

CARBON COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

		<u>PAGE</u>
<u>OPINION</u>	Independent Auditors' Report	1-3
<u>MD&A</u>	Management's Discussion and Analysis	4-11
<u>BASIC FINANCIAL STATEMENTS</u>		
Government-wide Financial Statements:		
EXHIBIT 1	Statement of Net Position	12-13
EXHIBIT 2	Statement of Activities	14
Governmental Fund Financial Statements:		
EXHIBIT 3	Balance Sheet - Governmental Funds	15
EXHIBIT 4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	16
EXHIBIT 5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
EXHIBIT 6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Proprietary Fund Financial Statements:		
EXHIBIT 7	Statement of Net Position - Proprietary Funds	19
EXHIBIT 8	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	20
EXHIBIT 9	Statement of Cash Flows - Proprietary Funds	21
Fiduciary Fund Financial Statements:		
EXHIBIT 10	Statement of Fiduciary Net Position - Fiduciary Funds	22
Component Unit Fund Financial Statements:		
EXHIBIT 11	Statement of Net Position - Component Units	23
EXHIBIT 12	Statement of Activities - Component Units	24
	Notes to the Financial Statements	25-62

**CARBON COUNTY
FINANCIAL STATEMENTS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>PAGE</u>
 <u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
EXHIBIT 13 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	63-67
EXHIBIT 14 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Southeastern Utah District Health Department	68
EXHIBIT 15 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Services Fund	69
EXHIBIT 16 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Building Authority	70
 <u>SUPPLEMENTARY INFORMATION</u>	
Combining Fund Statements and Schedules:	
SCHEDULE 1 Combining Balance Sheet - Nonmajor Governmental Funds	71
SCHEDULE 2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	72
SCHEDULE 3 Combining Statement of Net Position - Fiduciary Funds	73
SCHEDULE 4 Schedule of Current Taxes Levied, Collected and Treasurer's Relief	74
SCHEDULE 5 Schedule of Contract Revenues/Expenditures - Southeastern Utah District Health Department	75-80
 <u>SUPPLEMENTAL STATE COMPLIANCE</u>	
Auditors' Report on State Compliance for State Grants	81-83
SCHEDULE 6 Schedule of Expenditures of State Grants	84

**CARBON COUNTY
FINANCIAL STATEMENTS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>PAGE</u>
<u>AUDITORS' REPORTS AND SUPPLEMENTARY SCHEDULES ACCORDING TO SINGLE AUDIT ACT AND GOVERNMENT AUDIT STANDARDS</u>	
Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	85-86
<u>AUDITORS' REPORTS AND SUPPLEMENTARY SCHEDULES ACCORDING TO SINGLE AUDIT ACT AND GOVERNMENT AUDIT STANDARDS (Continued)</u>	
Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	87-88
Schedule of Findings and Questioned Costs	89
SCHEDULE 7 Schedule of Expenditures of Federal Awards	90-93
Notes to Schedule of Expenditures of Federal Awards	94
Summary Schedule of Prior Audit Findings	95

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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

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

MEMBERS

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

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Carbon County
Price, Utah 84501

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 Carbon County, Utah as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Carbon County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Scofield Reservoir Special Service District, which represents 3.4 percent of the assets, .46 percent of net position and .10 percent of revenues of the Statement of Net Position and the Statement of Activity. Those statements were unaudited and their reports have been furnished to us, and our opinion insofar as it relates to the amounts included for Scofield Reservoir Special Service District, is based solely on the report provided. We conducted our audit, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Carbon County, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of American require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and pages 64 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carbon County's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 10, 2015, on our consideration of Carbon 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 Carbon County's internal control over financial reporting and compliance.

SMUIN, RICH & MARSING

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

Price, Utah

July 10, 2015

**CARBON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2014**

This discussion of Carbon County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2014. This report is in conjunction with the County's financial statements.

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

Financial Highlights

- The assets of Carbon County exceeded its liabilities as of December 31, 2014 by \$148,926,645 (net position), compared to \$140,862,792 as of December 31, 2013, an increase of \$4,377,803. Of this amount, \$9,071,596 (unrestricted net position) may be used to meet the governments' ongoing obligations to citizens and creditors. Current year net position increase by \$8,063,853.
- The government's total net position increased by \$8,063,853. Net position increased by \$6,225,074 in the prior year. The major difference between the two years was an increase in funding for capital projects and an increase in capital projects expenditures in 2014.
- At the close of the current year, the Carbon County governmental funds reported combined ending fund balances of \$20,861,072, an increase of \$1,587,316 in comparison with the prior year. Approximately 18.2 percent of this total amount, \$3,803,712 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current year, unassigned fund balance for the general fund was \$3,733,536, or approximately 84.7 percent of total balance in the General Fund.
- Carbon County's total debt increased \$16,737,664 during the current year, because new loan proceeds of \$17,973,000 were greater than the debt payments of \$1,235,336.

Overview of the Financial Statements

This annual report consists of a series of financial statements. Government-wide financial statements consist of the following: the Statement of Net Position and the Statement of Activities, which provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements, for governmental activities, tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. This report also contains notes and other supplementary information in addition to the basic financial statements.

Government-wide financial statements

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

The Statement of Net Position presents information on all of Carbon County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Carbon County is improving or deteriorating.

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

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

The government-wide financial statements include not only Carbon County itself (known as the primary government), but also two legally separate special service districts, the Scofield Special Service District and the Carbon County Recreation & Transportation Special Service District, for which Carbon County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Carbon County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Carbon County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Fund financial statements (Continued)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Carbon County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, municipal services fund, Southeastern Utah District Health, Building Authority, and capital projects all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Carbon County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

- Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Carbon County uses an enterprise fund to account for its County Court Complex operations.
- Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Carbon County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.
- The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.
- Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Carbon County. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Carbon County, assets exceeded liabilities by \$148,926,645 at December 31, 2014.

By far the largest portion of Carbon County's net position (85.99 percent) reflects its investment in capital assets (e.g. land, building, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Carbon County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Carbon County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 30,577,506	\$ 21,837,903	\$ 1,253,264	\$ 1,139,532	\$ 31,830,770	\$ 22,977,435
Capital assets	160,506,462	137,119,789	805,523	862,285	161,311,985	137,982,074
Total assets	<u>\$ 191,083,968</u>	<u>\$ 158,957,692</u>	<u>\$ 2,058,787</u>	<u>\$ 2,001,817</u>	<u>\$ 193,142,755</u>	<u>\$ 160,959,509</u>
Long-term debt outstanding	\$ 31,574,688	\$ 14,617,418			\$ 31,574,688	\$ 14,617,418
Other liabilities	10,582,635	3,477,482	\$ 4,837	\$ 96,473	10,587,472	3,573,955
Total liabilities	<u>\$ 42,157,323</u>	<u>\$ 18,094,900</u>	<u>\$ 4,837</u>	<u>\$ 96,473</u>	<u>\$ 42,162,160</u>	<u>\$ 18,191,373</u>
Net position:						
Investment in capital assets, net of debt	\$ 128,931,774	\$ 122,282,765	\$ 805,523	\$ 862,285	\$ 129,737,297	\$ 123,145,050
Restricted	10,923,275	8,754,609	1,248,427	1,043,059	12,171,702	9,797,668
Unrestricted (Deficit)	9,071,596	9,825,418			9,071,596	9,825,418
Total net position	<u>\$ 148,926,645</u>	<u>\$ 140,862,792</u>	<u>\$ 2,053,950</u>	<u>\$ 1,905,344</u>	<u>\$ 150,980,595</u>	<u>\$ 142,768,136</u>

A portion of Carbon County's net assets (7.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$9,071,596 may be used to meet the government's on-going obligations to citizens and creditors.

At the end of the year, Carbon County is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Government-wide financial analysis (Continued)

Governmental activities increased Carbon County's net position by \$8,063,853. Key elements of this increase are as follows:

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues						
Program Revenues:						
Charges for services	\$ 7,237,418	\$ 7,056,496	\$ 278,846	\$ 170,898	\$ 7,516,264	\$ 7,227,394
Operating grants and cont.	4,383,143	4,681,337			4,383,143	4,681,337
Capital grants and cont.	13,570,722	10,104,316			13,570,722	10,104,316
General Revenues:						
Property taxes	6,822,063	7,095,699			6,822,063	7,095,699
Sales taxes	1,975,320	1,954,979			1,975,320	1,954,979
Other general revenues	3,519,226	4,801,479			3,519,226	4,801,479
Total revenues	\$ 37,507,892	\$ 35,694,306	\$ 278,846	\$ 170,898	\$ 37,786,738	\$ 35,865,204
Program expenses						
General government	\$ 5,814,288	\$ 6,043,704			\$ 5,814,288	\$ 6,043,704
Public safety	7,459,708	7,301,562			7,459,708	7,301,562
Public health	3,907,317	4,305,759			3,907,317	4,305,759
Highways and public improve.	8,151,284	8,121,144			8,151,284	8,121,144
Parks and recreation	2,061,216	2,638,281			2,061,216	2,638,281
Conservation & Econ. Dev.	519,961	544,668			519,961	544,668
Contributions and Misc.	158,663	514,114			158,663	514,114
Capital outlay	1,255,849				1,255,849	
Interest on long-term liab.	115,753				115,753	
County Court Complex			\$ 130,240	\$ 112,825	130,240	112,825
Total expenses	\$ 29,444,039	\$ 29,469,232	\$ 130,240	\$ 112,825	\$ 29,574,279	\$ 29,582,057
Excess (deficiency) before transfers	\$ 8,063,853	\$ 6,225,074	\$ 148,606	\$ 58,073	\$ 8,212,459	\$ 6,283,147
Change in net position	\$ 8,063,853	\$ 6,225,074	\$ 148,606	\$ 58,073	\$ 8,212,459	\$ 6,283,147
Net assets - beginning	\$ 140,862,792	\$ 148,926,645	\$ 1,905,344	\$ 2,053,950	\$ 142,768,136	\$ 150,980,595
Net assets - ending	148,926,645	140,862,792	2,053,950	1,905,344	150,980,595	142,768,136
Change in net position	\$ 8,063,853	\$ (8,063,853)	\$ 148,606	\$ (148,606)	\$ 8,212,459	\$ (8,212,459)

Government-wide financial analysis (Continued)

For 2014 Carbon County experienced a decrease in growth totaling \$8,607,637 as reported to the State Tax Commission. This decrease in growth is due primarily to the value of centrally assessed property, which decreased \$64,652,893. Certified tax rates automatically adjust for the changes in centrally assessed property values.

Business-type activities increased Carbon County's net position by \$148,606. Key elements of this increase are shown in Table 2 Change in Net Position.

As noted earlier, Carbon County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- **Governmental funds** -The focus of Carbon County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Carbon County's financing requirements. In particular unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Carbon County's governmental funds reported combined ending fund balances of \$20,861,072, which is an increase of \$1,587,316 in comparison with the prior year. Approximately, 17.89 percent or \$3,733,536 constitutes unreserved fund balance, which is available for spending at the government's discretion. The general fund is the chief operating fund of Carbon County. At the end of the current year, unreserved fund balance of the general fund was \$3,733,536.

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

Total unrestricted net position of the proprietary funds at year end amounted to \$1,248,427.

General Fund Budgetary Highlights

Changes from the original budget to the final are outlined below:

<u>Function</u>	<u>Original</u>	<u>Final</u>	<u>Inc. (Dec.)</u>
General Government	\$ 5,534,997	\$ 5,671,897	\$ 136,900
Public Safety	3,746,600	3,754,600	8,000
Public Health	372,100	372,100	
Highway and Public Improvements	1,255,848	1,255,848	
Parks, recreation and public property	133,200	240,800	107,600
Conservation and Economic Development	60,100	60,335	235
Contributions and miscellaneous	216,514	197,200	(19,314)
Other Financing Sources (Uses)	(960,219)	(1,808,458)	(848,239)
Net			<u>\$ (1,081,425)</u>

Capital Asset and Debt Administration

Capital Assets

Carbon County's investment in capital assets for its governmental activities as of December 31, 2014, amounts to \$160,506,462 (net of accumulated depreciation). This investment in capital assets includes land, rights of way, buildings, improvements other than buildings, equipment, and infrastructure, which includes roads, highways, and bridges. The total increases in Carbon County's governmental activities capital assets for the current year was \$23,386,672.

Carbon County's investment in capital assets for its business-type activities as of December 31, 2014, amounts to \$805,523 (net of accumulated depreciation). This investment in capital assets includes land and buildings. The total amount represents a decrease in Carbon County's business-type activities capital assets for the current year of \$56,762.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Right of ways	\$ 1,401,918	\$ 1,401,918			\$ 1,401,918	\$ 1,401,918
Land	1,867,894	1,867,894	\$ 198,000	\$ 198,000	2,065,894	2,065,894
Buildings	30,890,533	31,879,014	607,523	664,285	31,498,056	32,543,299
Improvements other than buildings	33,214,621	11,400,525			33,214,621	11,400,525
Fixtures and equipment	5,602,789	6,652,364			5,602,789	6,652,364
Infrastructure	71,168,739	73,556,492			71,168,739	73,556,492
Water stock	146,000	146,000			146,000	146,000
Work in progress	16,213,968	10,215,583			16,213,968	10,215,583
	<u>\$ 160,506,462</u>	<u>\$ 137,119,790</u>	<u>\$ 805,523</u>	<u>\$ 862,285</u>	<u>\$ 161,311,985</u>	<u>\$ 137,982,075</u>

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

Long-term debt

As presented in the schedule below, the total long-term debt of Carbon County as of December 31, 2014 was \$32,440,889, which included revenue bonds, capital leases and compensated absences.

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

Table 4
Outstanding Debt at Year-End

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenue Bonds	\$ 31,574,688	\$ 14,837,024			\$ 31,574,688	\$ 14,837,024
Compensated Absences	866,201	693,730			866,201	693,730
	<u>\$ 32,440,889</u>	<u>\$ 15,530,754</u>	<u>\$...</u>	<u>\$...</u>	<u>\$ 32,440,889</u>	<u>\$ 15,530,754</u>

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for Carbon County in 2014 was 5.2%, a decrease of .71% from 2013. This is higher than the state's average unemployment rate of 4.53%, but lower than the national average of 6.15%. Population in Carbon County hit a low point in 2005 of 19,205 and has shown a slight increase in the following years. Population in Carbon County was approximately 20,660 in 2014.

Coal mining and oil and gas production have struggled due to poor prices and regulation. The County is actively encouraging development throughout the County to improve the economy in 2015.

