cash and Cash Equivalents, January 1	4,396,799
Cash and Cash Equivalents, December 31	<u>\$ 2,700,599</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income(Loss)	<u>\$ 744,052</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	488,852
(Increase) Decrease in Accounts Receivable	(293,893)
(Increase) Decrease in Net Pension Assets	(242,482)
(Increase) Decrease in Deferred Outflows	(23,759)
(Decrease) Increase in Accounts Payable	193,417
(Decrease) Increase in Pension Liabilities	(103,461)
(Decrease) Increase in Deferred Inflows	234,525
(Decrease) Increase in Accrued Liabilities	7,275
(Decrease) Increase in Compensated Absences	5,236
Landfill closure and post closure costs payable	<u>18,096</u>
Total Adjustments	<u>283,806</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,027,858</u>

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County
Statement of Fiduciary Net Position – Fiduciary Funds
December 31, 2022

	<u>Custodial Funds</u>
	Agency Fund
ASSETS	
Cash and cash equivalents	\$ 5,696
Restricted Cash and Cash Equivalents	17,349,215
Accounts receivable, net	10
Total Assets	<u>17,354,921</u>
LIABILITIES AND FUND BALANCES	
Accounts Payable	17,349,415
Funds held for others	5,506
Total Liabilities	<u>17,354,921</u>

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County
Statement of Changes in Fiduciary Net Position – Fiduciary Funds
For the year ended December 31, 2022

	<u>Custodial Funds</u>
	Agency Fund
<u>ADDITIONS</u>	
Contributions - participants	\$ 32,764
Tax collections for other governments	26,608,104
Total Revenues	<u>26,640,868</u>
<u>DEDUCTIONS</u>	
Distributions - participants	32,764
Tax Distributions to other governments	26,608,104
Total Expenditures	<u>26,640,868</u>
Change in net position	<u>-</u>
Fund Balances - Beginning	-
Fund Balances - Ending	<u><u>\$ -</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County
Combining Statement of Net Position
Discretely Presented Component Units
December 31, 2022

	<u>Mineral Lease</u>	<u>Total Nonmajor Component Units</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 394,537	\$ 394,537
Total assets	<u>394,537</u>	<u>394,537</u>
<u>NET POSITION</u>		
Restricted for:		
Service District	394,537	394,537
Total Net Position	<u>\$ 394,537</u>	<u>\$ 394,537</u>

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County
Combining Statement of Activities
Discretely Presented Component Units
For the year ended December 31, 2022

	Mineral Lease
REVENUES	
Intergovernmental revenues	\$ 256,844
Investment earnings	5,672
Total Revenues	<u>262,516</u>
EXPENDITURES	
Mineral Lease	251,966
Total Expenditures	<u>251,966</u>
Total Operating income (loss)	<u><u>\$ 10,550</u></u>
Net Change in Fund Balance	10,550
Net Assets - Beginning	<u>383,987</u>
Net Assets - Ending	<u><u>\$ 394,537</u></u>

The Notes to the Financial Statements are an Integral Part of this Statement

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Box Elder County is located in the northwest portion of the State of Utah. It was organized by State Statute and serves the citizens of Northern Utah. The County provides services that include general government, public safety, public health and welfare, streets and public improvements, parks, recreation, solid waste management, library services, and conservation and development programs

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

1.A. FINANCIAL REPORTING ENTITY

The accompanying financial statements include the County, which is a political subdivision with corporate powers created under Utah State law, and all of its blended component units, collectively referred to as the financial reporting entity. As required by generally accepted accounting principles (GAAP), these financial statements present Box Elder County (referred to as the "primary government" for reporting purposes) and its "component units" (separate legal entities for which the County is considered to be financially accountable).

Blended Component Units

The Municipal Building Authority of Box Elder County is governed by a three-member board who are the County Commissioners. Its sole purpose is to finance and construct the County's public facilities. The financial statements of the Municipal Building Authority are included in the accompanying financial statements as a blended component unit. The Redevelopment Agency of Box Elder County is governed by a three-member board who are the County Commissioners. The Agency provides for redevelopment projects within the County. The Agency is financially dependent upon the County and, as a result, is included in the accompanying financial statements as a blended component unit.

Discrete Component Units

Box Elder County Special Service District is governed by a five-member board appointed by the County Commissioners. The financial statements of the District are included in the accompanying financial statements as a discretely presented component unit, because the District's expenses exclusively benefited the County in 2022.

No other entities are considered to be component units of Box Elder County.

1.B. GOVERNMENT-WIDE AND FUND FINANCIAL ACCOUNTING

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

Fund Financial Statements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements. The remaining governmental funds are combined into a single column and reported as other (nonmajor) funds.

1.C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services that report fees and other charges to users for the County's services; (2) operating grants and contributions that finance annual operating activities; and (3) capital grants and contributions that fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues. Administrative overhead charges are included in direct expenses.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term debt are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

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

Property taxes are recorded when levied. Property taxes which have not been collected within 60 days, and therefore do not meet the "available" criterion, are not reported. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable, and their validity seems certain.

Sales and excise taxes, restaurant taxes, and transient room taxes are considered "measurable" and recognized as revenue when received by merchants and will be remitted to the County in time to be used to pay current obligations. Grant revenue is recognized when qualified expenditures are incurred, and a contractual claim exists with the grantor agency. All other revenue items are considered to be measurable and available only when cash is received by the County.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County reports the following major governmental funds:

- General Fund – The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is property and sales taxes.
- Box Elder County Redevelopment Agency (RDA) Fund – The RDA Fund accounts for related revenues and expenditures of the various Redevelopment Areas in the County (Ag Business Park, P&G, and the Plymouth project area).
- Municipal Services Fund - The Municipal Services Fund accounts for monies received by the County for the purpose of providing municipal type services, including public safety services, for the unincorporated areas of the County.
- Tourism Fund– The Tourism Fund accounts for resources used for the promotion of tourism within Box Elder County, the Box Elder County Fairgrounds and the Box Elder County Fair.
- Capital Projects Fund – The Capital Project Fund accounts for financial resources used for the acquisition or construction of capital projects for governmental funds.

The County's nonmajor governmental funds include other special revenue funds. The nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes. The nonmajor governmental funds include the Debt Service, Library, and Justice Court Funds.

Proprietary Fund Financial Statements. Proprietary funds include enterprise funds and internal service funds. Enterprise funds report the activities for which a fee is charged to external users for goods or services. Internal service funds are used to account for the goods and services provided by one fund to other funds of the County, rather than to the general public. The financial statements of the proprietary funds are reported similar to the government-wide financial statements in that they both use the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses result from providing goods and services relating to the primary operations of the proprietary fund. Other revenues and expenses are reported as nonoperating.

The County reports the following major proprietary fund:

Municipal Building Authority Fund - The Municipal Building Authority Fund is used to account for the operations of the County's landfill operation and other building functions of the County.

Fiduciary Fund Financial Statements. The County has only one type of fiduciary fund - Agency Fund. An Agency Fund is used to account for assets held by the County as an agent for other governments, private organizations, or individuals. An Agency Fund is accounted for using the accrual basis of accounting, but due to its custodial nature (assets equal liabilities) does not present results of operations or have a measurement focus. The Agency Fund includes Held for Litigants, Treasurer's Tax Collection, and Special Deposits

1.D. BUDGETARY DATA

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for funds. All annual appropriations lapse at fiscal year-end.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County operates within the budget requirements for Counties as specified by State law. The financial reports reflect the following budgetary standards

1. By November 1, the County Auditor prepares and files a tentative budget with the County Commission. This tentative budget is reviewed and tentatively adopted by the County Commission
2. The tentative budget is made available for public inspection at least ten days prior to a public hearing on adoption of the final budget.
3. By resolution, the County Commission legally adopts the final budget by December 31, after a public hearing has been held. A certified copy of the budget is kept available for public inspection.
4. Once adopted, the budget can be amended by subsequent action. Reductions in appropriations can be approved by the County Commission, but increased appropriations in the governmental funds require a public hearing prior to amending the budget. Budgets may be increased provided that notice of such action is published five days before the meeting. The budgetary information presented is the final amended budget.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. All appropriations lapse following the close of the budget year to the extent that they have not been expended.
7. As determined by State law, the level for which expenditures may not legally exceed appropriations is the total budget of a given department for the General Fund and the total budget for all other funds

1.E. CASH AND CASH EQUIVALENTS AND TEMPORARY INVESTMENTS

Unrestricted cash balances of all funds are combined to form a pool of cash and investments which is managed by the County Treasurer in accordance with the Utah Money Management Act. Income from the investment of pooled cash is allocated based upon each fund's portion of the pool. Restricted cash consists of that portion of pooled cash that is restricted for a specific use due to constraints imposed by external parties or enabling legislation, or is cash held in trust in compliance with bond covenant terms and conditions. When both restricted and unrestricted sources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Investments are recorded at fair value based upon quoted market prices as of December 31, 2022, except where there is no material difference between cost and fair value. The difference between the purchase price and market price, when material, is recorded as interest income.

Statements of cash flows are presented for proprietary funds under the direct method. For purposes of the statements of cash flows, each fund's allocated portion of pooled cash and investments is considered to be cash and cash equivalents since this amount is immediately available for use.

1.F. INTERFUND TRANSACTIONS

Interfund transactions represent transactions between different funds within the County. In general, interfund activity has been eliminated from the government-wide financial statements in an effort to minimize the doubling-up of revenues and expenses that may result from such transactions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.G. CAPITAL ASSETS

Capital assets include land, buildings, improvements other than buildings, leasehold improvements, furniture, fixtures and equipment, vehicles, infrastructure (roads, bridges, lighting, and flood control), and construction in progress. These assets are reported in the government-wide financial statements in the relevant column on the Statement of Net Position under governmental or business-type activities. Proprietary fund capital assets are also reported in the appropriate fund statements. Capital assets acquired by governmental funds are recorded as expenditures in the governmental fund financial statements. The capitalization threshold for personal property is defined to be assets with a useful life of at least one year and costing at least \$5,000; real property thresholds vary by type of asset but are generally established at the same amount. Assets purchased or constructed are generally recorded at cost. If precise cost is not available (as was the case with certain infrastructure), the asset is recorded at estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

When constructing capital assets, interest expense incurred relating to governmental activities is not capitalized. Interest on assets being readied for service in proprietary funds is capitalized. During 2021 no interest was capitalized because no significant construction occurred in proprietary funds.

Depreciation of all exhaustible capital assets is charged as an expense against operations for proprietary funds and is charged to the various functional expenses or business-type activities in the government-wide Statement of Activities. Accumulated depreciation is reported on proprietary fund and government-wide Statements of Net Position. Depreciation is provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings	10-40 years
Improvements	5- 40 years
Equipment	5-20 years
Vehicles	5- 10 years
Infrastructure	20-80 years.

1.H. COMPENSATED ABSENCES

It is the County's policy to permit employees to accumulate earned but not used vacation benefits. An estimate of vacation pay is accrued when incurred in government-wide financial statements and proprietary funds and reported as a liability. A liability for these amounts is reported in the governmental funds only if benefits have matured as a result of employee resignations and retirements.

1.I. LONG-TERM LIABILITIES

In the government-wide financial statements and proprietary fund statements, long-term debt is reported as a liability. Bond premiums and discounts, defeasance costs, (the difference between the carrying amount of the defeased debt and its reacquisition price in bond refundings), as well as issuance costs, are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

1.J. NET POSITION/FUND BALANCES

The difference between assets and liabilities is "Net position" on the government-wide and proprietary fund financial statements and "Fund Balance" on the governmental fund financial statements. Net position is divided into invested in capital assets (net of related debt), restricted, and unrestricted. Net positions are reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. Restrictions represent those portions of fund balance not appropriable for expenditure or legally segregated for a specific future use. Assigned/Committed fund balances represent tentative plans for future use of financial resources.

1.K. FUND BALANCE CLASSIFICATION

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County has not classified any amount of fund balance as nonspendable.

Restricted - This classification includes amounts for which constraints have been placed on the use of resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission. The amounts cannot be used for any other purpose unless the County Commission removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned - This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Commission. The County Auditor has also been delegated this authority by the County Commission. This classification includes the remaining positive balance for all governmental funds except for the General Fund.

Unassigned - This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed.

1.L. PENSIONS AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) including additions to/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 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

NOTE 2. PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on June 15 and are due November 30. County property tax revenues are not recognized when levied because they are not expected to be collected within 60 days after the end of the current year. This policy meets the criteria of GASB.

The County collects all property taxes levied by the taxing districts within the County. The tax collections and remittances to the various taxing districts are included in the Treasurer's Trust Fund.

NOTE 3. RECEIVABLES

Receivables at December 31, 2022, consist of the following:

	<u>Taxes</u>	<u>Due from other Governments</u>	<u>Accounts Receivables</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 5,791,675	\$ 419,487	\$ 45,960	\$ 6,257,122
Municipal Service Fund	665,053	708,118	46,091	1,419,262
RDA Fund	3,306,325	-	-	3,306,325
Nonmajor Funds	662,250	14,598	26,945	703,793
Total Receivables	<u>\$ 10,425,303</u>	<u>\$ 1,142,203</u>	<u>\$ 118,996</u>	<u>\$ 11,686,502</u>
Business-type Activities:				
Municipal Building Authority	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 448,609</u>	<u>\$ 448,609</u>

No allowance for uncollectible accounts has been provided for because the County believes that all account receivables are collectible.

Box Elder County
Notes to the Financial Statements
December 31, 2022

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Disposals/ Transfers	Adjustments	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 2,416,417	\$ -	\$ (204,824)	\$ 12,601	\$ 2,224,194
Work in process	2,298,950	158,519	(2,025,582)	(108,506)	323,381
Total assets not being depreciated	<u>4,715,367</u>	<u>158,519</u>	<u>(2,230,406)</u>	<u>(95,905)</u>	<u>2,547,575</u>
Capital assets being depreciated:					
Buildings	23,035,513	3,073,119	(39,159)	2,393,111	28,462,584
Improvements other than buildings	1,979,089	21,940	(5,726)	(1,002,685)	992,618
Furniture, machinery and equipment	19,928,128	1,288,946	(490,218)	312,913	21,039,769
Vehicles	5,249,863	709,283	(431,895)	314,641	5,841,892
Infrastructure	4,995,333	-	-	44,126	5,039,459
Total assets being depreciated	<u>55,187,926</u>	<u>5,093,288</u>	<u>(966,998)</u>	<u>2,062,106</u>	<u>61,376,322</u>
Less accumulated depreciation:					
Buildings	(9,780,373)	(866,591)	30,770	(1,162,808)	(11,779,002)
Improvements other than buildings	(1,202,667)	(74,219)	1,622	536,631	(738,633)
Furniture, machinery and equipment	(14,831,623)	(1,566,786)	373,354	127,859	(15,897,196)
Vehicles	(4,012,079)	(401,675)	377,432	(569,758)	(4,606,080)
Infrastructure	(2,354,026)	(105,536)	-	(129,281)	(2,588,843)
Total accumulated depreciation	<u>(32,180,768)</u>	<u>(3,014,807)</u>	<u>783,178</u>	<u>(1,197,357)</u>	<u>(35,609,754)</u>
Total capital assets being depreciated, net	<u>23,007,158</u>				<u>25,766,568</u>
Governmental activities capital assets, net	<u>\$ 27,722,525</u>				<u>\$ 28,314,143</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 306,190	\$ -	\$ -	\$ -	\$ 306,190
Work in process	3,349	568,706	(3,349)	-	568,706
Total assets not being depreciated	<u>309,539</u>	<u>568,706</u>	<u>(3,349)</u>	<u>-</u>	<u>874,896</u>
Capital assets being depreciated:					
Buildings	270,369	-	-	-	270,369
Improvements other than buildings	1,309,389	-	-	(919,073)	390,316
Furniture, machinery and equipment	3,465,299	2,152,571	-	-	5,617,870
Vehicles	81,544	-	-	-	81,544
Infrastructure	-	-	-	919,073	919,073
Total assets being depreciated	<u>5,126,601</u>	<u>2,152,571</u>	<u>-</u>	<u>-</u>	<u>7,279,172</u>
Less accumulated depreciation:					
Buildings	(185,103)	(6,145)	-	-	(191,248)
Improvements other than buildings	(867,774)	(16,098)	-	695,223	(188,649)
Furniture, machinery and equipment	(1,482,471)	(430,304)	-	10,964	(1,901,811)
Vehicles	(48,136)	(6,413)	-	(10,964)	(65,513)
Infrastructure	-	(29,890)	-	(695,223)	(725,113)
Total accumulated depreciation	<u>(2,583,484)</u>	<u>(488,850)</u>	<u>-</u>	<u>-</u>	<u>(3,072,334)</u>
Total capital assets being depreciated, net	<u>2,543,117</u>				<u>4,206,838</u>
Business-type activities capital assets, net	<u>\$ 2,852,656</u>				<u>\$ 5,081,734</u>

NOTE 4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General government	\$ 669,245
Planning and economic development	3,300
Culture and recreation	377,910
Public Safety	1,225,702
Highways and Streets	738,650
Total depreciaiton - Gov Activities	<u>\$ 3,014,807</u>
Business-type activities:	
Municipal Building Authority	\$ 488,850
Total depreciaiton - Bus Activities	<u>30,702</u>
Total depreciaiton expense	<u>\$ 4,283,010</u>

NOTE 5. PENSION PLANS

General Information about the Pension Plan

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

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

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

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

5. PENSION PLANS (Continued)

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

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.25% per year to June 1975 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% per year to June 2020 2.00% per year July 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.