Requests for Information

This financial report is designed to provide a general overview of Carbon County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Carbon County Clerk-Auditor, 120 East Main, Price, Utah, 84501.

CARBON COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<u>ASSETS</u>				
Cash and cash equivalents	\$ 17,451,941	\$ 1,253,264	\$ 18,705,205	\$ 680,719
Restricted - Cash and cash equivalents	9,427,629		9,427,629	8,133,665
Due from other governments	2,766,148		2,766,148	410,211
Taxes receivable	922,220			
Inventory of supplies	9,568		9,568	
Capital assets (net of accumulated depreciation):				
Land	1,867,894	198,000	2,065,894	1,727,184
Rights-of-way	1,401,918		1,401,918	41,550
Water stock	146,000		146,000	110,000
Works of art				11,500
Buildings	30,890,533	607,523	31,498,056	6,844,672
Improvements other than buildings	33,214,621		33,214,621	2,382,859
Fixtures and equipment	5,602,789		5,602,789	382,755
Work in progress	16,213,968		16,213,968	214,760
Infrastructure	71,168,739		71,168,739	
Total assets	<u>\$ 191,083,968</u>	<u>\$ 2,058,787</u>	<u>\$ 192,220,535</u>	<u>\$ 20,939,875</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 2,134,324	\$ 4,837	\$ 2,139,161	\$ 18,714
Accrued payroll	252,485		252,485	
Accrued liabilities	519,184		519,184	3,403
Unearned revenue	6,810,441		6,810,441	
Revenue bonds payable - Due within one year	1,239,336		1,239,336	140,000
Revenue bonds payable - Due in more than one year	30,335,352		30,335,352	3,640,000
Compensated absences	866,201		866,201	2,719
Total liabilities	<u>\$ 42,157,323</u>	<u>\$ 4,837</u>	<u>\$ 42,162,160</u>	<u>\$ 3,804,836</u>
Deferred inflow of resources	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>
Total liabilities and inflow of resources	<u>\$ 42,157,323</u>	<u>\$ 4,837</u>	<u>\$ 42,162,160</u>	<u>\$ 3,804,836</u>

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

CARBON COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	
<u>NET POSITION</u>				
Invested in capital assets, net of related debt	\$ 128,931,774	\$ 805,523	\$ 129,737,297	\$ 7,935,280
Nonspendable:				
Inventory	9,568		9,568	
Restricted:				
Class "B" roads	4,035,182		4,035,182	
Economic development	574,230		574,230	
Municipal services	2,565,630		2,565,630	
Health care	413,787		413,787	
Capital projects	1,959,594		1,959,594	4,037,657
Landfill	97,661		97,661	
Debt service	1,267,623		1,267,623	4,096,008
Unrestricted	9,071,596	1,248,427	10,320,023	1,066,094
Total net position	<u>\$ 148,926,645</u>	<u>\$ 2,053,950</u>	<u>\$ 150,980,595</u>	<u>\$ 17,135,039</u>

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

CARBON COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Function/Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE & CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENTS UNITS
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Primary government:								
Governmental activities:								
General government	\$ 5,814,288	\$ 209,153	\$ 145,608		\$ (5,459,527)		\$ (5,459,527)	
Public safety	7,459,708	2,634,218	458,097	\$ 255,542	(4,111,851)		(4,111,851)	
Highways and public improvements	8,151,284	3,180,067	1,072,301	13,315,180	9,416,264		9,416,264	\$ (4,492,358)
Public health	4,384,359	930,720	2,043,621		(1,410,018)		(1,410,018)	
Parks and recreation	1,584,174	283,260	625,692		(675,222)		(675,222)	(1,746,343)
Conservation and economic development	519,961		37,824		(482,137)		(482,137)	
Contributions and miscellaneous	158,663				(158,663)		(158,663)	
Capital outlay	1,255,849				(1,255,849)		(1,255,849)	
Interest on long-term liabilities	115,753				(115,753)		(115,753)	
Total governmental activities	\$ 29,444,039	\$ 7,237,418	\$ 4,383,143	\$ 13,570,722	\$ (4,252,756)	\$	\$ (4,252,756)	\$ (6,238,701)
Business-type activities:								
County Court Complex	\$ 130,240	\$ 278,846				\$ 148,606	\$ 148,606	
Total business-type activities	\$ 130,240	\$ 278,846	\$	\$	\$	\$ 148,606	\$ 148,606	
Total primary government	\$ 29,574,279	\$ 7,516,264	\$ 4,383,143	\$ 13,570,722	\$ (4,252,756)	\$ 148,606	\$ (4,104,150)	
Component Units:								
Scofield Reservoir Special Service District								\$ (26,782)
Total component units	\$	\$	\$	\$	\$	\$	\$	\$ (26,782)
General revenues:								
Property taxes					\$ 6,822,063		\$ 6,822,063	
State PILT					131,114		131,114	\$ 124,663
Federal PILT					1,109,609		1,109,609	
Sales taxes					1,975,320		1,975,320	
Miscellaneous taxes					265,782		265,782	
Unrestricted investment earnings					60,814		60,814	46,932
Royalties and rents					769,236		769,236	
Gain/(Loss) on sale of fixed assets					48,576		48,576	
Miscellaneous					245,957		245,957	
Mineral reserve monies					888,138		888,138	5,328,938
Total general revenues and transfers					\$ 12,316,609	\$	\$ 12,316,609	\$ 5,500,533
Change in net position					\$ 8,063,853	\$ 148,606	\$ 8,212,459	\$ (764,950)
Net position - beginning					140,862,792	1,905,344	142,768,136	17,899,989
Net position - ending					\$ 148,926,645	\$ 2,053,950	\$ 150,980,595	\$ 17,135,039

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

**CARBON COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	CAPITAL PROJECTS FUND	BUILDING AUTHORITY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 2,945,233	\$ 677,743	\$ 6,537,613	\$ 1,163,019	\$ 3,922,256	\$ 2,206,077	\$ 17,451,941
Restricted cash and cash equivalents				258,995	6,783,746	2,384,888	9,427,629
Receivables (net):							
Taxes	882,538		39,682				922,220
Other	1,295,048	158,509	375,739	748,941	74,039	113,872	2,766,148
Inventories		9,568					9,568
Total assets	<u>\$ 5,122,819</u>	<u>\$ 168,077</u>	<u>\$ 6,953,034</u>	<u>\$ 2,170,955</u>	<u>\$ 10,780,041</u>	<u>\$ 4,704,837</u>	<u>\$ 30,577,506</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 355,497	\$ 50,939	\$ 123,114	\$ 211,361	\$ 1,287,882	\$ 105,531	\$ 2,134,324
Accrued payroll	128,023	40,599	83,863				252,485
Accrued liabilities	233,872	38,300	145,245			101,767	519,184
Unearned revenue		26,695			6,783,746		6,810,441
Total liabilities	<u>\$ 717,392</u>	<u>\$ 156,533</u>	<u>\$ 352,222</u>	<u>\$ 211,361</u>	<u>\$ 8,071,628</u>	<u>\$ 207,298</u>	<u>\$ 9,716,434</u>
Fund balances:							
Nonspendable:							
Inventory		\$ 9,568					\$ 9,568
Restricted:							
Class "B" Road			\$ 4,035,182				4,035,182
Debt service reserve					\$ 1,001,691		1,001,691
Permanent funds						\$ 2,384,888	2,384,888
Committed:							
Landfill	\$ 97,661						97,661
Municipal services			2,565,630				2,565,630
Building Authority					1,706,722		1,706,722
RDA Development						556,859	556,859
Assigned:							
Economic Development - restaurant tax	574,230					579,023	1,153,253
Economic Development - other						21,256	21,256
Health Care		413,787					413,787
Debt service		265,932					265,932
Capital projects				\$ 1,959,594			1,959,594
Parks and recreation						583,467	583,467
Emergency services						65,952	65,952
Aging programs						306,094	306,094
Unassigned:							
General	<u>3,733,536</u>						<u>3,733,536</u>
Total fund balances	<u>\$ 4,405,427</u>	<u>\$ 689,287</u>	<u>\$ 6,600,812</u>	<u>\$ 1,959,594</u>	<u>\$ 2,708,413</u>	<u>\$ 4,497,539</u>	<u>\$ 20,861,072</u>
Total liabilities and fund balances	<u>\$ 5,122,819</u>	<u>\$ 845,820</u>	<u>\$ 6,953,034</u>	<u>\$ 2,170,955</u>	<u>\$ 10,780,041</u>	<u>\$ 4,704,837</u>	<u>\$ 30,577,506</u>

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

CARBON COUNTY
BALANCE SHEET RECONCILIATION TO
STATEMENT OF NET POSITION
DECEMBER 31, 2014

Total fund balances - governmental fund types: \$ 20,861,072

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

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

Land	\$ 1,867,894	
Rights of Way	1,401,918	
Water stock	146,000	
Buildings	30,890,533	
Improvements other than buildings	33,214,621	
Fixtures and equipment	5,602,789	
Work in progress	16,213,968	
Infrastructure	<u>71,168,739</u>	
Total		160,506,462

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

Revenue bonds payable - Due within one year	\$ (1,239,336)	
Revenue bonds payable - Due in more than one year	(30,335,352)	
Compensated absences	<u>(866,201)</u>	
Total		<u>(32,440,889)</u>

Net position of government activities		<u><u>\$ 148,926,645</u></u>
---------------------------------------	--	------------------------------

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

CARBON COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	CAPITAL PROJECTS FUND	BUILDING AUTHORITY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Taxes	\$ 7,504,729		\$ 1,312,294			\$ 246,142	\$ 9,063,165
Licenses and permits	51,228		41,456				92,684
Intergovernmental revenues	1,616,455	\$ 1,820,136	6,334,020	\$ 1,936,895	\$ 27,718,292	1,165,121	40,590,919
Charges for services	1,194,719	759,946	102,930			574,407	2,632,002
Fines and forfeitures	231,513						231,513
Interest income	35,774	1,005	14,118			9,917	60,814
Contributions	21,980			1,049,092	295,000	10,781	1,376,853
Miscellaneous	1,357,384	14,304	58,991			5,107	1,435,786
Total revenues	\$ 12,013,782	\$ 2,595,391	\$ 7,863,809	\$ 2,985,987	\$ 28,013,292	\$ 2,011,475	\$ 55,483,736
EXPENDITURES:							
Current:							
General government	\$ 5,206,167		\$ 86,549				\$ 5,292,716
Public safety	3,328,245		3,749,566			\$ 122,425	7,200,236
Highways and public improvements	1,127,929		2,563,213				3,691,142
Public health	470,948	\$ 2,507,753				1,388,697	4,367,398
Parks, recreation, and public property	248,697					1,368,728	1,617,425
Conservation and economic development	55,187					455,712	510,899
Capital outlay				\$ 2,895,179	\$ 26,807,673		29,702,852
Contributions and miscellaneous	158,663						158,663
Principal retirement		26,336			1,213,000		1,239,336
Interest and fiscal charges					115,753		115,753
Total expenditures	\$ 10,595,836	\$ 2,534,089	\$ 6,399,328	\$ 2,895,179	\$ 28,136,426	\$ 3,335,562	\$ 53,896,420
Excess revenues over (under) expenditures	\$ 1,417,946	\$ 61,302	\$ 1,464,481	\$ 90,808	\$ (123,134)	\$ (1,324,087)	\$ 1,587,316
OTHER FINANCING SOURCES (USES):							
Transfers in				\$ 140,000		\$ 1,841,244	\$ 1,981,244
Transfers out	\$ (1,981,244)						(1,981,244)
Total other financing sources (uses)	\$ (1,981,244)	\$...	\$...	\$ 140,000	\$...	\$ 1,841,244	\$...
Excess of revenues and other sources over (under) expenditures and other uses	\$ (563,298)	\$ 61,302	\$ 1,464,481	\$ 230,808	\$ (123,134)	\$ 517,157	\$ 1,587,316
FUND BALANCES - beginning of year	4,968,725	627,985	5,136,331	1,728,786	2,831,547	3,980,382	19,273,756
FUND BALANCES - end of year	\$ 4,405,427	\$ 689,287	\$ 6,600,812	\$ 1,959,594	\$ 2,708,413	\$ 4,497,539	\$ 20,861,072

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

CARBON COUNTY
STATEMENT OF CHANGES RECONCILIATION TO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

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

Net changes in fund balances - total governmental funds \$ 1,587,316

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

General government	\$	46,035	
Public safety		186,615	
Public health		61,692	
Highways		26,238	
Parks and recreation		313,265	
Conservation and economic development		<u>28,447,003</u>	
 Total assets shown as expenditures	 \$	 29,080,848	
Less: depreciation		<u>(5,691,332)</u>	
 Difference between expenditure and depreciation			 23,389,516

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donation) is to increase net position. (2,844)

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of long-term debt	\$(17,973,000)		
Retirement of long-term debt		<u>1,235,336</u>	
 Net effect of long-term debt issue and debt payments			 (16,737,664)

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. (172,471)

Change in net position of governmental activities \$ 8,063,853

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

**CARBON COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
	COUNTY COURT COMPLEX
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 1,253,264
Total current assets	\$ 1,253,264
Noncurrent assets:	
Land	\$ 198,000
Buildings	1,576,152
Furniture, fixtures and equipment	326,762
Less: accumulated depreciation	(1,295,391)
Total noncurrent assets	\$ 805,523
Total assets	\$ 2,058,787
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 4,837
Total current liabilities	\$ 4,837
Noncurrent liabilities:	
Total noncurrent liabilities	\$...
Total liabilities	\$ 4,837
Deferred inflows of resources	
Total liabilities and inflows of resources	\$ 4,837
Net Position:	
Invested in capital assets, net of related debt	\$ 805,523
Unrestricted	1,248,427
Total net position	\$ 2,053,950

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

CARBON COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	COUNTY COURT COMPLEX
Operating revenues:	
Rental income	\$ 278,846
Total operating revenues	\$ 278,846
Operating expenses:	
Utilities	\$ 40,944
Repairs and maintenance	32,534
Depreciation	56,762
Total operating expenses	\$ 130,240
Operating income (loss)	\$ 148,606
Nonoperating revenues (expenses):	
Total nonoperating revenues (expenses)	\$...
Income (loss) before contributions and transfers	\$ 148,606
Change in net position	\$ 148,606
Total net position - beginning	1,905,344
Total net position - ending	\$ 2,053,950