Contribution Rate Summary

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

	Employee	Employer	Employer 401(k)
Contributory System:			
11-Local Governmental Division Tier 1	6.00	13.96	N/A
111-Local Governmental Division Tier 2	N/A	16.01	0.18
Noncontributory System			
15-Local Government Division Tier 1	N/A	17.97	N/A
Public Safety System			
Contributory			
122-Tier 2 DB Hybrid Public Safety	2.59	25.83	N/A
Noncontributory			
75-Other Division A with 4% COLA	N/A	34.04	N/A
Tier 2 DC Only			
211-Local Governmental	N/A	6.19	10.00
222-Public Safety	N/A	11.83	14.00
***Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.			

5. PENSION PLANS (Continued)

For fiscal year ended December 31, 2022, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$827,324	N/A
Contributory System	\$10,463	\$4,423
Public Safety System	991,897	-
Tier 2 Public Employees System	416,670	-
Tier 2 Public Safety and Firefighter	505,338	47,709
Tier 2 DC Only System	24,357	N/A
Tier 2 DC Public Safety and Firefighter System	6,073	N/A
Total Contributions	\$2,782,122	\$52,132

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, 2022, we reported a net pension asset of \$4,919,229 and a net pension liability of \$0.

	<u>(Measurement Date): December 31, 2021</u>				
	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>	<u>Proportionate Share December 31, 2020</u>	<u>Change (Decrease)</u>
Noncontributory System	\$ 2,736,573	\$ -	0.4778281%	0.4477770%	0.0300511%
Contributory System	332,689	-	0.4595514%	0.3883391%	0.0712123%
Public Safety System	1,768,885	-	2.1780473%	2.1937075%	-0.0156602%
Tier 2 Public Employees System	46,014	-	0.1087194%	0.1021081%	0.0066113%
Tier 2 Public Safety and Fire Fighter System	35,068	-	0.6938394%	0.7382153%	-0.0443759%
Total Net Pension Asset / Liability	\$ 4,919,229	\$ -			

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2021.

For the year ended December 31, 2022. We recognized pension expense of \$15,342.

5. PENSION PLANS (Continued)

At December 31, 2022, 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	\$ 489,584	\$ 11,690
Changes in assumptions	649,218	42,731
Net difference between projected and actual earnings on pension plan investments	-	8,959,053
Changes in proportion and differences between contributions and proportionate share of contributions	225,845	21,647
Contributions subsequent to the measurement date	2,782,121	-
Total	\$ 4,146,767	\$ 9,035,121

\$2,782,121 was reported as deferred outflows of resources related to pension’s results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

<u>Year Ended December 31, (inflows) of Resources</u>	Net Deferred Outflows
2022	\$ (1,404,392)
2023	\$ (2,716,360)
2024	\$ (2,176,956)
2025	\$ (1,475,122)
2026	\$ 14,062
Thereafter	\$ 88,294

Actuarial assumptions: The total pension liability in the December 31, 2021, 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 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.

5. PENSION PLANS Continued)

The actuarial assumptions used in the January 1, 2021, valuations were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

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

		Expected Return Arithmetic Basis		
		Target Asset	Real Return	Long-Term expected
Asset Class	Allocation	Basis	portfolio real rate of return	
Equity securities	37%	6.58%	2.43%	
Debt securities	20%	-0.28%	-0.06%	
Real assets	15%	5.77%	0.87%	
Private equity	12%	9.85%	1.18%	
Absolute return	16%	2.91%	0.47%	
Cash and cash equivalents	0%	-1.01%	0.00%	
Totals	100%		4.89%	
		Inflation	2.50%	
		Expected arithmetic nominal return	7.39%	

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 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 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 (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$1,471,538	(\$2,736,573)	(\$6,247,420)
Contributory System	(132,734)	(332,689)	(502,150)
Public Safety System	4,362,652	(1,768,885)	(6,748,117)
Tier 2 Public Employees System	274,162	(46,014)	(291,843)
Tier 2 Public Safety and Firefighter	281,336	(35,068)	(286,250)
Total	\$6,256,954	(\$4,919,229)	(\$14,075,780)

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

5. PENSION PLANS (Continued)

Defined Contribution System

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.

Box Elder 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:

<i>401(k) Plan</i>	2022	2021	2020	2019
Employer Contributions	\$ 412,928	\$ 385,916	\$ 397,092	\$ 248,186
Employee Contributions	\$ 195,767	\$ 175,975	\$ 146,665	\$ 148,322
 <i>457 Plan</i>				
Employer Contributions	\$ -	\$ -	\$ -	\$ -
Employee Contributions	\$ 142,255	\$ 105,262	\$ 98,738	\$ 80,780
 <i>Roth IRA Plan</i>				
Employer Contributions	N/A	N/A	N/A	N/A
Employee Contributions	\$ 70,305	\$ 68,449	\$ 66,339	\$ 55,104
 <i>Traditional IRA</i>				
Employer Contributions	N/A	N/A	N/A	N/A
Employee Contributions	\$ 2,050	\$ 3,275	\$ 2,210	\$ 2,470

NOTE 6. SOLID WASTE CLOSURE AND POSTCLOSURE CARE COST

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 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 is required to report a portion of these closure and post closure care costs as an expense in each period based on landfill capacity used as of each balance sheet date. The County opened this landfill on August 4, 1998. The landfill has a capacity of 5,543,773 cubic yards with 2,323,001 cubic yards (42%) being used as of December 31, 2022. This results in a current period cost of \$18,096 and a liability of \$401,600 as of December 31, 2022.

Since 1997, the County is required by state and federal laws and regulations to make an annual contribution of \$30,000 to an escrow fund set up to finance closure and post closure care, estimated at \$1,000,000. At December 31, 2022, deposits of \$895,261 are held for these purposes. These funds are invested in the Utah State Treasurer's Public Treasurer's Investment Fund and reported as restricted cash and cash equivalents on the statement of net position. The amount required to be set aside and accumulated at December 31, 2022, was \$750,000 (25 Years X \$30,000). The County is in compliance with the above requirement and plans to deposit additional funds each year into the escrow fund to ensure continued compliance.

NOTE 7. LONG-TERM AND SHORT-TERM OBLIGATIONS

The County has the following long-term obligations at December 31, 2022:

Conduit Debt. In 2008, the Box Elder County Redevelopment Agency established the Proctor and Gamble EDA. Brigham City issued Bonds secured by the tax increment revenue generated in the project area as outlined in an Interlocal Agreement between the County and Brigham City. The proceeds of the Bonds were used to finance publicly owned infrastructure improvements located both within and outside of the Project Area that will benefit the Project Area. The total increment from the Agency to the Incentive Fund and the principal on the Bonds was capped at \$55 million. Increment will also be used to fully service the carrying cost on the Bonds regardless of interest rate. As of December 31, 2022, the balance was \$11,898,250.

The remaining long-term debt consists of compensated absences in the amount of \$883,595.

Transactions affecting long-term obligations are as follows:

	<u>Balance 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Primary Government</u>					
Governmental Activities:					
Compensated Absences	\$ 751,981	\$ 131,614	\$ -	\$ 883,595	\$ -
Governmental Activity Long-Term Liabilities	<u>\$ 751,981</u>	<u>\$ 131,614</u>	<u>\$ -</u>	<u>\$ 883,595</u>	<u>\$ -</u>
Business-Type Activities:					
Compensated Absences	\$ 18,215	\$ 5,237	\$ -	\$ 23,452	\$ -
Business-Type Activity Long-Term Liabilities	<u>\$ 18,215</u>	<u>\$ 5,237</u>	<u>\$ -</u>	<u>\$ 23,452</u>	<u>\$ -</u>

Short-term Debt. The County did not enter into any short-term debt obligations during 2022.

NOTE 8. CASH AND INVESTMENTS

The County maintains a Deposit and Investment Pool that is available for use by all funds.

A. Custodial Risk

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be recovered. The County's policy for managing custodial credit risk is to adhere to 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 deposit of County funds in a "qualified depository". The act defined a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal Government, and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

At December 31, 2022, the carrying amount of the County's deposits was \$6,330,005 and the bank balance was \$7,798,236. Of the bank balance, \$500,000 was covered by federal depository insurance. The Special Service District has deposits of \$394,537 with a bank balance of \$394,547. Of the bank balance, \$250,000 was covered by federal depository insurance. None of the deposits are collateralized nor are they required to be by state statutes.

Investments - Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk for investments.

NOTE 8. CASH AND INVESTMENTS (Continued)

B. Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The County's policy for limiting credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; 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 & Poors; bankers acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined in the Act.

The County is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participant's average daily balances.

The County's investment types and balances at December 31, 2022, are noted below:

Reconciliation to Government-wide	
Statement of Net Assets:	
Deposits	\$ 6,330,055
Investments	41,627,788
Cash on hand	2,040
Total	<u>\$ 47,959,883</u>
Government - Wide	
Cash and Cash Equivalents	\$ 19,311,601
Restricted Cash and Cash Equivalents	11,293,371
Fiduciary Restricted Cash	17,354,911
Total	<u>\$ 47,959,883</u>

The County holds fiduciary funds from property tax collections, to be disbursed to various taxing entities within the county. At December 31, 2022, the total of fiduciary funds was \$17,354,911 of which \$11,825,906 was held in the UPTIF. The remainder was held in cash.

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The County manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the County's investments are noted above.

NOTE 8. CASH AND INVESTMENTS (Continued)

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's policy to limit risk is to adhere to the rules of the Money Management Council. The Council's Rule 17 limits investments in a single issuer of commercial paper and corporate obligations to between 5 and 10 percent depending upon the total dollar amount held in the County's portfolio at the time of purchase. At December 31, 2022, the County had no such investments.

NOTE 9. INTERFUND TRANSFERS AND BALANCES

The following table provides a reconciliation of all interfund transfers:

	<u>Transfers from Other Funds</u>	<u>Transfers to Other Funds</u>	<u>Net Transfers In (Out)</u>
Governmental Funds:			
General Fund	\$ 3,266,520	\$ -	\$ 3,266,520
Municipal Service	-	(3,187,036)	(3,187,036)
Justice Court SR	-	(98,376)	(98,376)
Tourism	-	(214,617)	(214,617)
County Library	300,000	(22,890)	277,110
Total Governmental Funds	<u>\$ 3,566,520</u>	<u>\$ (3,522,919)</u>	<u>\$ 43,601</u>
Enterprise Funds:			
Municipal Building Authority	\$ -	\$ (43,601)	\$ (43,601)
Total Enterprise Funds	<u>-</u>	<u>(43,601)</u>	<u>(43,601)</u>
Total Transfers	<u>\$ 3,566,520</u>	<u>\$ (3,566,520)</u>	<u>\$ -</u>

The transfer from the Municipal Services Fund to the General Fund, of \$2.8 million, was to move Intergovernmental Funds where the costs were incurred. The transfers from the Municipal Services Fund, Justice Court Fund and Tourism Fund to the Library Fund and the General fund, of were to move construction costs accumulated to the appropriate project.

The general fund loaned the tourism fund \$825,000. The loan has a term of two years and an interest rate equal to the PTIF. As of 12/31/22, the loan was to be paid in full.

NOTE 10. SIGNIFICANT CONTIGENCIES - LITIGATION

At December 31, 2022, the County was involved in several lawsuits. No determination can be made at this time regarding the potential outcome of these lawsuits. However, the County has liability coverage for itself and its employees with Utah Counties Indemnity Pool. Therefore, no material effects are anticipated to the County as a result of the potential outcome of these lawsuits.

NOTE 11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the audit report, which is the date that the financial statements were available to be issued. There have been no subsequent events that provide additional information evidence about conditions that existed at the date of the balance sheet.

**Required Supplementary Information
(Unaudited)**

Box Elder County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
Revenues				
Property Taxes	\$ 11,855,000	\$ 11,855,000	\$ 12,892,669	\$ 1,037,669
Sales Tax	2,910,000	2,910,000	3,305,010	395,010
Licenses and Permits	10,000	10,000	8,170	(1,830)
Intergovernmental Revenues	896,050	7,839,093	7,510,067	(329,026)
Charges for Services	1,763,000	1,763,000	1,572,114	(190,886)
Investment Earnings	35,000	35,000	144,939	109,939
Miscellaneous	90,000	90,000	220,249	130,249
Rents	2,400	2,400	12,940	10,540
Total Revenues	17,561,450	24,504,493	25,666,158	1,161,665
Expenditures				
Assessor	841,710	841,710	704,256	(137,454)
Attorney	1,093,175	1,093,175	999,848	(93,327)
Attorney - Children's Justice Center	142,290	142,290	131,967	(10,323)
Attorney Public Defender	387,960	387,960	375,264	(12,696)
Attorney - Victim Advocate	326,960	326,960	236,172	(90,788)
Auditor	742,015	732,015	667,871	(64,144)
Cares Act (Covid-19) and ARPA	2,000,000	6,503,042	6,502,570	(472)
Clerk	567,060	567,060	440,143	(126,917)
Commission	396,886	396,886	360,947	(35,939)
Corrections- Commissary	46,000	46,000	33,426	(12,574)
Corrections - Inmate Worker	226,670	226,670	113,930	(112,740)
Corrections - Jail	5,128,550	5,128,550	4,215,821	(912,729)
Corrections - Jail Diversion	424,970	424,970	292,635	(132,335)
Corrections - Support Services	743,875	743,875	692,066	(51,809)
Court - Court Services	708,130	708,130	624,959	(83,171)
Court - Security	1,034,650	974,650	901,183	(73,467)
Dispatch	1,110,500	1,170,500	1,169,377	(1,123)
General - Buildings & Grounds	1,614,000	1,534,000	1,134,919	(399,081)
Info Tech Services	1,526,250	1,526,250	1,370,502	(155,748)
Motor Pool	9,600	79,600	77,951	(1,649)
Non Departmental	1,629,095	1,709,095	1,707,951	(1,144)
Personnel	465,430	465,430	444,021	(21,409)
Recorder	664,460	664,460	615,649	(48,811)
Sheriff - Administration	744,806	744,806	601,134	(143,672)
Sheriff Building & Grounds	439,510	439,510	339,378	(100,132)
Sheriff - Detective	490,168	490,168	391,827	(98,341)
Sheriff - Emergency Management	66,471	66,471	54,234	(12,237)
Sheriff - Patrol	1,397,816	1,397,816	1,228,325	(169,491)
Treasurer	583,530	583,530	516,935	(66,595)
USU Agriculture Extension	221,650	221,650	201,924	(19,726)
Corrections Inmate Medical	406,750	406,750	355,660	(51,090)
Total Expenditures	26,180,937	30,743,979	27,502,845	(3,241,134)
Excess Revenues Over (Under)	(8,619,487)	(6,239,486)	(1,836,687)	4,402,799
Other financing sources (uses)				
Transfers In	3,265,000	3,265,000	3,266,520	1,520
Tx increment to other governments	(305,000)	(305,000)	(356,921)	(51,921)
Total Other Financing Sources and Uses	2,960,000	2,960,000	2,909,599	(50,401)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (5,659,487)	\$ (3,279,486)	1,072,912	\$ 4,352,398
Fund Balances - Beginning			6,562,082	
Fund Balances - Ending			\$ 7,634,994	