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

**CARBON COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	COUNTY COURT COMPLEX
Cash Flows From Operating Activities:	
Receipts from customers	\$ 185,897
Payments to suppliers	(72,165)
Net cash provided (used) by operating activities	\$ 113,732
Cash Flows From Capital and Related Financing Activities:	
Acquisition of capital assets	
Net cash provided (used) by capital and related financing activities	\$...
Net increase (decrease) in cash and cash equivalents	\$ 113,732
Cash and cash equivalents, January 1	1,139,532
Cash and cash equivalents, December 31	\$ 1,253,264
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 148,606
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	\$ 56,762
Increase (Decrease) in deferred inflows of resources	(92,949)
Increase (Decrease) in accounts payable	1,313
Total adjustments	\$ (34,874)
Net cash provided (used) by operating activities	\$ 113,732

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

CARBON COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014

	<u>AGENCY FUNDS</u>
 <u>ASSETS</u>	
Cash and cash equivalents	\$ 5,514,437
Accounts receivable	<u>449,251</u>
Total assets	<u><u>\$ 5,963,688</u></u>
 <u>LIABILITIES</u>	
Accounts payable	\$ 296,744
Precinct fees, bail and bonds payable	16,022
Due taxing units	3,559,028
Miscellaneous reimbursements	215
Due to other governments and agencies	<u>2,091,679</u>
Total liabilities	<u><u>\$ 5,963,688</u></u>

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

**CARBON COUNTY
STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2014**

	SCOFIELD RESERVOR SPECIAL SERVICE DISTRICT	CARBON COUNTY RECREATION & TRANSPORTATION SPECIAL SERVICE DISTRICT	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 228,389	\$ 452,330	\$ 680,719
Restricted - Cash and cash equivalents		8,133,665	8,133,665
Accounts receivable	7,691		7,691
Due from other governments		402,520	402,520
Capital assets (net of accumulated depreciation):			
Land	16,128	1,711,056	1,727,184
Rights-of-way		41,550	41,550
Buildings		6,844,672	6,844,672
Equipment		382,755	382,755
Sewer systems and improvements	464,850		464,850
Improvements other than buildings		1,918,009	1,918,009
Works of art		11,500	11,500
Water stock		110,000	110,000
Work in progress		214,760	214,760
Total assets	<u>\$ 717,058</u>	<u>\$ 20,222,817</u>	<u>\$ 20,939,875</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 12,802	\$ 5,912	\$ 18,714
Accrued liabilities		3,403	3,403
Revenue bonds payable - Due within one year		140,000	140,000
Revenue bonds payable - Due in more than one year		3,640,000	3,640,000
Compensated absences		2,719	2,719
Total liabilities	<u>\$ 12,802</u>	<u>\$ 3,792,034</u>	<u>\$ 3,804,836</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	\$ 480,978	\$ 7,454,302	\$ 7,935,280
Restricted for:			
Debt service		4,096,008	4,096,008
Capital projects		4,037,657	4,037,657
Unrestricted	223,278	842,816	1,066,094
Total net position	<u>\$ 704,256</u>	<u>\$ 16,430,783</u>	<u>\$ 17,135,039</u>

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

**CARBON COUNTY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Function/Programs	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
				GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities:						
Carbon County Recreation & Transportation Special Service District						
Highways and public improvements	\$ 4,492,358			\$ (4,492,358)		\$ (4,492,358)
Parks, recreation and public improvements	1,906,343	\$ 140,000	\$ 20,000	(1,746,343)		(1,746,343)
Total governmental activities	\$ 6,398,701	\$ 140,000	\$ 20,000	\$ (6,238,701)	\$...	\$ (6,238,701)
Business-type activities:						
Scofield Reservoir Special Service District	\$ 81,724	\$ 54,942			\$ (26,782)	\$ (26,782)
Total business-type activities	\$ 81,724	\$ 54,942	\$...	\$...	\$ (26,782)	\$ (26,782)
Total component units	\$ 6,480,425	\$ 194,942	\$ 20,000	\$ (6,238,701)	\$ (26,782)	\$ (6,265,483)
General revenues:						
Mineral lease revenue				\$ 5,328,938		\$ 5,328,938
State PILT				124,663		124,663
Investment earnings				45,952	\$ 980	46,932
Total general revenues and transfers				\$ 5,499,553	\$ 980	\$ 5,500,533
Change in net assets				\$ (739,148)	\$ (25,802)	\$ (764,950)
Net position - beginning				17,169,931	730,058	17,899,989
Net position - ending				\$ 16,430,783	\$ 704,256	\$ 17,135,039

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

CARBON COUNTY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

- The financial statements include:

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

Financial statements prepared using full-accrual accounting for all the County's activities.
- A change in the fund financial statements to focus on the major funds.

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

A. Reporting Entity

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

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

The following County Districts had separately issued financial statements and were audited or had financial statements compiled or reviewed by other independent auditors:

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

A. **Reporting Entity (Continued)**

Price River Water Improvement District and Carbon Water Conservancy District - The water conservancy districts were created for the conservation and development of the water and land resources of Utah and for the greatest beneficial use of water within the state. Water conservancy districts are created under the "Water Conservancy Act". The Districts' were audited or had financial statements compiled or reviewed by other independent auditors and issued under separate cover.

Blended Component Units

These component units are entities, which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Municipal Building Authority of Carbon County - The Municipal Building Authority of Carbon County was created by the County Commission as a body politic and corporate for the purpose of financing, owning, leasing, or operating facilities to meet the needs of the County government. It is comprised of a governing body that has been appointed by the County Commission and may be removed and replaced at any time by its discretion.

Southeastern Utah District Health - State law allows the creation of multi-county health departments. Local health departments are responsible within their boundaries for providing, directly or indirectly, basic public health services. The County Commissioners within the boundaries of the health district appoints the health district board.

Discrete Component Units

These component units are entities which are legally separate from the County, but are financially accountable to the County, or whose relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Component Units columns of the combined financial statements include the financial data of these entities.

Scofield Reservoir Special Service District

The District was created by the Carbon County Commission under state statute. They have a seven-member board. Their primary purpose and function is to provide a waste disposal system for the residence in and around Scofield Reservoir. The District's review report can be obtained at 751 E 100 N, Price Utah 84501

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

A. **Reporting Entity (Continued)**

Carbon County Recreation & Transportation Special Service District

The District was created by the adoption of a resolution establishing a service district. The District has been established as a separate body politic and corporate. The County appoints the District's governing board. The District was created for the purpose of providing services for recreation, transportation, garbage, fire protection, dispatch and animal control, within the District's boundaries. The District was audited and their report has been issued under separate cover from Carbon County Rec/Trans SS District, located at 751 E 100 N, Price Utah 84501

Carbon County Recreation & Transportation Special Service District LBA

The District's Local Building Authority was created by the CCR & TSSD Board as a body politic for the purpose of financing, owning, leasing, or operating facilities to meet the needs of the District. It is comprised of a governing body that has been appointed by the District Board and may be removed and replaced at any time by its discretion. The District was audited and their report can be reviewed at 751 E 100 N, Price Utah 84501

B. **Government-Wide and Fund Financial Accounting**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Direct expenses can include certain indirect costs (administrative overhead charges) that are automatically allocated to the various functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

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

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

The County reports the following major governmental funds:

- General Fund – The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is property taxes.
- Southeastern Utah District Health Fund – The Southeastern Utah District Health Fund is used to account for revenues and expenditures used to provide basic public health services.
- Local Building Authority - The Local Building Authority activities encompasses various real estate properties which have been constructed and leased to other county operations and outside entities. The Authority is also involved with several road and infrastructure projects.
- Municipal Service Fund – This fund is used to account the various activities of the County including; protective services, highway and roads, etc. Major revenue sources are taxes, charges for services, state allotments, and operating grants.

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

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

- Capital Projects Fund – The Capital Projects fund accounts for funds received from contributions, transfers and debt proceeds. These funds are then used for capital expenditures on the County.

The County's non-major governmental funds include other special revenue funds. The non-major special revenue funds account for specific revenue sources that are legally restricted to expenditures, for specified purposes.

Proprietary Fund Financial Statements – 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.

Fiduciary Fund Financial Statements – Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other organizations or individuals. These statements are reported using the economic resources measurement focus and the accrual basis of accounting.

- Agency Funds – Agency Funds are used to account for assets held by the County as an agent for other governments, private organizations, or individuals. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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 expenditures resulting from such transactions. Interfund services provided and used between different functional categories, however, have not been eliminated from the government-wide financial statement so as not to distort the direct costs and program revenues reported in the various functions concerned.

Transfers between governmental and business-type activities are reported at the net amount in the government-wide statement of activities. Interfund receivables and payables have been eliminated from the government-wide statement of net assets.

Program Revenues/Operating Revenues and Expenses From Non-Operating Items – Amounts reported as program revenues include 1) charges for fees, rental, material, supplies, or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

D. **Budgetary Data**

Budgets are presented on the modified accrual basis of accounting for all governmental funds and on the accrual basis for proprietary funds. Budgets are not adopted for the agency fund. All annual appropriations lapse at fiscal year end. The following procedures are used in establishing the budgetary data reflected in the financial statements.

1. A formal budget is adopted for all funds, which require a budget: all general, special revenue, debt service, capital projects, permanent funds and enterprise funds. The budget is a complete financial plan, which identifies all estimated revenues and all appropriations for expenditure for the year. The budget must balance, that is estimated revenues and other financing sources must equal appropriated expenditures.
2. By November 1, the County Auditor submits to the Board of County Commissioners a proposed operating budget for the fiscal year for all funds beginning January 1.
3. The Board of County Commissioners discusses and approves the budget and sets a date for a public hearing on the proposed budget.
4. A public hearing is held to obtain taxpayer comments and the budget is adopted.
5. The Commission can transfer budgeted amounts between line items or departments by resolution, but any action that increases the total general fund budget must be approved by resolution only after a public hearing. (The budgets of other funds may be increased after giving public notice).

E. **Cash and Cash Equivalents and Investments**

Cash and investment management in the County is administered by the County Treasurer in accordance with the Utah Money Management Act, Section 51-7 of the Utah code. The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers' Investment Fund (PTIF).

When both restricted and unrestricted resources are available for use, it is the County's general policy to use restricted resources first, and then unrestricted resources as they are needed.

Statements of cash flow are presented for proprietary funds under the direct method.

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

F. Inventories

Inventories are stated at the lower of cost or market, determined on a first-in, first-out basis. Inventories are accounted for under the consumption method where inventories are recorded as expenditures when consumed rather than when purchased.

G. Compensated Absences

It is the County's policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits. An estimate of sick leave liability and vacation pay is accrued when incurred in government-wide financial statements and proprietary funds and reported as a liability.

Employees can carry over up to 192 hours of unused vacation from one year to the next. Hours that exceed the 192 hours are lost if unused. Employees can carry over unlimited hours of unused sick leave from one year to the next. However, employees will only be paid for unused sick leave upon termination or retirement, at a rate of 4 to 1 or one month's base salary at their then current rate of pay, whichever is less.

Accrued unpaid vacation pay and other employee benefit amounts, which vest to the employee in the government-wide financial statements for governmental activities total \$866,201.

H. Long-Term Obligations

In the government-wide financial statements, and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

I. Capital Assets

Capital assets include land, rights of ways, buildings, improvements other than buildings, machinery and equipment, and infrastructure (roads and bridges). These assets are reported in the government-wide financial statements in the relevant column on the Statement of Net Assets under governmental or business 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. Assets purchased or constructed are generally recorded at cost. If precise cost is not available (as was the case with certain infrastructure), the asset is recorded at estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

When constructing capital assets, interest expense incurred relating to governmental or proprietary activities is not capitalized.

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

I. **Capital Assets (Continued)**

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

Buildings	20-50 years
Improvements	15-40 years
Equipment	5-10 years
Infrastructure, (bridges)	20-50 years

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 position is reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

In the governmental fund financial statements, fund balances are classified as reserved, unreserved designated, or unreserved undesignated. Reserves represent those portions of fund balance not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

2. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

Primary Government Governmental activities:	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Capital assets not being depreciated:				
Land	\$ 1,867,894			\$ 1,867,894
Rights of Way	1,401,918			1,401,918
Water stock	146,000			146,000
Construction in progress	10,215,583	\$ 28,403,140	\$ (22,404,755)	16,213,968
Total capital assets not not being depreciated	\$ 13,631,395	\$ 28,403,140	\$ (22,404,755)	\$ 19,629,780
Capital assets being depreciated:				
Buildings	\$ 42,120,870	\$ 43,864		\$ 42,164,734
Improvements other than buildings	19,170,694	22,718,943	\$ (6,635)	41,883,002
Machinery and equipment	20,475,821	319,656	(201,978)	20,593,499
Infrastructure (Roads & Bridges)	157,367,458			157,367,458
Total capital assets being depreciated	\$ 239,134,843	\$ 23,082,463	\$ (208,613)	\$ 262,008,693
Less accumulated depreciation for:				
Buildings	\$ 10,241,856	\$ 1,032,345		\$ 11,274,201
Improvements other than buildings	7,770,169	902,003	\$ (3,791)	8,668,381
Machinery and equipment	13,823,457	1,369,231	(201,978)	14,990,710
Infrastructure (Roads & Bridges)	83,810,966	2,387,753		86,198,719
Total accumulated depreciation	\$ 115,646,448	\$ 5,691,332	\$ (205,769)	\$ 121,132,011
Total capital assets, being depreciated, net	\$ 123,488,395	\$ 17,391,131	\$ (2,844)	\$ 140,876,682
Governmental activities capital assets, net	\$ 137,119,790	\$ 45,794,271	\$ (22,407,599)	\$ 160,506,462

2. CAPITAL ASSETS (Continued)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 198,000			\$ 198,000
Total capital assets not being depreciated	\$ 198,000	\$...	\$...	\$ 198,000
Capital assets being depreciated:				
Buildings	\$ 1,576,152			\$ 1,576,152
Machinery and equipment	327,032			327,032
Total capital assets being depreciated	\$ 1,903,184	\$...	\$...	\$ 1,903,184
Less accumulated depreciation for:				
Buildings	\$ 1,082,490	\$ 39,404		\$ 1,121,894
Machinery and equipment	156,139	17,358		173,497
Total accumulated depreciation	\$ 1,238,629	\$ 56,762	\$...	\$ 1,295,391
Total capital assets, being depreciated, net	\$ 664,555	\$ (56,762)	\$...	\$ 607,793
Business-type activities capital assets, net	\$ 862,555	\$ (56,762)	\$...	\$ 805,793

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

Governmental activities:

General government	\$ 521,842
Public safety	373,626
Public Health	40,023
Highways and public improvements	4,482,020
Parks and recreation	264,759
Conservation and economic development	9,062
Total depreciation expense - governmental activities	\$ 5,691,332

Business-type activities:

County Court Complex	\$ 56,762
Total depreciation expense - Business-Type Activities	\$ 56,762
Total depreciation expense	\$ 5,748,094

2. CAPITAL ASSETS (Continued)

Component units:	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Capital assets not being depreciated:				
Land and rights of way	\$ 1,723,164	\$ 45,570		\$ 1,768,734
Water stock	110,000			110,000
Works of art	11,500			11,500
Work in progress	501,362	214,760	\$ 501,362	214,760
Total capital assets not being depreciated	\$ 2,346,026	\$ 260,330	\$ 501,362	\$ 2,104,994
Capital assets being depreciated:				
Buildings	\$ 7,648,130	\$ 29,726		\$ 7,677,856
Improvements other than buildings	3,934,411	440,148		4,374,559
Machinery and equipment	802,992	9,200		812,192
Total capital assets being depreciated	\$ 12,385,533	\$ 479,074	\$...	\$ 12,864,607
Less accumulated depreciation for:				
Buildings	\$ 641,486	\$ 191,698		\$ 833,184
Improvements other than buildings	1,837,244	154,456		1,991,700
Machinery and equipment	370,454	58,983		429,437
Total accumulated depreciation	\$ 2,849,184	\$ 405,137	\$...	\$ 3,254,321
Total capital assets, being depreciated, net	\$ 9,536,349	\$ 73,937	\$...	\$ 9,610,286
Component units capital assets, net	\$ 11,882,375	\$ 334,267	\$ 501,362	\$ 11,715,280

Depreciation expense was recorded as an expense for the following component units:

Carbon County Recreation & Transportation Special Service District	\$ 372,637
Scofield Reservoir Special Service District	32,500
Total depreciation expense	\$ 405,137

3. LONG-TERM DEBT

Primary Government

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

Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 1,239,336	\$ 139,950	\$ 1,379,286			
2016	1,632,336	136,600	1,768,936			
2017	1,640,336	133,175	1,773,511			
2018	1,647,000	129,675	1,776,675			
2019	1,657,000	126,075	1,783,075			
2020-2024	8,426,000	573,125	8,999,125			
2025-2029	7,776,496	468,675	8,245,171			
2030-2034	3,394,000	350,500	3,744,500			
2035-2039	2,152,200	216,700	2,368,900			
2040-2043	2,009,984	65,300	2,075,284			
	<u>\$ 31,574,688</u>	<u>\$ 2,339,775</u>	<u>\$ 33,914,463</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>

Revenue Bonds – Revenue Bonds payable at December 31, 2014, with their outstanding balances are comprised of the following individual issues:

CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2001A (ACTIVE RE-ENTRY BUILDING)

The Municipal Building Authority of Carbon County Utah sold \$400,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct an office building. The building will be leased to Active Re-Entry, a non-profit corporation.

DATE	INTEREST	PRINCIPAL	TOTAL
09-01-15		\$ 16,000	\$ 16,000
09-01-16		16,000	16,000
09-01-17		16,000	16,000
09-01-18		16,000	16,000
09-01-19		16,000	16,000
2020-2024		80,000	80,000
2025-2026		31,190	31,190
	<u>\$...</u>	<u>\$ 191,190</u>	<u>\$ 191,190</u>

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

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2001B
(FAIRGROUNDS BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$120,000 in revenue bonds. The bonds are non-interest bearing. The proceeds will be used to construct buildings at the Carbon County Fairgrounds. The buildings will be leased to Carbon County.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
09-01-15		\$ 6,000	\$ 6,000
09-01-16		6,000	6,000
09-01-17		6,000	6,000
09-01-18		6,000	6,000
09-01-19		6,000	6,000
2020-2022		18,000	18,000
	<u>\$...</u>	<u>\$ 48,000</u>	<u>\$ 48,000</u>

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006A
(EMERGENCY SERVICES BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$275,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a building to house the County's emergency service agencies.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-15		\$ 14,000	\$ 14,000
01-01-16		14,000	14,000
01-01-17		14,000	14,000
01-01-18		14,000	14,000
01-01-19		14,000	14,000
2020-2024		70,000	70,000
2025-2027		37,000	37,000
	<u>\$...</u>	<u>\$ 177,000</u>	<u>\$ 177,000</u>

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

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006B
(EMERGENCY SERVICES BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$2,166,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a building to house the County's emergency service agencies.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-15		\$ 108,000	\$ 108,000
01-01-16		108,000	108,000
01-01-17		108,000	108,000
01-01-18		108,000	108,000
01-01-19		108,000	108,000
2020-2024		540,000	540,000
2025-2027		330,000	330,000
	<u>\$...</u>	<u>\$ 1,410,000</u>	<u>\$ 1,410,000</u>

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006C
(ROAD AND MAINTENANCE BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$1,525,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a new road and maintenance building to house the County's road shop and abatement functions.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-15		\$ 61,000	\$ 61,000
01-01-16		61,000	61,000
01-01-17		61,000	61,000
01-01-18		61,000	61,000
01-01-19		61,000	61,000
2020-2024		305,000	305,000
2025-2029		305,000	305,000
2030-2032		183,000	183,000
	<u>\$...</u>	<u>\$ 1,098,000</u>	<u>\$ 1,098,000</u>

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

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006D
(NORTH SPRINGS SHOOTING RANGE)**

The Municipal Building Authority of Carbon County Utah sold \$1,290,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a new outdoor shooting range.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-15		\$ 65,000	\$ 65,000
01-01-16		65,000	65,000
01-01-17		65,000	65,000
01-01-18		65,000	65,000
01-01-19		65,000	65,000
2020-2024		325,000	325,000
2025-2027		185,000	185,000
	<u>\$...</u>	<u>\$ 835,000</u>	<u>\$ 835,000</u>

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006E
(FAIRGROUNDS EXPO BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$998,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to expand the exhibition building at the County's fairgrounds.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-15		\$ 50,000	\$ 50,000
01-01-16		50,000	50,000
01-01-17		50,000	50,000
01-01-18		50,000	50,000
01-01-19		50,000	50,000
2020-2024		250,000	250,000
2025-2027		148,000	148,000
	<u>\$...</u>	<u>\$ 648,000</u>	<u>\$ 648,000</u>

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

MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE REVENUE BONDS SERIES 2006F (DEPT. OF NATURAL RESOURCES BUILDING)

The Municipal Building Authority of Carbon County Utah sold \$3,100,000 in revenue bonds. The proceeds from the bonds will be used to construct a commercial building. The bonds are non-interest bearing.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
04-01-15		\$ 155,000	\$ 155,000
04-01-16		155,000	155,000
04-01-17		155,000	155,000
04-01-18		155,000	155,000
04-01-19		155,000	155,000
2020-2024		775,000	775,000
2025-2027		322,506	322,506
	<u>\$...</u>	<u>\$ 1,872,506</u>	<u>\$ 1,872,506</u>

MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE REVENUE BONDS SERIES 2007 (CONSUMER WASH ROAD)

The Municipal Building Authority of Carbon County Utah sold \$3,000,000 in non-interest bearing revenue bonds. The proceeds will be used to purchase and reconstruct 8.75 miles of the Consumer Wash Road.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-15		\$ 150,000	\$ 150,000
01-01-16		150,000	150,000
01-01-17		150,000	150,000
01-01-18		150,000	150,000
01-01-19		150,000	150,000
2020-2024		750,000	750,000
2025-2028		600,000	600,000
	<u>\$...</u>	<u>\$ 2,100,000</u>	<u>\$ 2,100,000</u>

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

MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE REVENUE BONDS SERIES 2008B (PUBLIC SERVICE ANNEX BUILDING)

The Municipal Building Authority of Carbon County Utah sold \$573,000 in revenue bonds. The proceeds from the bonds will be used to construct a commercial building. The bonds are non-interest bearing.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
04-01-15		\$ 29,000	\$ 29,000
04-01-16		29,000	29,000
04-01-17		29,000	29,000
04-01-18		29,000	29,000
04-01-19		29,000	29,000
2020-2024		144,000	144,000
2025-2029		139,000	139,000
	<u>\$...</u>	<u>\$ 428,000</u>	<u>\$ 428,000</u>

MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE REVENUE BONDS SERIES 2008C (EQUIPMENT STORAGE SHOP)

The Municipal Building Authority of Carbon County Utah sold \$460,000 in revenue bonds. The proceeds from the bonds will be used to construct a commercial building. The bonds are non-interest bearing.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
10-01-15		\$ 23,000	\$ 23,000
10-01-16		23,000	23,000
10-01-17		23,000	23,000
10-01-18		23,000	23,000
10-01-19		23,000	23,000
2020-2024		115,000	115,000
2025-2028		92,000	92,000
	<u>\$...</u>	<u>\$ 322,000</u>	<u>\$ 322,000</u>

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

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE
REVENUE BONDS SERIES 2008 (CARBONVILLE ROAD PROJECT)**

The Municipal Building Authority of Carbon County Utah sold \$1,000,000 in revenue bonds. The proceeds from the bonds will be used to make major road improvements. The bonds are non-interest bearing.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-15		\$ 40,000	\$ 40,000
01-01-16		40,000	40,000
01-01-17		40,000	40,000
01-01-18		40,000	40,000
01-01-19		40,000	40,000
2020-2024		200,000	200,000
2025-2029		200,000	200,000
2030-2034		200,000	200,000
	<u>\$...</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE
REVENUE BONDS SERIES 2010 (CHILDREN’S JUSTICE CENTER BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$427,000 in revenue bonds. The proceeds from the bonds will be used to build a Children’s Justice Center Building. The bonds are non-interest bearing.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
07-01-15		\$ 14,000	\$ 14,000
07-01-16		14,000	14,000
07-01-17		14,000	14,000
07-01-18		14,000	14,000
07-01-19		14,000	14,000
2020-2024		70,000	70,000
2025-2029		70,000	70,000
2030-2034		71,000	71,000
2035-2039		75,000	75,000
2040		15,000	15,000
	<u>\$...</u>	<u>\$ 371,000</u>	<u>\$ 371,000</u>

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

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE
BOND- SERIES 2011A**

The Municipal Building of Carbon County Utah sold \$1,312,000 in revenue bonds during the current year. The proceeds will used to fund projects at the Carbon County Fairgrounds.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
07-01-15		\$ 44,000	\$ 44,000
07-01-16		44,000	44,000
07-01-17		44,000	44,000
07-01-18		44,000	44,000
07-01-19		44,000	44,000
2020-2024		220,000	220,000
2025-2029		220,000	220,000
2030-2034		219,000	219,000
2035-2039		215,000	215,000
2040-2041		86,000	86,000
	<u>\$...</u>	<u>\$ 1,180,000</u>	<u>\$ 1,180,000</u>

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE
BOND-SERIES 2011B**

The Municipal Building Authority sold \$1,250,000 in revenue bonds, to fund in part, the 9 Mile Canyon Road Project.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
07-01-15		\$ 83,000	\$ 83,000
07-01-16		83,000	83,000
07-01-17		83,000	83,000
07-01-18		83,000	83,000
07-01-19		83,000	83,000
2020-2024		418,000	418,000
2025-2026		168,000	168,000
	<u>\$...</u>	<u>\$ 1,001,000</u>	<u>\$ 1,001,000</u>

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

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE
BOND - SERIES 2012**

The Municipal Building Authority of Carbon County Utah sold revenue bonds in the amount of \$1,000,000. The proceeds were used to construct a new animal shelter.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
10-01-15		\$ 33,000	\$ 33,000
10-01-16		33,000	33,000
10-01-17		33,000	33,000
10-01-18		33,000	33,000
10-01-19		33,000	33,000
2020-2024		165,000	165,000
2025-2029		165,000	165,000
2030-2034		167,000	167,000
2035-2039		170,000	170,000
2040-2042		102,000	102,000
	<u>\$...</u>	<u>\$ 934,000</u>	<u>\$ 934,000</u>

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH -
SERIES 2013A BONDS**

The Municipal Building Authority of Carbon County Utah sold bonds in the amount of \$5,745,000, bearing no interest. The proceeds are being used to construct a new courthouse.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
10-01-15		\$ 192,000	\$ 192,000
10-01-16		192,000	192,000
10-01-17		192,000	192,000
10-01-18		192,000	192,000
10-01-19		192,000	192,000
2020-2024		960,000	960,000
2025-2029		960,000	960,000
2030-2034		960,000	960,000
2035-2039		960,000	960,000
2040-2043		753,000	753,000
	<u>\$...</u>	<u>\$ 5,553,000</u>	<u>\$ 5,553,000</u>

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

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH -
SERIES 2013B BONDS**

The Municipal Building Authority of Carbon County Utah sold bonds in the amount of \$5,728,000, bearing 2.5% interest. The proceeds are being used to construct a new courthouse.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
10-01-15	\$ 139,950	\$ 134,000	\$ 273,950
10-01-16	136,600	137,000	273,600
10-01-17	133,175	140,000	273,175
10-01-18	129,675	144,000	273,675
10-01-19	126,075	148,000	274,075
2020-2024	573,125	795,000	1,368,125
2025-2029	468,675	899,000	1,367,675
2030-2034	350,500	1,018,000	1,368,500
2035-2039	216,700	1,152,000	1,368,700
2040-2043	65,300	1,031,000	1,096,300
	<u>\$ 2,339,775</u>	<u>\$ 5,598,000</u>	<u>\$ 7,937,775</u>

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE
BOND - SERIES 2014**

The Municipal Building Authority of Carbon County Utah sold bonds in the amount of \$6,500,000, bearing no interest. The proceeds are being used to construct roads in 9 mile canyon.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-15			
01-01-16		\$ 390,000	\$ 390,000
01-01-17		395,000	395,000
01-01-18		401,000	401,000
01-01-19		407,000	407,000
2020-2024		2,131,000	2,131,000
2025-2029		2,295,000	2,295,000
2030		481,000	481,000
	<u>\$...</u>	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>

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

SOUTHEASTERN UTAH DISTRICT HEALTH - BUILDING CAPITAL LEASE

Southeastern Utah District Health entered into a capital lease with Grand County Building Authority for the purchase of land, building and improvements.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-15		\$ 22,336	\$ 22,336
01-01-16		22,336	22,336
01-01-17		22,336	22,336
01-01-18		19,000	19,000
01-01-19		19,000	19,000
2020-2024		95,000	95,000
2025-2029		95,000	95,000
2030-2034		95,000	95,000
2035-2039		95,000	95,000
2040		22,984	22,984
	<u>\$...</u>	<u>\$ 507,992</u>	<u>\$ 507,992</u>