Box Elder County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Municipal Service Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
Revenues				
Property Tax	\$ 960,000	\$ 960,000	\$ 1,095,384	\$ 135,384
Sales Tax	2,612,500	2,612,500	2,926,680	
Licenses and Permits	818,000	818,000	924,649	106,649
Charges for Services	266,000	266,000	211,298	(54,702)
Intergovernmental	3,293,000	3,293,000	3,693,559	400,559
Investment Earnings	150,000	150,000	185,122	35,122
Miscellaneous	20,000	20,000	5,012	(14,988)
Corridor Preservation	600,000	600,000	627,016	27,016
Payments in Lieu of taxes	3,500,000	3,500,000	3,562,938	62,938
Total Revenues	12,219,500	12,219,500	13,231,658	697,978
Expenditures				
Community Development	511,630	671,630	670,170	(1,460)
Community Development - Corridor Preservation	650,000	490,000	270,211	(219,789)
Economic Development	-	100,000	98,360	(1,640)
EMS - Ambulance	55,500	155,500	154,727	(773)
Fire	1,605,502	1,495,502	1,348,900	(146,602)
Insepections	482,440	482,440	422,283	(60,157)
Roads	6,261,018	6,261,018	4,825,705	(1,435,313)
Sheriff - Administration	461,912	461,912	368,158	(93,754)
Sheriff - Detective	409,684	409,684	309,364	(100,320)
Sheriff - Emergency Management	138,001	138,001	115,471	(22,530)
Sheriff - Patrol	1,120,284	1,120,284	980,027	(140,257)
Weeds	669,220	669,220	497,965	(171,255)
Total Expenditures	12,365,191	12,455,191	10,061,341	(2,393,850)
Excess Revenues Over (Under)				
Expenditures	(145,691)	(235,691)	3,170,317	3,091,828
Other financing sources (uses)				
Transfers Out	(3,000,000)	(3,300,000)	(3,187,036)	112,964
Total Other Financing Sources and Uses	(3,000,000)	(3,300,000)	(3,187,036)	112,964
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (3,145,691)	\$ (3,535,691)	(16,719)	\$ 3,204,792
Fund Balances - Beginning			14,032,919	
Fund Balances - Ending			\$ 14,016,200	

Box Elder County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Redevelopment Agency (RDA) Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
Revenues				
Property Tax	\$ -	\$ -	\$ 526,985	\$ 526,985
Tax Increment	3,337,700	3,337,700	2,779,342	(558,358)
Intergovernmental	-	-	298,748	298,748
Investment Earnings	26,000	26,000	50,924	24,924
Total Revenues	3,363,700	3,363,700	3,655,999	292,299
Expenditures				
RDA - Admin	291,500	291,500	197,398	(94,102)
RDA - P&G EDA	1,583,179	1,583,179	1,676,903	93,724
RDA - Plymouth EDA	53,200	53,200	48,990	(4,210)
Debt Service - Conduit Debt (P&G)	1,566,250	1,566,250	1,560,750	(5,500)
Total Expenditures	3,494,129	3,494,129	3,484,041	(10,088)
Excess Revenues Over (Under)				
Expenditures	(130,429)	(130,429)	171,958	302,387
Excess of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	\$ (130,429)	\$ (130,429)	171,958	\$ 302,387
Fund Balances - Beginning			3,594,685	
Fund Balances - Ending			\$ 3,766,643	

Box Elder County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual – Tourism Fund
For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
Revenues				
Restaurant (TRCC)	\$ 700,000	\$ 700,000	\$ 878,238	\$ 178,238
Transient Room (TRT)	400,000	400,000	610,610	210,610
Charges for Services	374,500	374,500	441,470	66,970
Investment Earnings	1,000	1,000	12,082	11,082
Contributions and Donations	10,000	10,000	19,183	9,183
Rents	160,000	160,000	199,056	39,056
Miscellaneous	6,000	6,000	946	(5,054)
Total Revenues	1,651,500	1,651,500	2,161,585	510,085
Expenditures				
Fairgrounds	442,565	442,565	466,914	24,349
Travel and Tourism	560,680	560,680	376,776	(183,904)
County Fair	367,800	367,800	479,686	111,886
Economic Development	40,000	40,000	43,725	3,725
Total Expenditures	1,411,045	1,411,045	1,367,101	(43,944)
Excess Revenues Over (Under)				
Expenditures	240,455	240,455	794,484	554,029
Other financing sources (uses)				
Transfers Out	-	-	(214,617)	(214,617)
Total Other Financing Sources and Uses	-	-	(214,617)	(214,617)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 240,455	\$ 240,455	579,867	\$ 339,412
Fund Balances - Beginning			622,544	
Fund Balances - Ending			\$ 1,202,411	

Box Elder County
Schedule of the Proportionate Share of the Net Pension Liability
Utah Retirement Systems
December 31, 2022
Last 10 Fiscal Years*

	Year Ended December 31,	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
Noncontributory Retirement System	2013	0.4249291%	\$ 2,293,137	\$ -	0.00%	0.0%
	2014	0.4249291%	\$ 1,845,142	\$ 3,590,351	51.40%	90.2%
	2015	0.4375286%	\$ 2,475,750	\$ 3,647,299	67.90%	87.8%
	2016	0.4256214%	\$ 2,733,010	\$ 3,639,776	75.10%	87.3%
	2017	0.4462148%	\$ 1,955,001	\$ 3,773,484	51.80%	91.9%
	2018	0.4491420%	\$ 3,307,361	\$ 3,837,371	86.20%	87.0%
	2019	0.4447180%	\$ 1,676,084	\$ 3,892,337	43.10%	93.7%
	2020	0.4477770%	\$ 229,684	\$ 3,873,065	5.93%	99.2%
	2021	0.4778281%	\$ (2,736,573)	\$ 4,209,198	-65.01%	108.7%
Contributory Retirement System	2013	0.2979317%	\$ 93,407	\$ -	0.00%	0.0%
	2014	0.2979317%	\$ 85,936	\$ 159,303	53.90%	94.0%
	2015	0.3827646%	\$ 269,028	\$ 163,091	165.00%	85.7%
	2016	0.7017954%	\$ 230,267	\$ 168,388	136.80%	92.9%
	2017	0.6271518%	\$ 51,034	\$ 127,259	40.10%	98.2%
	2018	0.6237643%	\$ 253,125	\$ 116,750	216.80%	91.2%
	2019	0.3547166%	\$ 23,247	\$ 63,563	36.60%	98.6%
	2020	0.3883391%	\$ (69,599)	\$ 64,058	-108.65%	103.9%
	2021	0.4595514%	\$ (332,689)	\$ 67,500	-492.87%	115.9%
Public Safety System	2013	2.0120165%	\$ 3,294,441	\$ -	0.00%	0.0%
	2014	2.0120165%	\$ 2,530,278	\$ 2,996,526	84.40%	90.5%
	2015	2.0615641%	\$ 3,692,779	\$ 3,009,863	122.70%	87.1%
	2016	2.0513474%	\$ 4,162,750	\$ 2,997,169	138.90%	86.5%
	2017	1.9371014%	\$ 3,038,650	\$ 2,791,900	108.80%	90.2%
	2018	1.8981060%	\$ 4,883,039	\$ 2,667,208	183.10%	84.7%
	2019	1.9640275%	\$ 3,153,477	\$ 2,788,208	113.10%	90.9%
	2020	2.1937075%	\$ 1,821,307	\$ 3,140,594	57.99%	95.5%
	2021	2.1780473%	\$ (1,768,885)	\$ 3,098,608	-57.09%	104.2%
Tier 2 Public Employees Retirement System	2013	0.0759229%	\$ 457	\$ -	0.00%	0.0%
	2014	0.0759229%	\$ (2,301)	\$ 372,706	-0.60%	103.5%
	2015	0.0880331%	\$ (192)	\$ 568,685	0.00%	100.2%
	2016	0.0797810%	\$ 8,900	\$ 654,268	1.40%	95.1%
	2017	0.9373160%	\$ 8,264	\$ 917,256	0.90%	97.4%
	2018	0.0931490%	\$ 39,894	\$ 1,087,587	3.70%	90.8%
	2019	0.0848433%	\$ 19,082	\$ 1,179,045	1.60%	96.5%
	2020	0.1021081%	\$ 14,686	\$ 1,631,851	0.90%	98.3%
	2021	0.1087194%	\$ (46,014)	\$ 2,017,510	-2.28%	103.8%
Tier 2 Public Safety and Firefighters Retirement	2013	0.5632734%	\$ (3,326)	\$ -	0.00%	0.0%
	2014	0.5632734%	\$ (8,333)	\$ 233,291	-3.60%	120.5%
	2015	0.5340973%	\$ (7,803)	\$ 317,835	-2.50%	110.7%
	2016	0.5255960%	\$ (4,562)	\$ 434,263	-1.10%	103.6%
	2017	0.6409247%	\$ (7,416)	\$ 676,383	-1.10%	103.0%
	2018	0.6726949%	\$ 16,855	\$ 901,028	1.90%	95.6%
	2019	0.6575889%	\$ 61,856	\$ 1,083,690	5.70%	89.6%
	2020	0.7382153%	\$ 66,214	\$ 1,474,637	4.50%	93.1%
	2021	0.6938394%	\$ (35,068)	\$ 1,659,236	-2.11%	102.8%

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

Box Elder County
Schedule of Contributions
Utah Retirement Systems
December 31, 2022
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						
	2013	\$ 606,236	\$ 606,236	\$ -	\$ 367,751	164.85%
	2014	633,265	633,265	-	3,591,662	17.63%
	2015	659,578	659,578	-	3,645,009	18.10%
	2016	654,232	654,232	-	3,639,776	17.97%
	2017	679,358	679,358	-	3,773,484	18.00%
	2018	688,790	688,790	-	3,839,679	17.94%
	2019	692,235	692,235	-	3,896,236	17.77%
	2020	685,225	685,225	-	3,875,473	17.68%
	2021	740,638	740,638	-	4,209,198	17.60%
	2022	827,324	827,324	-	4,820,142	17.16%
Contributory System						
	2013	\$ 20,470	\$ 20,470	\$ -	\$ 162,206	12.62%
	2014	22,107	22,107	-	159,303	13.88%
	2015	23,583	23,583	-	163,091	14.46%
	2016	24,349	24,349	-	168,388	14.46%
	2017	18,402	18,402	-	127,259	14.46%
	2018	16,882	16,882	-	116,750	14.46%
	2019	9,191	9,191	-	63,563	14.46%
	2020	9,263	9,263	-	64,058	14.46%
	2021	9,760	9,760	-	67,500	14.46%
	2022	10,463	10,463	-	73,723	14.19%
Public Safety System						
	2013	\$ 881,686	\$ 881,686	\$ -	\$ 2,889,860	30.51%
	2014	964,809	964,809	-	2,995,215	32.21%
	2015	1,023,861	1,023,861	-	3,010,118	34.01%
	2016	1,020,237	1,020,237	-	2,997,169	34.04%
	2017	950,363	950,363	-	2,791,900	34.04%
	2018	909,787	909,787	-	2,667,208	34.11%
	2019	949,580	949,580	-	2,789,603	34.04%
	2020	1,059,058	1,059,058	-	3,138,186	33.75%
	2021	1,039,763	1,039,763	-	3,098,608	33.56%
	2022	991,897	991,897	-	2,967,222	33.43%
Tier 2 Public Employees System*						
	2013	\$ 45,529	\$ 45,529	\$ -	\$ 338,910	13.43%
	2014	56,123	56,123	-	686,951	8.17%
	2015	86,499	86,499	-	579,568	14.92%
	2016	97,940	97,940	-	656,872	14.91%
	2017	137,748	137,748	-	917,256	15.02%
	2018	166,662	166,662	-	1,086,717	15.34%
	2019	184,352	184,352	-	1,181,493	15.60%
	2020	256,735	256,735	-	1,631,551	15.74%
	2021	321,676	321,676	-	2,017,510	15.94%
	2022	416,670	416,670	-	2,598,456	16.04%
Tier 2 Public Safety and Firefighter System*						
	2013	\$ 22,006	\$ 22,006	\$ -	\$ 110,127	19.98%
	2014	51,179	51,179	-	233,291	21.94%
	2015	71,584	71,584	-	317,835	22.52%
	2016	97,709	97,709	-	434,263	22.50%
	2017	152,454	152,454	-	676,383	22.54%
	2018	205,726	205,726	-	901,028	22.83%
	2019	250,497	250,497	-	1,083,798	23.11%
	2020	361,224	361,224	-	1,476,342	24.47%
	2021	429,024	429,024	-	1,660,953	25.83%
	2022	505,338	505,338	-	1,956,398	25.83%
Tier 2 Public Employees DC Only System*						
	2013	\$ 2,475	\$ 2,475	\$ -	\$ 48,381	5.12%
	2014	11,500	11,500	-	179,095	6.42%
	2015	21,869	21,869	-	326,248	6.70%
	2016	29,287	29,287	-	400,925	7.30%
	2017	25,325	25,325	-	289,835	8.74%
	2018	26,111	26,111	-	295,259	88.84%
	2019	31,911	31,911	-	380,059	8.40%
	2020	29,815	29,815	-	343,826	8.67%
	2021	25,340	25,340	-	268,928	9.42%
	2022	24,357	24,357	-	261,048	9.33%
Tier 2 Public Safety and Firefighter DC Only System*						
	2013	\$ -	\$ -	\$ -	\$ -	0.00%
	2014	-	-	-	-	0.00%
	2015	-	-	-	-	0.00%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%
	2020	4,191	4,191	-	35,423	11.83%
	2021	4,133	4,133	-	34,935	11.83%
	2022	6,073	6,073	-	51,334	11.83%

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

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

Box Elder County

Notes to Required Supplementary Information

For the Year Ended December 31, 2022

Changes in Assumptions

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

Budgetary Comparison Schedules

The budgetary comparison schedules presented in this section of the report is for the County's General Fund, Municipal Service Fund, Redevelopment Agency (RDA) Fund and Tourism Fund.

Budgeting and Budgetary Control:

Budgets for the General Fund and major special revenue funds 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 budgets amounts plus any amendment made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Supplementary Information

Box Elder County
Combining Balance Sheet – Nonmajor Governmental Funds
December 31, 2022

	<u>Special Revenue Funds</u>			<u>Capital Projects</u>	Total Non-major Governmental Funds
	County Library (Bookmobile)	Justice Court	Tourism	Capital Projects	
<u>ASSETS</u>					
Cash and cash equivalents	\$ 46,766	\$ 1,965,477	\$ 1,044,601	\$ 667,869	\$ 3,724,713
Taxes receivable	429,863	-	232,387	-	662,250
Accounts receivable	25	(775)	19,415	8,280	26,945
Due from other governments	-	14,411	187	-	14,598
Total Assets	476,654	1,979,113	1,296,590	676,149	4,428,506
<u>LIABILITIES</u>					
Accounts payable	8,512	200,457	74,708	40,963	324,640
Accrued Liabilities	12,321	18,641	19,471	-	50,433
Total Liabilities	20,833	219,098	94,179	40,963	375,073
<u>FUND BALANCE</u>					
Fund Balances:					
Restricted					
County Library	455,821	-	-	-	455,821
Tourism, recreation, culture & facilities	-	-	1,202,411	-	1,202,411
Assigned					
Capital Projects	-	-	-	635,186	635,186
Justice Court	-	1,760,015	-	-	1,760,015
Total Fund Balances	455,821	1,760,015	1,202,411	635,186	4,053,433
Total Liabilities and Fund Balances	\$ 476,654	\$ 1,979,113	\$ 1,296,590	\$ 676,149	\$ 4,428,506