3. LONG-TERM DEBT (Continued)

SUMMARY OF NET CHANGES - PRIMARY GOVERNMENT

<u>Description</u>	<u>Balance 01-01-14</u>	<u>Retired</u>	<u>Issued</u>	<u>Balance 12-31-14</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Lease Revenue 2001A	\$ 207,190	\$ (16,000)		\$ 191,190	\$ 16,000
Lease Revenue 2001B	54,000	(6,000)		48,000	6,000
MBA Lease Revenue 2006A	191,000	(14,000)		177,000	14,000
MBA Lease Revenue 2006B	1,518,000	(108,000)		1,410,000	108,000
MBA Lease Revenue 2006C	1,159,000	(61,000)		1,098,000	61,000
MBA Lease Revenue 2006D	900,000	(65,000)		835,000	65,000
MBA Lease Revenue 2006E	698,000	(50,000)		648,000	50,000
MBA Lease Revenue 2006F	2,027,506	(155,000)		1,872,506	155,000
MBA Lease Revenue 2007	2,250,000	(150,000)		2,100,000	150,000
MBA Lease Revenue 2008B	457,000	(29,000)		428,000	29,000
MBA Lease Revenue 2008C	345,000	(23,000)		322,000	23,000
MBA Lease Revenue 2008	840,000	(40,000)		800,000	40,000
MBA Lease Revenue 2010	385,000	(14,000)		371,000	14,000
MBA Lease Revenue 2011A	1,224,000	(44,000)		1,180,000	44,000
MBA Lease Revenue 2011B	1,084,000	(83,000)		1,001,000	83,000
MBA Lease Revenue 2012	967,000	(33,000)		934,000	33,000
MBA Bond Series 2013A		(192,000)	\$ 5,745,000	5,553,000	192,000
MBA Bond Series 2013B		(130,000)	5,728,000	5,598,000	134,000
MBA Lease Revenue 2014			6,500,000	6,500,000	
	<u>\$ 14,306,696</u>	<u>\$ (1,213,000)</u>	<u>\$ 17,973,000</u>	<u>\$ 31,066,696</u>	<u>\$ 1,217,000</u>
<u>Governmental Activities</u>					
SEUDH Capital Leases:					
Series 2011	<u>\$ 530,328</u>	<u>\$ (22,336)</u>		<u>\$ 507,992</u>	<u>\$ 22,336</u>
	<u>\$ 530,328</u>	<u>\$ (22,336)</u>	<u>\$...</u>	<u>\$ 507,992</u>	<u>\$ 22,336</u>

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

COMPONENT UNITS

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

<u>YEAR ENDING DECEMBER 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2015	\$ 140,000		\$ 140,000
2016	140,000		140,000
2017	140,000		140,000
2018	140,000		140,000
2019	140,000		140,000
2020-2024	700,000		700,000
2025-2029	700,000		700,000
2030-2034	700,000		700,000
2035-2039	700,000		700,000
2040-2041	280,000		280,000
	<u>\$ 3,780,000</u>	<u>\$...</u>	<u>\$ 3,780,000</u>

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

During 2009, Carbon County Recreation & Transportation Special Service District's Local Building Authority issued \$4,200,000 of Taxable Lease Revenue Bonds, Series 2009 for the construction of the Senior Citizen Center. The bonds carry an annual interest rate of 0%. The District's Local Building Authority is required to make principal payments each July 1st until the bonds mature on July 1, 2041. The repayment schedule is as follows:

<u>DATE PAYMENT DUE</u>	<u>PRINCIPAL DUE</u>	<u>TOTAL</u>
2015	\$ 140,000	\$ 140,000
2016	140,000	140,000
2017	140,000	140,000
2018	140,000	140,000
2019	140,000	140,000
2020-2024	700,000	700,000
2025-2029	700,000	700,000
2030-2034	700,000	700,000
2035-2039	700,000	700,000
2040-2041	280,000	280,000
	<u>\$ 3,780,000</u>	<u>\$ 3,780,000</u>

SUMMARY OF NET CHANGES - COMPONENT UNITS

<u>Description</u>	<u>Balance 01-01-14</u>	<u>Retired</u>	<u>Issued</u>	<u>Balance 12-31-14</u>	<u>Due Within One Year</u>
CCR&TSSD - Local Bldg Authority Taxable Lse Rev Bond Series 2009	<u>\$ 3,920,000</u>	<u>\$ (140,000)</u>		<u>\$ 3,780,000</u>	<u>\$ 140,000</u>
	<u>\$ 3,920,000</u>	<u>\$ (140,000)</u>	<u>\$...</u>	<u>\$ 3,780,000</u>	<u>\$ 140,000</u>

4. **DEPOSITS AND INVESTMENTS**

It is the County's policy to follow the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) (the Act) in handling its depository and investment transactions. The Act creates the Utah Money Management Council (the "Council"), a five-member body, appointed by the Governor of the State, which exercises oversight of public deposits and investments.

The County maintains a cash and investment pool that is used by all funds. Each major fund's portion of this pool, and the aggregate portion of the pool relating to non-major funds, is displayed on the Balance Sheet for Governmental Funds and the Statement of Net Assets for proprietary funds, respectively, as "cash and investments." Total non-fiduciary cash and investments are also reflected on the government-wide Statement of Net Assets. The fiduciary fund's portion is found on the Statement of Fiduciary Assets and Liabilities. Income from the investment of the pooled cash is allocated based on each fund's balance in the pool. In addition, cash is separately held by several funds.

Custodial Credit Risk-Deposits

The Act requires the depositing of public funds only in a "qualified depository" or a "permitted depository". A "qualified depository" is a Utah depository institution, which complies with capital ratios and public deposit limits established by rule of the Council and which has been certified by the State Commissioner of Financial Institutions for deposit of public funds. A "permitted depository" is an out-of-state financial institution that meets quality criteria established by rule of the Council. The 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 deposits are insured up to \$250,000, per account by the Federal Deposit Insurance Corporation. The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Uninsured deposits are not collateralized nor are they required to be by State statute. At December 31, 2014, the bank balance of the County's deposits was \$3,080,003. Of this balance, \$500,000 was insured. The remaining balance, \$2,580,003 was uninsured.

Investments

Investments are recorded at fair value or at cost where there is no material difference from fair value based upon quoted market prices as of December 31, 2014, with the difference between the purchase price and market price being recorded as interest income.

The Act also defines the types of securities allowed as appropriate investments for the County and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories, certified dealers, or directly with the issuer of the securities.

Allowable investments under the Act include:

- Negotiable or nonnegotiable deposits of qualified depositories and permitted depositories.
- Repurchase agreements with qualified depositories or government security dealers certified by the director of the State Division of Securities as meeting quality criteria established by the State Money Management Council.

4. DEPOSITS AND INVESTMENTS (Continued)

Allowable investments under the Act include (Continued):

- Commercial paper, which has a remaining term of 270 days or less, which is classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Service or Standard and Poor’s.
- Bankers’ acceptances, that are eligible for discount at a Federal reserve bank, and which have a remaining term of 270 days or less.
- Obligations of the United States Treasury, including bills, notes, and bonds.
- Obligations other than mortgage pools and other mortgage derivative products issued by or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Farm Credit banks, Federal Home Loan banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Federal Agriculture Mortgage Corporation, and Tennessee Valley Authority.
- Corporate obligations maturing in two years or less, which are rated “A” or higher by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Service or Standard and Poor’s.
- Shares or certificates in a money market mutual fund that comply with Rule 2a-7 of the Securities Exchange Commission.
- Utah Public Treasurer’s Investment Fund.

The carrying amount and fair value of the County’s investments at December 31, 2014 is as follows:

<u>Investment Type</u>	Carrying Amount and Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Debt Securities:					
Repurchase Agreements	\$ 6,861,879	\$ 6,861,879			
	\$ 6,861,879	\$ 6,861,879	\$...	\$...	\$...
Other Investments:					
Utah Public Treas. Invest. Fund	20,899,966				
Total investments	\$ 27,761,845				

4. **DEPOSITS AND INVESTMENTS (Continued)**

The Utah Public Treasurer's Investment Fund ("the Pool") is a voluntary external Local Government Investment Pool managed by the Utah State Treasurer to improve investment efficiency and yield. These monies are invested in securities permitted by the Act and contain no withdrawal restrictions other than timely notice of intent to withdraw an amount greater than \$2,000,000. Investment activity of the State Treasurer in the management of the Pool is reviewed monthly by the Council and is audited by the Utah State Auditor. Monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds.

Government and agency securities consist of U.S. Treasury bonds, notes and bills, Federal Home notes and government mutual funds with underlying securities that are U.S. Treasury bonds, notes and bills.

Interest Rate Risk-Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The County's policy for managing interest rate risk is to comply with the Utah Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and to 365 days or less for fixed rate negotiable deposits, and fixed rate corporate obligations. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County and Component Units follows the Utah Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk.

The County's rated debt investments as of December 31, 2014 were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale.

	Carrying Amount and Fair Value	Quality Rating
<u>Debt Securities</u>		
Repurchase Agreements	\$ 6,861,879	Not Rated

4. **DEPOSITS AND INVESTMENTS (Continued)**

Custodial Credit Risk-Investment

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the County will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County complies with the custody requirements of the Utah Money Management Act and Rules of the Money Management Council. All investment securities are required to be held by the public treasurer, in safekeeping by a bank or trust company, or in a book-entry-only record maintained by a securities depository, in the Federal Book Entry system or in the book-entry records of the issuer of the security in the name of the public entity. All investment securities are held in a qualified depository certified by the Commissioner of Financial Institutions as adhering to the rules of the Utah Money Management Council or in the book entry records of the issuer of the security.

The County's investments at December 31, 2014 were held by the County or in the County's name by the County's custodial banks except for repurchase agreements with qualified depositories totaling \$6,861,879 where the underlying securities were uninsured and held by the investment's counterparty, not in the name of the County.

Concentration of Credit Risk-Investment

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The County's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between 5% and 10% depending upon the total dollar amount held in the portfolio. The Money Management Council limitations do not apply to securities issued by the United States government and its agencies. The County complies with the concentration limits of Rule 17 of the Utah Money Management Act.

Total Reconciliation

Description	Primary Government	Component Units	Fiduciary Funds
Cash and cash equivalents	\$ 18,705,205	\$ 680,719	\$ 5,514,437
Restricted cash and cash equivalents	9,427,629	8,133,665	
	<u>\$ 28,132,834</u>	<u>\$ 8,814,384</u>	<u>\$ 5,514,437</u>
Deposits	\$ 370,989	\$ 865,311	\$ 2,173,913
Investments (includes PTIF and Sweep accts.)	27,761,845	7,949,073	3,340,524
	<u>\$ 28,132,834</u>	<u>\$ 8,814,384</u>	<u>\$ 5,514,437</u>

5. RETIREMENT PLAN - PRIMARY GOVERNMENT

Local Governmental – Cost Sharing

Plan Description – The County contributes to the Local Governmental Contributory Retirement System and the Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers with Social Security coverage, administered by the Utah Retirement Systems (the Systems). The Systems provides retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (the Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory and Non-Contributory Retirement Systems and Public Safety. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-753-7361.

Funding Policy - The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The County is required to contribute a percentage of covered salary to the respective systems, as follows:

<u>Utah Retirement Systems</u>	<u>Employee Paid</u>	<u>Paid by Employer For Employee</u>	<u>Employer Contribution Rates</u>
<u>January 2014 - June 2014</u>			
Contributory System:			
Local Governmental Division Tier 1		6.00%	13.28%
Local Governmental Division Tier 2			15.11%
Noncontributory System:			
Local Governmental Division Tier 1			17.29%
<u>July 2014 - December 2014</u>			
Contributory System:			
Local Governmental Division Tier 1		6.00%	14.46%
Local Governmental Division Tier 2			14.94%
Noncontributory System:			
Local Governmental Division Tier 1			18.47%
Public Safety System:			
Other Division A Contributory Tier 2			23.71%
Other Division A Noncontributory Tier 1			35.71%

5. RETIREMENT PLAN - PRIMARY GOVERNMENT (Continued)

The required contributions and amounts paid for the 2014 calendar year and the two previous calendar years are as follows for Carbon County:

<u>System</u>	<u>Year Ended 12/31</u>	<u>Employee Paid Contributions</u>	<u>Employer Paid For Employee Contributions</u>	<u>Employer Contributions</u>	<u>Salary Subject to Retirement Contributions</u>
Contributory System:					
Local Governmental Division Tier 1 and Tier 2					
	2014		\$ 21,713	\$ 97,536	\$ 924,785
	2013		21,738	74,368	696,890
	2012		21,450	53,995	539,950
Noncontributory System:					
Local Governmental Division Tier 1					
	2014			786,693	4,197,266
	2013			761,201	4,473,316
	2012			712,745	4,779,829
Contributory system:					
Public Safety Retirement System Tier 2					
	2014			11,489	105,496
	2013			7,849	70,959
	2012			5,378	49,144
Noncontributory system:					
Public Safety Retirement System Tier 1					
	2014			564,891	1,763,853
	2013			566,685	1,786,830
	2012			542,264	1,869,557
Defined Contribution System:					
457 Plan					
	2014	\$	53,712		
	2013		56,017		
	2012		56,749		
401(k) Plan					
	2014		132,174	69,507	
	2013		154,579	60,168	
	2012		147,666	42,123	

5. **RETIREMENT PLAN - PRIMARY GOVERNMENT (Continued)**

GASB 68 will be implemented by the Utah Retirement System and Carbon County in the 2015 audit year. Based off the unaudited numbers provided by URS in their December 31, 2014 CAFR, Carbon County expects to record a net pension liability in 2015 of approximately \$3,825,429. The net pension liability amount is dependent on an assumed earnings rate. The Assumed earnings rates and Net pension Liability amounts provided for Carbon County in the Unaudited URS report were as follows: Net Pension Liability at a 6.5% assumed earnings rate would be \$9,510,887. Net pension liability at a 7.5% assumed earnings rate would be \$3,825,429. There would be a net pension asset at an 8.5% assumed earnings rate of \$866,213.