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County
Combining Statement of Revenues, Expenditures and Change in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue Funds			Capital Projects	Total Non-major Governmental Funds
	County Library (Bookmobile)	Justice Court	Tourism	Capital Projects	
Revenues:					
Property taxes	\$ 452,283	\$ -	\$ -	\$ -	\$ 452,283
Intergovernmental	-	164,252	-	-	164,252
Charges for services	2,339	-	441,470	-	443,809
Fines	-	880,471	-	-	880,471
Investment earnings	3,942	22,735	12,082	7,725	46,484
Restaurant taxes	-	-	878,238	-	878,238
Transient room taxes	-	-	610,610	-	610,610
Contributions and donations	22	-	19,183	-	19,205
Rents	-	-	199,056	-	199,056
Miscellaneous	-	27,655	946	-	28,601
Total Revenues	458,586	1,095,113	2,161,585	7,725	3,723,009
Expenditures:					
General Government	-	-	-	111,195	111,195
Culture and recreation	353,139	-	1,323,376	-	1,676,515
Justice Court management	-	895,156	-	-	895,156
Planning and economic development	-	-	43,725	-	43,725
Public Safety	-	-	-	481,501	481,501
Total Expenditures	353,139	895,156	1,367,101	592,696	3,208,092
Excess of Revenues Over (Under) Expenditures	105,447	199,957	794,484	(584,971)	514,917
Transfers In	300,000	-	-	-	300,000
Transfers Out	(22,890)	(98,376)	(214,617)	-	(335,883)
Sale of capital assets	-	-	-	64,730	64,730
Net Other Financing Sources (Uses)	277,110	(98,376)	(214,617)	64,730	28,847
Net Change in Fund Balance	382,557	101,581	579,867	(520,241)	543,764
Fund Balances - Beginning	73,264	1,658,434	622,544	1,155,427	3,509,669
Fund Balances - Ending	\$ 455,821	\$ 1,760,015	\$ 1,202,411	\$ 635,186	\$ 4,053,433

The Notes to the Financial Statements are an Integral Part of this Statement

Box Elder County Statement of Taxes Levied, Collected, and Treasurer's Relief For the Year Ended December 31, 2022

CITY/TOWNSHIP	ENTITY	2		3		4		5		6		7		8		9	
		YEAR-END REAL PROPERTY VALUE	YEAR-END CENTRALLY ASSESSED PROPERTY VALUE	TOTAL ADJUSTED REAL & CENTRALLY ASSESSED VALUE (2+3+4)	YEAR-END REAL PROPERTY VALUE	TOTAL ADJUSTED REAL PROPERTY VALUE (6-7)	TOTAL ADJUSTED VALUE (5+8)	CURRENT YEAR REAL & CENTRALLY ASSESSED TAX RATE	PRIOR YEAR REAL PROPERTY TAX RATE	REALAND CENTRALLY ASSESSED PROPERTY TAXES CHARGED (5+10)							
COUNTY:																	
General County		5,479,180,909	1,183,129,162	6,662,310,071	745,729,628	745,729,628	7,408,039,699	0.001336	0.001549	8,900,846							
Assessing & Collecting - MultiCounty		5,479,180,909	1,183,129,162	6,662,310,071	745,729,628	745,729,628	7,408,039,699	0.000015	0.000012	99,935							
Assessing & Collecting - County		5,479,180,909	1,183,129,162	6,662,310,071	745,729,628	745,729,628	7,408,039,699	0.000282	0.000282	1,638,928							
Box Elder County Library		3,068,116,150	941,441,162	4,009,557,312	429,260,691	429,260,691	4,438,818,003	0.000099	0.000113	396,946							
Municipal Type Service Fund		1,581,503,640	783,888,349	2,365,391,989	380,479,334	380,479,334	2,745,871,323	0.000371	0.000371	823,156							
Total County Funds										11,859,812							
SCHOOL DISTRICTS:																	
Box Elder School District		5,479,180,909	1,183,129,162	6,662,310,071	745,729,628	745,729,628	7,408,039,699	0.000682	0.000682	41,099,791							
Total School Districts										41,099,791							
CITIES AND TOWNS																	
Bear River City		721,290,509	906,855	71,036,264	246,460	246,460	73,282,724	0.000649	0.000682	40,097							
Big Horn City		1,444,412,481	1,059,969,853	1,640,383,334	174,973,807	174,973,807	1,815,356,141	0.001802	0.001802	2,955,969							
Conine City		1,148,151,163	6,095,083	130,910,246	25,103,560	25,103,560	146,013,806	0.001601	0.001806	193,577							
DeWeyville Town		17,169,567	16,732,770	33,902,337	168,308	168,308	34,070,145	0.000460	0.000825	24,706							
Woodward Town		131,045,355	8,209,449	131,253,004	2,438,334	2,438,334	133,691,338	0.000760	0.000917	91,152							
Fighting Town		37,168,787	78,062,623	115,231,410	332,948	332,948	38,258,358	0.000370	0.000602	14,052							
Gardard City		153,297,994	21,768,847	175,066,751	21,689,651	21,689,651	196,756,382	0.000300	0.000310	525,200							
Horseshoe City		155,494,065	32,108,602	187,542,667	3,350,396	3,350,396	190,895,063	0.000491	0.000591	92,083							
Howell City		18,002,405	7,735,793	25,738,198	522,689	522,689	26,260,887	0.000570	0.000661	14,671							
Mannan Town		13,745,975	3,183,943	14,929,918	422,708	422,708	14,106,238	0.002279	0.002814	320,563							
Perry City		517,008,248	28,882,890	545,891,138	8,975,077	8,975,077	554,866,215	0.002345	0.002175	1,116,347							
Plymouth Town		31,745,975	5,468,390	37,214,365	155,999	155,999	37,368,364	0.000104	0.000161	3,870							
Portage Town		205,581,134	1,058,179	21,616,313	6,820	6,820	21,623,133	0.000647	0.001055	13,986							
Snowville Town		13,081,560	571,995	13,653,555	3,580,754	3,580,754	17,234,309	0.000850	0.001570	11,606							
Tremonton City		813,354,374	23,993,300	837,347,674	119,805,499	119,805,499	957,109,173	0.002191	0.002548	18,343,532							
Willard City		218,982,075	45,892,641	264,874,716	3,667,304	3,667,304	268,492,020	0.001022	0.001022	270,651							
Total Cities and Towns										7,524,132							
OTHER DISTRICTS:																	
Box Elder Mosquito Abatement		5,479,180,909	1,183,129,162	6,662,310,071	745,729,628	745,729,628	7,408,039,699	0.000160	0.000185	1,065,970							
Fighting Cemetery Maint Dist		112,692,355	8,778,343	121,470,698	431,881	431,881	121,902,579	0.000182	0.000271	22,108							
Gardard Cemetery Maint Dist		320,659,911	31,921,644	352,581,555	89,914,394	89,914,394	442,495,949	0.000124	0.000124	38,431							
Portage Cemetery Maint Dist		16,734,960	3,433,809	20,168,769	213	213	20,168,982	0.000166	0.000175	3,348							
Portage Precinct Cemetery Maint Dist		31,621,358	22,773,700	54,395,058	17,655,125	17,655,125	72,050,183	0.000772	0.000954	41,993							
Riverside Cemetery Maint Dist		52,517,744	7,191,178	59,708,922	250,453	250,453	59,959,375	0.000375	0.000321	22,391							
Willard Precinct Cemetery Maint Dist		441,779,998	200,409,522	642,189,520	4,555,095	4,555,095	646,744,615	0.000102	0.000118	65,503							
Plymouth Cemetery Maint Dist		82,613,711	19,176,200	101,789,911	125,725,922	125,725,922	227,515,833	0.000157	0.000171	15,981							
Weber Basin Water Conservancy Dist		2,885,661	46,633,439	49,519,100	7,782	7,782	49,526,882	0.000132	0.000141	8,270							
Conine Cemetery Maint Dist		171,617,968	14,142,908	185,760,876	25,468,974	25,468,974	211,229,850	0.000123	0.000141	22,849							
Hanse Valley Watershed Dist		5,207,263	13,426,657	18,633,920	3,377	3,377	18,637,297	0.000202	0.000202	4,454							
East Gardard Cemetery Maint Dist		64,253,091	976,845	65,229,936	122,947	122,947	65,352,883	0.000084	0.000102	5,479							
Box Elder County and Willard City Flood		386,775,575	187,610,149	574,385,724	4,550,585	4,550,585	578,936,309	0.000189	0.000189	94,199							
Box Elder County Service Area No. 2		20,439,524	41,612,764	62,052,288	2,872	2,872	62,055,160	0.000103	0.000077	6,391							
Riverside Community Special Service Dist		51,017,378	1,255,868	52,273,246	136,082	136,082	52,409,328	0.000161	0.000240	8,416							
Box Elder County & Perry City Flood Control		505,989,611	55,416,724	561,406,335	7,481,035	7,481,035	568,887,370	0.000162	0.000198	90,948							
Box Elder Water Conservancy Dist		5,479,180,909	1,183,129,162	6,662,310,071	745,729,628	745,729,628	7,408,039,699	0.000194	0.000224	1,292,488							
Bona Vista Water Improvement Dist		-	33,112,292	33,112,292	-	-	33,112,292	0.000156	0.000188	5,166							
Gonsou Creek Cemetery Maint Dist		4,787,471	1,551,053	6,338,524	1,628	1,628	6,340,152	0.000000	0.000000	-							
Gonsou Creek Special Service Dist		9,820,567	3,729,466	13,550,033	13,615	13,615	13,563,648	0.001029	0.001218	13,943							
Total Other Districts										2,828,377							
GRAND TOTAL:										63,312,062							