SOUTHEASTERN UTAH DISTRICT HEALTH

The Health Department is required to contribute a percentage of covered salary to the respective systems, as follows:

<u>Utah Retirement Systems</u>	<u>Employee Paid</u>	<u>Paid by Employer For Employee</u>	<u>Employer Contribution Rates</u>
<u>January 2014 - June 2014</u>			
Contributory System:			
Local Governmental Division Tier 1	1.99%	4.01%	13.28%
Local Governmental Division Tier 2			15.11%
Noncontributory System:			
Local Governmental Division Tier 1			17.29%
<u>July 2014 - December 2014</u>			
Contributory System:			
Local Governmental Division Tier 1	1.99%	4.01%	14.46%
Local Governmental Division Tier 2			14.94%
Noncontributory System:			
Local Governmental Division Tier 1			18.47%

5. RETIREMENT PLAN - PRIMARY GOVERNMENT (Continued)

The required contributions and amounts paid for the 2014 calendar year and the two previous calendar years are as follows for Southeastern Utah District Health:

System	Year Ended 12/31	Employee Paid Contributions	Employer Paid For Employee Contributions	Employer Contributions	Salary Subject to Retirement Contributions
Contributory System:					
Local Governmental Division Tier 1 and Tier 2					
	2014	\$ 102	\$ 205	\$ 8,035	\$ 924,589
	2013	623	1,263	14,070	146,905
	2012	1,578	3,801	11,519	125,429
Noncontributory System:					
Local Governmental Division Tier 1					
	2014			211,358	1,145,543
	2013			201,633	1,166,954
	2012			178,295	1,288,078
Defined Contribution System:					
401(k) Plan					
	2014	46,960	25,557		
	2013	33,771	25,588		
	2012	45,124	4,316		
Roth IRA Plan					
	2014	5,900			
	2013	4,400			

6. CONTINGENT LIABILITIES

The County and certain of its officials are defendants in a variety of legal actions involving matters of contract, property, tort, taxation and civil rights. The resolution of these matters is not expected to have a material effect on the County's financial position and have not been provided for the accompanying financial statements.

7. PROPERTY TAXES

The County adopts, by June 22, the proposed tax rates as part of its budget for the current year, which began January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable on or before November 30.

The County Treasurer collects property taxes levied by the County and other taxing entities within the County (such as the school district). These tax collections are accounted for in the Treasurer's Tax Collection Trust. The Treasurer apportions and remits collected taxes to the Funds of the County and to other taxing entities periodically.

8. OFF BALANCE SHEET RISK

Carbon County, the Primary Government, and its Component Units have many bank accounts with various banking institutions. Some of the bank account balances are substantially over \$250,000. By maintaining several accounts with the same bank with balances exceeding \$250,000, the County has amounts that exceed the FDIC insurance limitation. Consequently, there is a potential loss to the extent that amounts are not insured.

9. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County pays an annual premium to ULGT (Utah Local Governments Trust) for its general insurance coverage.

The County continues to carry commercial insurance for workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past two years.

10. MUNICIPAL SOLID WASTE LANDFILLS

Carbon County has a landfill that operates within the County. The County has filed with the State for operating permits for the landfill and has received a written approval.

Carbon County has obtained information necessary to determine the nature and source of landfill closure and post closure care requirements. An amount of liability for closure and post closure care costs, estimated total current cost of closure and post closure care remaining to be recognized, percentage of landfill capacity used to date and the nature of the estimates and the potential for changes due to inflation or deflation, technology, or applicable laws or regulations has been calculated by the County and the engineers. The County has set aside an amount of \$97,661 to be put into an account held by the Utah Public Treasurer's Investment Pool.

11. **RECONCILIATION OF INTERFUND TRANSFERS**

The following table provides a reconciliation of all interfund transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General		\$ 1,981,244
Fairgrounds	\$ 502,525	
RSVP	10,500	
Economic development	108,000	
Capital projects	140,000	
Council on aging	593,717	
Nutrition	626,502	
	<u>\$ 1,981,244</u>	<u>\$ 1,981,244</u>

12. **BUDGETARY COMPLIANCE**

Unfavorable budget variances were incurred in the following funds:

GENERAL FUND -

General government -

Justice Court \$ 3,975

Clerk/Auditor 8,861

Micro filing 60

Engineering 8,802

Public safety -

Victims rights 1,938

Jail complex 20,503

Public health -

Public and mental health 114,448

Parks, recreation and public property -

Recreation - television 8,413

Other financing sources -

Transfers out 172,786

13. JOINT VENTURE

The County is a member of a joint venture known as Four Corners Community Mental Health Center.

Under Utah State Code Sections 17A-3-600 and 17A-3-700, the State has given substance abuse and mental health authorities to counties to provide mental health and substance abuse services to persons living within their boundaries. To comply with Utah State Code, Carbon, Emery and Grand counties have joined together and created Four Corners Community Mental Health Center. The Center is the entity created by the counties to hold the mental health and substance abuse authorities and provide services required by the State of Utah. The Center has been organized as a non-profit corporation and the governing boards of three counties appointed the original board of directors. The Center contracts with the counties to provide mental health and substance abuse services to the citizens of the three-county area. As part of this contract, the counties provide funds to the Center by contracting for grants with the State of Utah and passing proceeds through to the Center, and by each county making additional local contributions. Because of these agreements, the three counties have an ongoing financial responsibility.

Four Corners Community Mental Health Center, was audited for the fiscal year ended June 30, 2014, by Wiggins & Company, Ogden, Utah.

14. FUND BALANCE RESERVATIONS/NET POSITION RESTRICTIONS

GENERAL FUND –

\$574,230 is the balance of Restaurant tax collected, to be used for the promotion of tourism and related activity within the county and surrounding area.

\$97,661 is reserved to cover the estimated costs of the landfill closure at some future date.

MUNICIPAL SERVICES FUND –

\$4,035,182 is reserved for Class “B” Road expenditures for the County.

\$2,565,630 is the balance of Municipal Services Fund and has been reserved for the purpose of meeting sinking fund and reserve requirements of bond covenants.

SEU DISTRICT HEALTH DEPARTMENT –

\$413,787 is the restricted fund balance of Southeastern Utah Health District and represents amounts that are legally restricted for specific purposes by external contracts.

BUILDING AUTHORITY –

\$1,001,691 is for debt service requirements, \$1,706,722 is for capital expenditures

The remaining reserved fund balances simply represents the balance of funds available for expenditures related to the purpose for which the fund was created.

15. FUND EQUITY

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

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

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

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

Assigned Fund Balance-Fund balances are reported as assigned when the County intends to use funds, which are neither restricted nor committed, for a specific purpose. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.

Unassigned Fund Balance-Fund balances in the general fund are reported as unassigned when they are neither, restricted, committed nor assigned. They may be used for any governmental purpose. In other governmental funds, the unassigned classification is only used to report a negative fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the unwritten policy and practice of the County to consider restricted amounts to have been spent first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the unwritten policy and practice of the County that committed amounts will be spent first, followed by assigned amounts, and then unassigned amounts.

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

16. MAJOR CONSTRUCTION PROJECTS

During the current year (2014), the County began construction of a new County Building in a new location. The County has secured funding for the new building, which is comprised of a grant from the Community Impact Board (CIB) of \$6,000,900, two loans from the CIB for \$5,728,000 and \$5,745,000. The County is responsible to make a cash contribution of \$3,000,000, and in kind work of \$416,924. The estimated total cost of the project is \$20,890,824. The project was completed in 2015 and the County has secured all funding sources.

16. MAJOR CONSTRUCTION PROJECT (continued)

During the current year (2014), the County began construction of road improvements in an area called Nine Mile canyon. The County secured funding for the project, which comprised of a grant from the Community Impact Board (CIB) of \$9,750,000 and a loan from the CIB for \$6,500,000. The County was responsible to make a cash contribution of \$250,000, which has been performed. The estimated total cost of the project is \$16,500,000. The project is continuing and the County has secured all funding sources.

17. USE OF ESTIMATES

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

18. SUBSEQUENT EVENTS

The County's Building Authority is involved in road construction projects located in an area called Nine Mile Canyon, which is located in the North Eastern part of the County. The Building Authority has entered into a loan from the Community Impact Board in the amount of \$6,500,000 with an interest rate of 1.5%, a grant from the Community Impact Board in the amount of \$9,750,000 and the County is required to contribute cash of \$250,000 for the purpose of road construction in the Nine Mile Canyon area. The total estimated cost incurred by the County is estimated to be \$16,500,000. The first payment on the loan is due October 1, 2015 and will conclude in 2029. Payments range from \$486,640 to \$488,215 each year.

19. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has not reported any deferred outflows in the current financial statements.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has not reported any deferred inflows of resources in the current financial statements.

20. UNEARNED REVENUE

As part of the funding for the new County Building and the Nine Mile Road project, the County issued bonds to the Community Impact Board (CIB) and received grant funds from the CIB. The County received a combined \$17,973,000 in loans and a combined \$15,750,900 in grants. The County recorded the bonds as liabilities and the grants as revenue. At December 31, 2014, the County had not used all of the grant proceeds in these construction projects. The balance of the grants that have been received, but unused has been recorded as unearned revenue in the amount of \$6,786,746.

CARBON COUNTY

Required Supplementary Information

- EXHIBIT 13 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – General Fund
- EXHIBIT 14 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – Southeastern Utah District Health Department
- EXHIBIT 15 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – Municipal Services Fund
- EXHIBIT 16 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – Municipal Building Authority

**CARBON COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
REVENUES				
Taxes:				
General property taxes - current year	\$ 4,967,442	\$ 4,967,442	\$ 4,662,106	\$ (305,336)
General property taxes - assessing & collecting	929,201	929,201	887,595	(41,606)
Prior year taxes - delinquent	139,500	139,500	165,916	26,416
General sales and use taxes	900,000	900,000	974,802	74,802
Fees in lieu of taxes	650,000	650,000	794,670	144,670
Franchise taxes	10,000	10,000	18,219	8,219
Miscellaneous taxes	1,500	1,500	1,421	(79)
Total taxes	\$ 7,597,643	\$ 7,597,643	\$ 7,504,729	\$ (92,914)
Licenses and Permits:				
Business licenses and permits	\$ 42,000	\$ 42,000	\$ 45,308	\$ 3,308
Non-business licenses and permits	4,000	4,000	5,920	1,920
Total licenses and permits	\$ 46,000	\$ 46,000	\$ 51,228	\$ 5,228
Intergovernmental Revenues:				
Federal sources -				
Children's Justice	\$ 364,995	\$ 364,995	\$ 310,790	\$ (54,205)
Victim's Rights	35,287	35,287	36,309	1,022
Forest Reserve			15,665	15,665
Miscellaneous			9,125	9,125
Total federal sources	\$ 400,282	\$ 400,282	\$ 371,889	\$ (28,393)
State sources -				
Payment in lieu of tax	\$ 6,000	\$ 6,000	\$ 131,114	\$ 125,114
Jail reimbursements	15,000	15,000	22,423	7,423
EMS Grant	30,000	30,000	57,283	27,283
Mineral reserve funds	900,000	900,000	888,138	(11,862)
Miscellaneous			145,608	145,608
Total state sources	\$ 951,000	\$ 951,000	\$ 1,244,566	\$ 293,566
Total intergovernmental revenues	\$ 1,351,282	\$ 1,351,282	\$ 1,616,455	\$ 265,173

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

**CARBON COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Charges for Services:				
General government -				
Recorder fees	\$ 82,000	\$ 82,000	\$ 87,078	\$ 5,078
Auditor fees	11,000	11,000	20,132	9,132
Miscellaneous	900	900	8,545	7,645
Total general government	\$ 93,900	\$ 93,900	\$ 115,755	\$ 21,855
Public safety -				
Jail fees	\$ 10,000	\$ 28,000	\$ 18,889	\$ (9,111)
Justice court surcharge	12,000	12,000	10,933	(1,067)
Court costs and fees	50,000	50,000	67,139	17,139
Total public safety	\$ 72,000	\$ 90,000	\$ 96,961	\$ 6,961
Other charges for services -				
Parks and public property	\$ 35,000	\$ 35,000	\$ 34,522	\$ (478)
Ambulance fees	1,050,000	1,050,000	946,767	(103,233)
G.I.S. fees	500	500	714	214
Total other charges for services	\$ 1,085,500	\$ 1,085,500	\$ 982,003	\$ (103,497)
Total charges for services	\$ 1,251,400	\$ 1,269,400	\$ 1,194,719	\$ (74,681)
Fines and Forfeitures:				
Fines	\$ 250,000	\$ 250,000	\$ 231,513	\$ (18,487)
Total fines and forfeitures	\$ 250,000	\$ 250,000	\$ 231,513	\$ (18,487)
Miscellaneous Revenues:				
Interest	\$ 35,000	\$ 35,000	\$ 35,774	\$ 774
Rents and concessions	27,000	27,000	21,496	(5,504)
Royalties and Mineral Leases	158,000	618,000	747,740	129,740
Sale of fixed assets	10,000	50,000	51,420	1,420
Airport fees and fuel sales	223,200	253,200	307,595	54,395
Tippage fees - ECDC	50,000	50,000	69,254	19,254
Sale of materials and supplies	15,000	15,000	17,316	2,316
Contributions	1,209,053	1,209,053	21,980	(1,187,073)
Miscellaneous	56,000	86,235	142,563	56,328
Total miscellaneous revenues	\$ 1,783,253	\$ 2,343,488	\$ 1,415,138	\$ (928,350)
Total Revenues	\$ 12,279,578	\$ 12,857,813	\$ 12,013,782	\$ (844,031)

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

CARBON COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
EXPENDITURES				
Current:				
General Government:				
Commission	\$ 435,740	\$ 435,740	\$ 389,698	\$ 46,042
Justice court	277,560	280,060	284,035	(3,975)
District court	5,000	5,000	4,036	964
Public defender	260,000	260,000	250,669	9,331
Personel	221,425	221,425	195,502	25,923
Clerk/Auditor	330,100	330,100	338,961	(8,861)
Treasurer	160,850	160,850	158,351	2,499
Recorder	265,045	265,045	259,108	5,937
Attorney	845,300	881,300	836,999	44,301
Assessor	436,300	470,300	427,359	42,941
Non-Departmental	491,322	508,322	453,929	54,393
Data processing	490,050	581,850	414,400	167,450
Central purchasing	5,000	5,000		
Micro filming			60	(60)
Central mailing	28,000	28,000	21,810	6,190
Communications	98,200	35,800	18,217	17,583
Attorney - Childrens Justice	384,205	384,205	366,393	17,812
Building and grounds	138,200	153,200	140,820	12,380
Engineering	227,400	227,400	236,202	(8,802)
Safety	10,000	10,000	9,744	256
Elections	27,000	27,000	12,317	14,683
Graphical information service	308,100	308,100	294,498	13,602
Industrial park	90,200	93,200	93,059	141
Total general government	\$ 5,534,997	\$ 5,671,897	\$ 5,206,167	\$ 460,730
Public Safety:				
Victims rights	\$ 62,500	\$ 62,500	\$ 64,438	\$ (1,938)
Dispatch	343,800	343,800	332,005	11,795
Ambulance service	1,482,000	1,482,000	1,044,999	437,001
Jail complex	1,858,300	1,866,300	1,886,803	(20,503)
Total public safety	\$ 3,746,600	\$ 3,754,600	\$ 3,328,245	\$ 426,355

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

CARBON COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Public Health:				
Indigent	\$ 18,000	\$ 18,000	\$ 2,400	\$ 15,600
Public health	121,600	121,600	121,849	(249)
Mental health	232,500	232,500	346,699	(114,199)
Total public health	\$ 372,100	\$ 372,100	\$ 470,948	\$ (98,848)
Highways and Public Improvements:				
Landfill	\$ 353,948	\$ 353,948	\$ 289,213	\$ 64,735
Maintenance and abatement	506,600	506,600	469,025	37,575
Airport	395,300	395,300	369,691	25,609
Total highways and public improvements	\$ 1,255,848	\$ 1,255,848	\$ 1,127,929	\$ 127,919
Parks, Recreation and Public Property:				
Recreation - Television	\$ 33,200	\$ 140,800	\$ 149,213	\$ (8,413)
Library	100,000	100,000	99,484	516
Total parks, recreation and public property	\$ 133,200	\$ 240,800	\$ 248,697	\$ (7,897)
Conservation and Economic Development:				
Agriculture and extension services	\$ 60,100	\$ 60,335	\$ 55,187	\$ 5,148
Total conservation and economic development	\$ 60,100	\$ 60,335	\$ 55,187	\$ 5,148
Contributions and Miscellaneous:				
Contributions to other governmental agencies	\$ 152,000	\$ 125,000	\$ 124,663	\$ 337
Rents	27,800	27,800	21,600	6,200
Miscellaneous	36,714	44,400	12,400	32,000
Total contributions and miscellaneous	\$ 216,514	\$ 197,200	\$ 158,663	\$ 38,537
Total expenditures	\$ 11,319,359	\$ 11,552,780	\$ 10,595,836	\$ 951,944
Excess of revenues over (under) expenditures	\$ 960,219	\$ 1,305,033	\$ 1,417,946	\$ 107,913

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

**CARBON COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (960,219)	\$ (1,808,458)	\$ (1,981,244)	\$ (172,786)
Total other financing sources (uses)	\$ (960,219)	\$ (1,808,458)	\$ (1,981,244)	\$ (172,786)
Excess of revenues and other sources over (under) expenditures and other uses		\$ (503,425)	\$ (563,298)	\$ (59,873)
Fund balance - beginning of year		503,425	4,968,725	4,465,300
Fund balance - end of year	\$...	\$...	\$ 4,405,427	\$ 4,405,427

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

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUES				
Intergovernmental				
Federal, State and Local funds	<u>\$ 2,062,036</u>	<u>\$ 2,032,220</u>	<u>\$ 1,820,136</u>	<u>\$ (212,084)</u>
Total Intergovernmental	<u>\$ 2,062,036</u>	<u>\$ 2,032,220</u>	<u>\$ 1,820,136</u>	<u>\$ (212,084)</u>
Charges for services				
Charges for services	<u>\$ 924,555</u>	<u>\$ 924,555</u>	<u>\$ 759,946</u>	<u>\$ (164,609)</u>
Total Charges for services	<u>\$ 924,555</u>	<u>\$ 924,555</u>	<u>\$ 759,946</u>	<u>\$ (164,609)</u>
Miscellaneous				
Miscellaneous			<u>\$ 14,304</u>	<u>\$ 14,304</u>
Investment earnings			<u>1,005</u>	<u>1,005</u>
Total miscellaneous	<u>\$...</u>	<u>\$...</u>	<u>\$ 15,309</u>	<u>\$ 15,309</u>
Total Revenues	<u>\$ 2,986,591</u>	<u>\$ 2,956,775</u>	<u>\$ 2,595,391</u>	<u>\$ (361,384)</u>
EXPENDITURES				
Current:				
Public health	<u>\$ 2,986,591</u>	<u>\$ 2,956,775</u>	<u>\$ 2,534,089</u>	<u>\$ 422,686</u>
Total public health	<u>\$ 2,986,591</u>	<u>\$ 2,956,775</u>	<u>\$ 2,534,089</u>	<u>\$ 422,686</u>
Total expenditures	<u>\$ 2,986,591</u>	<u>\$ 2,956,775</u>	<u>\$ 2,534,089</u>	<u>\$ 422,686</u>
Excess of revenue over (under)				
expenditures			<u>\$ 61,302</u>	<u>\$ 61,302</u>
Fund balance - beginning of year			<u>627,985</u>	<u>627,985</u>
Fund balance - end of year	<u>\$...</u>	<u>\$...</u>	<u>\$ 689,287</u>	<u>\$ 689,287</u>

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

**CARBON COUNTY
MUNICIPAL SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Taxes	\$ 1,187,261	\$ 1,187,261	\$ 1,312,294	\$ 125,033
Licenses and permits	65,000	65,000	41,456	(23,544)
Intergovernmental	4,163,799	4,356,999	6,334,020	1,977,021
Charges for services	95,500	95,500	102,930	7,430
Contributions	1,000,000	1,000,000		
Interest Earnings	5,000	3,000	14,118	11,118
Miscellaneous	40,000	40,000	58,991	18,991
Total Revenues	\$ 6,556,560	\$ 6,747,760	\$ 7,863,809	\$ 2,116,049
EXPENDITURES:				
General government	\$ 92,000	\$ 92,000	\$ 86,549	\$ 5,451
Public safety	3,680,355	3,871,555	3,749,566	121,989
Highways and public improvements	2,784,205	2,784,205	2,563,213	220,992
Total expenditures	\$ 6,556,560	\$ 6,747,760	\$ 6,399,328	\$ 348,432
Excess of revenue over (under) expenditures	\$...	\$...	\$ 1,464,481	\$ 2,464,481
OTHER FINANCING SOURCES (USES):				
Operating transfers in				
Operating transfers out				
Total other financing sources (uses)	\$...	\$...	\$...	\$...
Excess of revenue and other sources over (under) expenditures and other uses			\$ 1,464,481	\$ 2,464,481
Fund balance - beginning of year			5,136,331	5,136,331
Fund balance - end of year	\$...	\$...	\$ 6,600,812	\$ 7,600,812

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

**CARBON COUNTY
MUNICIPAL BUILDING AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ 31,638,000	\$ 31,682,000	\$ 27,718,292	\$ (3,963,708)
Contributions	328,000	328,000	295,000	(33,000)
Total Revenues	\$ 31,966,000	\$ 32,010,000	\$ 28,013,292	\$ (3,996,708)
EXPENDITURES:				
Bond principal - payments	\$ 891,000	\$ 1,213,000	\$ 1,213,000	
Bond interest and fiscal charges		116,000	115,753	\$ 247
Highways and public improvements	31,500,000	31,544,000	26,807,673	4,736,327
Total expenditures	\$ 32,391,000	\$ 32,873,000	\$ 28,136,426	\$ 4,736,574
Excess of revenue over (under) expenditures	\$ (425,000)	\$ (863,000)	\$ (123,134)	\$ 739,866
OTHER FINANCING SOURCES (USES):				
Transfers in				
Total other financing sources (uses)	\$...	\$...	\$...	\$...
Excess of revenue and other sources over (under) expenditures and other uses	\$ (425,000)	\$ (863,000)	\$ (123,134)	\$ 739,866
Fund balance - beginning of year	425,000	863,000	2,831,547	1,968,547
Fund balance - end of year	\$...	\$...	\$ 2,708,413	\$ 2,708,413

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

CARBON COUNTY
Supplementary Information

**CARBON COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	SPECIAL REVENUE FUNDS									PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUND
	CASTLE COUNTRY TRAVEL BUREAU	FAIR GROUNDS	CARBON LEISURE SERVICES	EMERGENCY TELEPHONE	CARBON COUNTY RDA	CARBON COUNTY FUTURE	R.S.V.P.	COUNCIL ON AGING	NUTRITION	TAX STABILITY	
<u>ASSETS</u>											
Cash and cash equivalents	\$ 585,161	\$ 500,374	\$ 163,191	\$ 49,589	\$ 532,113	\$ 29,327	\$ 29,386	\$ 190,833	\$ 126,103		\$ 2,206,077
Restricted - cash and cash equivalents										\$ 2,384,888	2,384,888
Receivables - other	22,870	4,674	400	25,441	24,746		8,000	6,088	21,653		113,872
Total assets	<u>\$ 608,031</u>	<u>\$ 505,048</u>	<u>\$ 163,591</u>	<u>\$ 75,030</u>	<u>\$ 556,859</u>	<u>\$ 29,327</u>	<u>\$ 37,386</u>	<u>\$ 196,921</u>	<u>\$ 147,756</u>	<u>\$ 2,384,888</u>	<u>\$ 4,704,837</u>
<u>LIABILITIES AND FUND BALANCES</u>											
LIABILITIES:											
Accounts payable	\$ 19,485	\$ 30,713	\$ 17,191	\$ 9,078		\$ 3,034	\$ 4,035	\$ 5,166	\$ 16,829		\$ 105,531
Accrued liabilities	9,523	21,177	16,091			5,037	3,324	17,245	29,370		101,767
Total liabilities	<u>\$ 29,008</u>	<u>\$ 51,890</u>	<u>\$ 33,282</u>	<u>\$ 9,078</u>	<u>\$...</u>	<u>\$ 8,071</u>	<u>\$ 7,359</u>	<u>\$ 22,411</u>	<u>\$ 46,199</u>	<u>\$...</u>	<u>\$ 207,298</u>
FUND BALANCES:											
Unreserved, reported in:											
Special revenue fund	\$ 579,023	\$ 453,158	\$ 130,309	\$ 65,952	\$ 556,859	\$ 21,256	\$ 30,027	\$ 174,510	\$ 101,557		\$ 2,112,651
Permanent - tax stability										\$ 2,384,888	2,384,888
Total fund balances	<u>\$ 579,023</u>	<u>\$ 453,158</u>	<u>\$ 130,309</u>	<u>\$ 65,952</u>	<u>\$ 556,859</u>	<u>\$ 21,256</u>	<u>\$ 30,027</u>	<u>\$ 174,510</u>	<u>\$ 101,557</u>	<u>\$ 2,384,888</u>	<u>\$ 4,497,539</u>
Total liabilities and fund equity	<u>\$ 608,031</u>	<u>\$ 505,048</u>	<u>\$ 163,591</u>	<u>\$ 75,030</u>	<u>\$ 556,859</u>	<u>\$ 29,327</u>	<u>\$ 37,386</u>	<u>\$ 196,921</u>	<u>\$ 147,756</u>	<u>\$ 2,384,888</u>	<u>\$ 4,704,837</u>

CARBON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	SPECIAL REVENUE FUNDS									PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	CASTLE COUNTRY TRAVEL BUREAU	FAIR GROUNDS	CARBON LEISURE SERVICES	EMERGENCY TELEPHONE	CARBON COUNTRY RDA	CARBON COUNTRY FUTURE	R.S.V.P.	COUNCIL ON AGING	NUTRITION	TAX STABILITY	
REVENUES:											
Taxes	\$ 246,142										\$ 246,142
Intergovernmental revenue	226,844	\$ 278,620	\$ 398,848		\$ 37,824		\$ 49,813	\$ 44,971	\$ 128,201		1,165,121
Charges for services		82,926	165,812	\$ 169,199				11,149	145,321		574,407
Contributions		10,281						500			10,781
Miscellaneous	5,107										5,107
Interest income				35						\$ 9,882	9,917
Total revenues	\$ 478,093	\$ 371,827	\$ 564,660	\$ 169,234	\$ 37,824	\$...	\$ 49,813	\$ 56,620	\$ 273,522	\$ 9,882	\$ 2,011,475
EXPENDITURES:											
Public safety				\$ 122,425							\$ 122,425
Parks, recreation and public property		\$ 799,847	\$ 568,881								1,368,728
Public health							\$ 62,247	\$ 477,042	\$ 849,408		1,388,697
Conservation and economic development	\$ 345,603					\$ 110,109					455,712
Total expenditures	\$ 345,603	\$ 799,847	\$ 568,881	\$ 122,425	\$...	\$ 110,109	\$ 62,247	\$ 477,042	\$ 849,408	\$...	\$ 3,335,562
Excess of revenues over (under) expenditures	\$ 132,490	\$ (428,020)	\$ (4,221)	\$ 46,809	\$ 37,824	\$ (110,109)	\$ (12,434)	\$ (420,422)	\$ (575,886)	\$ 9,882	\$ (1,324,087)
Other financing sources (uses):											
Transfers in		\$ 502,525				\$ 108,000	\$ 10,500	\$ 593,717	\$ 626,502		\$ 1,841,244
Total other financing sources (uses)	\$...	\$ 502,525	\$...	\$...	\$...	\$ 108,000	\$ 10,500	\$ 593,717	\$ 626,502	\$...	\$ 1,841,244
Excess of revenues and other sources over (under) expenditures and other uses	\$ 132,490	\$ 74,505	\$ (4,221)	\$ 46,809	\$ 37,824	\$ (2,109)	\$ (1,934)	\$ 173,295	\$ 50,616	\$ 9,882	\$ 517,157
Fund Balances - Beginning of year	446,533	378,653	134,530	19,143	\$ 519,035	23,365	31,961	1,215	50,941	2,375,006	3,980,382
Fund Balances - End of year	\$ 579,023	\$ 453,158	\$ 130,309	\$ 65,952	\$ 556,859	\$ 21,256	\$ 30,027	\$ 174,510	\$ 101,557	\$ 2,384,888	\$ 4,497,539

CARBON COUNTY
COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2014

	HEUGLY AND CARBON COUNTY	SOUTHEASTERN UTAH DISTRICT HEALTH	FOUR CORNERS COMMUNITY BEHAVIORAL HEALTH	DISTRICT AND PRECINCT COURT	CLERK'S TRUST	COLLECTION TRUST	TOTAL ALL FIDUCIARY FUNDS
<u>ASSETS</u>							
Cash and cash equivalents	\$ 21,272	\$ 719,722	\$ 1,229,516	\$ 38,878	\$ 215	\$ 3,504,835	\$ 5,514,438
Accounts receivable			445,759	3,492			449,251
Total assets	<u>\$ 21,272</u>	<u>\$ 719,722</u>	<u>\$ 1,675,275</u>	<u>\$ 42,370</u>	<u>\$ 215</u>	<u>\$ 3,504,835</u>	<u>\$ 5,963,689</u>
<u>LIABILITIES</u>							
Accounts payable		\$ 120,409	\$ 149,687	\$ 26,348			\$ 296,444
Precinct fees, bail and bonds payable	\$ 21,272			16,022			37,294
Due to taxing units						\$ 3,504,835	3,504,835
Miscellaneous reimbursements					\$ 215		215
Due to other agencies		599,313	1,525,288				2,124,601
Total liabilities	<u>\$ 21,272</u>	<u>\$ 719,722</u>	<u>\$ 1,674,975</u>	<u>\$ 42,370</u>	<u>\$ 215</u>	<u>\$ 3,504,835</u>	<u>\$ 5,963,389</u>