Continued on next page

The Notes to the Financial Statements are an Integral Part of this Statement



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 Commission
Box Elder County
Brigham City, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Box Elder County, Utah, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Box Elder County’s basic financial statements and have issued our report thereon dated June 28, 2023.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Box Elder 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
Spanish Fork, Utah
June 28, 2023

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

County Council
Box Elder County
Brigham City, Utah

Report on Compliance with General State Compliance Requirements

We have audited Box Elder County’s compliance with 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 the County for the year ended December 31, 2022

General state compliance requirements were tested for the year ended December 31, 2022 in the following areas:

Compliance Audit Planning Procedures	Cash Management
Budgetary Compliance	Tax Levy Recognition
Fund Balance	Utah Retirement Systems
Justice Courts	Public Treasurer’s Bond
Restricted Taxes and Related Revenues	Open and Public Meetings Act
Fraud Risk Assessment	
Government Fees	

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on General State Compliance Requirements

In our opinion Box Elder County complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the County for the year ended December 31, 2022.

Other Matters

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

The County's response to the noncompliance findings identified in our audit is described in the accompanying findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the compliance requirements that could have a direct and material effect on the County to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

Purpose of 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, 2023



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

Honorable County Council
Box Elder County
Brigham City, Utah

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAMS

Opinion on Compliance for Each Major Federal Program

We have audited Box Elder 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 Box Elder County's major federal programs for the year ended December 31, 2022. Box Elder 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, Box Elder County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Box Elder 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 basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Box Elder 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 Box Elder County's major federal programs.

Auditor's Responsibilities for the Audit 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 Box Elder 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 a material noncompliance 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. 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 Box Elder 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 Box Elder 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 Box Elder County's internal control over compliance relevant to the audit in order to design audit procedures that appropriate in the circumstances and to test and report on the internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Box Elder 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 identified no deficiencies in internal control that we consider material weaknesses. 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 in 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, 2023

Box Elder County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/Pass-Thru/Grantor/Program Title	Federal CFDA Number	Pass-Through Grantors Contract	Amount of Expenditures
United States Department of Housing and Urban Development			
<i>Passed Through the State of Utah</i>			
Grouse Creek Water System	14.228	22-DWS-0068	136,587
Total United States Department of Housing and Urban Development			136,587
United States Department of Agriculture			
<i>Passed Through the State of Utah</i>			
Invasive Species Mitigation Weed Control	15.230		52,121
Total United States Department of Agriculture			52,121
United States Department of Treasury			
<i>Direct Assistance</i>			
* American Rescue Plan Act (ARPA)	21.027		6,502,569
Total United States Department of Treasury			6,502,569
United States Department of Justice			
<i>Passed Through the State of Utah</i>			
Crime Victim Assitance	16.575	21/22VOCA	138,465
Bulletproof Vest Partnership	16.607	2022BUB19099643	5,753
Total United States Department of Homeland Security			144,218
United States Department of Homeland Security			
<i>Passed Through the State of Utah</i>			
Emergency Management Performance Grant	97.042	DEM-EMPG-2021-002-3&4	38,946
State Homeland Security Grant	97.067	R1BOXEHSHSP19#147	4,446
Total United States Department of Agriculture			43,392
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 6,878,887

Box Elder County

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

Note 1 – Reporting Entity

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

Note 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, 2022. 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). 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 assets or cash flows of the County.

Note 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.

Note 4 – Loans

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

Note 5 – Non-Cash Assistance

The County received no non-cash assistance during the period.

Box Elder County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

I. Summary of Auditor's Results

Financial Statements

The independent auditor's report expressed an unmodified opinion on the basic financial statements of Box Elder 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 (ARPA) Unmodified

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

\$750,000

Auditee qualified as a low-risk auditee?

Yes No

Box Elder County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

II. Governmental Auditing Standards Findings (Financial Statements and Compliance)

2022-001 Fund Balance (Utah State Compliance)

Condition: The County entered manual transactions to fund balance in the municipal services fund to restrict current year class B road revenue.

Criteria: Generally accepted accounting principles define fund balance as the difference between assets of the entity and outstanding liabilities. Changes in fund balance are the net effect of revenue and expenditures, which is similar to net income in the private sector. Transactions should not be posted directly to fund balance therefore bypassing the statement of activities or income statement.

Cause: Misunderstanding by management and override of controls

Recommendation: We recommend that all revenue transactions be posted to revenue accounts and expenditures to expenditure accounts, resulting in materially correct changes in fund balance or net income. If adjustments are needed to restrict certain fund balance, those adjustments should be between unrestricted and restrict fund balance accounts only.

View of responsible officials: Management agrees with finding. Management understands where the error occurred and will not post entries directly to fund balance accounts that relate to revenue and expenditures. Management will also ensure that controls are implemented to prevent this in the future.

2022-002 Budgetary compliance (Utah State Compliance)

Condition: The RDA-P&G EDA fund exceeded budgeted appropriations for the year.

Criteria: Per *Utah Code 17-36-21*, No officer or employee of the 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.

Cause: Lack of review of final budget appropriations and actual expenditures.

Recommendation: We recommend that management and governance as part of the quarterly financial review, at a minimum, also review the year-to-date budgeted appropriations with actual expenditures. This should be done for all departments in the general fund, by revenue streams in special revenue funds, and all other funds in total.

View of responsible officials: Management agrees with finding. Management will review with governance the budget to actual results in each fund. Management will also implement review controls to ensure that a review of budget to actual results occurs.

III. Federal Award Findings

None noted

Prior Audit Findings Related to Financial Statements

2021-01 TRIAL BALANCE (Material weakness)

Condition: We noted many accounts (i.e. bank accounts, receivables, fixed assets, etc.), had incorrect balances at the audit commencement. Some were materially misstated. Our audit was delayed until the auditor's office staff and outside consultant made the necessary adjustments.

Criteria: County auditors maintain and examine the county's financial records and accounts. They provide the Commission, and other departments of the county, financial information on which operating and budget decisions are based.

Status: Finding appears to have been addressed and corrected.

2021-002 BANK ACCOUNT (Significant Deficiency)

Condition: The treasurer's office was unaware of a bank account the Sheriff's department had opened many years ago to receive warrant/bail money. The office became aware of the account when an inquiry was made regarding credit card payments. No reconciliations were performed on the account.

Box Elder County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

Criteria: Effective internal control practices suggest all bank accounts requested to be open should receive approval by the County Treasurer. The Treasurer should coordinate with the Auditor's office to ensure proper accounting is performed. Bank reconciliations should be performed on all bank accounts.

Status: Finding appears to have been addressed and corrected.

2021-003 FIXED ASSETS

Condition: Several fixed assets were omitted from the County's asset listing. Several assets noted were from prior years. The errors were discovered in the process of converting to new software.

Criteria: Internal control best practices require implementation of controls that help prevent and detect errors in financial reporting.

Status: Finding appears to have been addressed and corrected.

2021-04 FORM 750 Report

Condition: The County's Form 750 report which includes property taxes assessed, collected, and distributed was materially inaccurate.

Criteria: The County is required to file this report annually with the State.

Status: Finding appears to have been addressed and corrected.

FEDERAL AWARD FINDINGS

2021-05 SUBRECIPIENT MONITORING PROCEDURES

Condition: The County had one subrecipient during 2021 which was provided awards under the Coronavirus State and Local Fiscal Recovery Fund (ARPA). The County does not have written procedures in place for monitoring grant compliance by subrecipients.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires grantee's to have procedures in place for monitoring compliance by subrecipients.

Status: Findings appear to have been addressed and corrected.