CARBON COUNTY
SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF
DECEMBER 31, 2014

TAX UNITS	TREASURER'S RELIEF								OTHER COLLECTIONS			
	ADJUSTED TAXABLE VALUE	TAX RATE	TOTAL TAXES LEVIED	UNPAID TAXES	ABATEMENTS	OTHER ADJUSTMENTS	TOTAL RELIEF	NET TAXES COLLECTED	PERCENT	FEES IN LIEU	MISCELLANEOUS	DELINQUENCIES TAXES PENALTY AND INTEREST
COUNTY FUNDS:												
General fund	\$ 1,953,950,044	0.002695	\$ 5,265,175	\$ 185,294	\$ 44,525	\$ 45,164	\$ 274,983	\$ 4,990,192	94.78%	\$ 343,755	\$ 20,421	\$ 249,600
Municipal services	1,324,263,938	0.000228	301,860	10,034	1,543	6,621	18,198	283,662	93.97%	20,740	1,579	12,382
Assessing and collecting	1,953,950,044	0.000013	42,812	1,434	211	5,226	6,871	35,941	83.95%	20,198	748	13,231
Local and collecting	1,953,950,044	0.000478	918,018	32,374	8,810	8,171	49,355	868,663	94.62%	44,104	2,946	28,447
Total County Funds			\$ 6,527,865	\$ 229,136	\$ 55,089	\$ 65,182	\$ 349,407	\$ 6,178,458		\$ 428,797	\$ 25,694	\$ 303,660
SCHOOL DISTRICT:												
Carbon												
Grouped budgets	1,953,950,044	0.005669	\$ 11,074,781	\$ 389,751	\$ 93,697	\$ 160,841	\$ 644,289	\$ 10,430,492	94.18%	\$ 722,410	\$ 42,932	\$ 462,631
Basic school levy	1,953,950,044	0.001419	2,786,584	98,007	22,619	44,796	165,422	2,621,162	94.06%	196,231	10,939	128,304
CITIES AND TOWNS:												
Price City	392,745,688	0.002036	\$ 800,538	\$ 24,421	\$ 12,207	\$ 10,876	\$ 47,504	\$ 753,034	94.07%	\$ 50,576	\$ 11,684	\$ 27,057
Helper City	75,837,712	0.003175	240,658	13,917	5,178	7,243	26,338	214,320	89.06%	17,570	6,935	18,198
East Carbon City	53,260,426	0.006778	358,413	26,900	6,600	5,642	39,142	319,271	89.08%	4,594	7,083	28,759
Sunnyside City	34,623,626	0.006778	239,758	6,216	1,124	987	8,327	231,431	96.53%	6,803	2,043	6,562
Wellington City	64,784,850	0.001785	116,121	5,457	1,667	2,428	9,552	106,569	91.77%	8,622	66	5,803
Scofield Town	8,433,741	0.000503	4,241	209	35	44	288	3,953	93.21%	57	73	266
Total Cities and Towns			\$ 1,759,729	\$ 77,120	\$ 26,811	\$ 27,220	\$ 131,151	\$ 1,628,578		\$ 88,222	\$ 27,884	\$ 86,645
OTHER DISTRICTS:												
Price River Water Improvement	1,121,973,757	0.000884	\$ 991,613	\$ 33,789	\$ 3,186	\$ 8,684	\$ 45,659	\$ 945,954	95.40%	\$ 111,046	\$ 2,165	\$ 31,706
Carbon Water Conservancy	1,953,950,044	0.000139	271,599	9,558	2,294	3,962	15,814	255,785	94.18%	17,769	1,055	11,463
Total Other Districts			\$ 1,263,212	\$ 43,347	\$ 5,480	\$ 12,646	\$ 61,473	\$ 1,201,739		\$ 128,815	\$ 3,220	\$ 43,169
GRAND TOTAL			\$ 23,412,171	\$ 837,361	\$ 203,696	\$ 310,685	\$ 1,351,742	\$ 22,060,429		\$ 1,564,475	\$ 110,669	\$ 1,024,409

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014

	GENERAL HEALTH	IMMUNIZATIONS NON VFC	WIC	MCH BLOCK	FLU
Revenues:					
State Reimbursement	\$ 279,866	\$ 75,858	\$ 431,460	\$ 114,108	\$ 58,258
General Health	45,449				
County	354,854				
School Nurses					
Miscellaneous	1,005				
Occupancy allocation	2,356	178	3,081	291	193
Grants and other government resources					
Total Revenues	<u>\$ 683,530</u>	<u>\$ 76,036</u>	<u>\$ 434,541</u>	<u>\$ 114,399</u>	<u>\$ 58,451</u>
Expenditures:					
Salaries	\$ 190,258	\$ 16,618	\$ 268,121	\$ 22,751	\$ 15,869
Fringe Benefits	136,379	8,017	129,142	10,892	7,636
Consultants	3,549	228	4,536	208	108
Contract - MD					
Contract - Travel					
Patient care	11,773			222	
Pharmacy	106	73,410		91	52,507
Supplies - Medical	2,484	1,118	976	5,486	1,393
Travel	18,226	321	8,093	2,932	270
Dues - Periodicals	3,775	235	3,658	338	566
Education - Training	11,459	42	861	512	11
Capital Purchases	52,492				
Utilities	4,155	360	5,917	472	284
Maintenance - Repairs	7,695	688	11,106	873	487
Insurance	4,438	169	5,144	296	484
Data Processing	3,299	960	3,355	336	1,589
Postage	1,655	93	1,609	151	63
Printing - Binding	2,115		5		
Supplies - Office	11,331	167	11,375	668	86
Laboratory	967				
Telephone	4,454	319	8,320	455	303
Other	7,735	109	1,849	233	121
Debt payment	22,336				
State match					
Rent	151	13	195	19	9
Advertising	1,825	25	420	45	45
Mini Grants	4,000				
Total Expenditures	<u>\$ 506,657</u>	<u>\$ 102,892</u>	<u>\$ 464,682</u>	<u>\$ 46,980</u>	<u>\$ 81,831</u>
Net Revenues/(Expenditures)	<u>\$ 176,873</u>	<u>\$ (26,856)</u>	<u>\$ (30,141)</u>	<u>\$ 67,419</u>	<u>\$ (23,380)</u>

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>TOBACCO PREVENTION</u>	<u>INDOOR CLEAN AIR</u>	<u>POISON CONTROL</u>	<u>TUBERCULOSIS ELIMINATION</u>	<u>MINIMUM PERFORMANCE VITAL STATISTICS</u>	<u>SENIOR HEALTH</u>
Revenues:						
State Reimbursement	\$ 163,502	\$ 3,309	\$ 2,500	\$ 6,383	\$ 76,598	
General Health						2,748
County						
School Nurses						
Miscellaneous						
Occupancy allocation	804	30	9	76	353	14
Grants and other government resources						
Total Revenues	<u>\$ 164,306</u>	<u>\$ 3,339</u>	<u>\$ 2,509</u>	<u>\$ 6,459</u>	<u>\$ 76,951</u>	<u>\$ 2,762</u>
Expenditures:						
Salaries	\$ 67,573	\$ 2,523	\$ 880	\$ 7,045	\$ 29,149	\$ 1,051
Fringe Benefits	32,583	1,204	413	3,412	14,167	499
Consultants	891	30	10	84	372	5
Contract - MD						
Contract - Travel					864	
Patient Care						
Pharmacy						
Supplies - Medical						
Travel	4,807	109	133	139	44	11
Dues - Periodicals	906	31	5	90	325	5
Education - Training	163	11	2	12	71	2
Capital Purchases	7,295					
Utilities	1,539	54	16	160	667	21
Maintenance - Repairs	2,967	95	35	299	1,259	31
Insurance	1,312	8	12	154	530	14
Data Processing	907	31	10	183	388	7
Postage	426	19	5	43	182	38
Printing - Binding	396		232		1,710	
Supplies - Office	9,978	21	8	73	8,618	2,472
Laboratory						
Telephone	2,347	51	16	134	603	22
Other	483	17	6	101	206	9
Debt payment						
State match						
Rent	54			5	24	
Advertising	19,934	3		8	52	67
Mini Grants	5,067					
Total Expenditures	<u>\$ 159,628</u>	<u>\$ 4,207</u>	<u>\$ 1,783</u>	<u>\$ 11,942</u>	<u>\$ 59,231</u>	<u>\$ 4,254</u>
Net Revenues/(Expenditures)	<u>\$ 4,678</u>	<u>\$ (868)</u>	<u>\$ 726</u>	<u>\$ (5,483)</u>	<u>\$ 17,720</u>	<u>\$ (1,492)</u>

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014

	IMMUNIZATIONS	PANO	PRENATAL CARE	STD AND HIV	ENVIRON- MENTAL HEALTH CHS	MONTICELLO STUDY
Revenues:						
State Reimbursement	\$ 69,297	\$ 45,219	\$ 15,414	\$ 4,057	\$ 12,500	
General Health					102,505	
County						
School Nurses						
Miscellaneous						
Occupancy allocation	872	264	168	59	1,460	\$ 24
Grants and other government resources	61,447					
Total Revenues	\$ 131,616	\$ 45,483	\$ 15,582	\$ 4,116	\$ 116,465	\$ 24
Expenditures:						
Salaries	\$ 74,998	\$ 25,276	\$ 14,575	\$ 5,081	\$ 123,679	\$ 1,119
Fringe Benefits	36,473	12,227	7,092	2,485	60,353	434
Consultants	984	345	214	41	1,475	4
Contract - MD						
Contract - Travel						
Patient Care			11,745			536
Pharmacy			106			
Supplies - Medical	735		955			
Travel	1,666	766	348	160	8,535	13
Dues - Periodicals	1,039	297	194	40	1,697	6
Education - Training	356	1,765	41	5	259	2
Capital Purchases		2,000				
Utilities	1,649	570	318	109	2,986	33
Maintenance - Repairs	4,020	1,041	598	188	5,369	41
Insurance	1,280	284	229	86	2,476	157
Data Processing	3,119	304	369	67	1,662	22
Postage	455	144	77	26	750	6
Printing - Binding	4	42			7	
Supplies - Office	8,312	2,305	197	43	2,157	10
Laboratory						
Telephone	1,486	494	279	104	2,627	25
Other	515	180	98	30	829	6
Debt payment						
State match						
Rent	56	20	11	3	117	
Advertising	1,951	45	24	10	253	
Mini Grants						
Total Expenditures	\$ 139,098	\$ 48,105	\$ 37,470	\$ 8,478	\$ 215,231	\$ 2,414
Net Revenues/(Expenditures)	\$ (7,482)	\$ (2,622)	\$ (21,888)	\$ (4,362)	\$ (98,766)	\$ (2,390)

SCHEDULE 5
(Continued)

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>TOBACCO BUYS</u>	<u>EPSDT/ CHEC</u>	<u>TABACCO CONTROL</u>	<u>ALL COUNTIES SCHOOL NURSE</u>	<u>NEWBORN CARE</u>
Revenues:					
State Reimbursement	\$ 14,621	\$ 28,374	\$ 46,656		
General Health County					\$ 24,686
School Nurses				\$ 108,705	
Miscellaneous	189				
Occupancy allocation	78	171	197	747	113
Grants and other government resources					
Total Revenues	<u>\$ 14,888</u>	<u>\$ 28,545</u>	<u>\$ 46,853</u>	<u>\$ 109,452</u>	<u>\$ 24,799</u>
Expenditures:					
Salaries	\$ 6,851	\$ 13,915	\$ 17,765	\$ 66,498	\$ 10,407
Fringe Benefits	3,184	6,793	8,080	32,681	5,053
Consultants	143	230	1,642	603	123
Contract - MD					
Contract - Travel					
Patient Care					
Pharmacy					
Supplies - Medical	3,800	3,479			
Travel	889	307	1,010	2,565	282
Dues - Periodicals	19	185	138	491	156
Education - Training	25	38	89	485	24
Capital Purchases			2,039		
Utilities	166	331	442	1,360	227
Maintenance - Repairs	258	622	814	2,451	458
Insurance	64	279	93	1,406	229
Data Processing	73	659	216	763	216
Postage	54	86	105	321	63
Printing - Binding			105	2	
Supplies - Office	91	181	4,831	504	1,507
Laboratory					
Telephone	107	288	377	2,020	198
Other	64	98	147	382	68
Debt payment					
State match					12,603
Rent	3	11	12	53	8
Advertising		22	7,741	101	18
Mini Grants					
Total Expenditures	<u>\$ 15,791</u>	<u>\$ 27,524</u>	<u>\$ 45,646</u>	<u>\$ 112,686</u>	<u>\$ 31,640</u>
Net Revenues/(Expenditures)	<u>\$ (903)</u>	<u>\$ 1,021</u>	<u>\$ 1,207</u>	<u>\$ (3,234)</u>	<u>\$ (6,841)</u>

SCHEDULE 5
(Continued)

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>CASH PRENATAL TO AGE 5</u>	<u>HIGHWAY SAFETY</u>	<u>COMMUNITY TRANSFORM</u>	<u>ASPR MRC</u>	<u>ASPR HPP</u>
Revenues:					
State Reimbursement	\$ 16,000		\$ 26,398	\$ 5,963	\$ 80,231
General Health		\$ 4,672			
County					
School Nurses					
Miscellaneous					
Occupancy allocation	100	26	135	18	363
Grants and other government resources					
Total Revenues	<u>\$ 16,100</u>	<u>\$ 4,698</u>	<u>\$ 26,533</u>	<u>\$ 5,981</u>	<u>\$ 80,594</u>
Expenditures:					
Salaries	\$ 8,340	\$ 1,450	\$ 9,826	\$ 1,886	\$ 31,017
Fringe Benefits	4,031	692	4,753	919	15,061
Consultants	66	14	77	9	499
Contract - MD					
Contract - Travel					
Patient Care					
Pharmacy					
Supplies - Medical					
Travel	160	1,502	287	241	6,024
Dues - Periodicals	39	12	186	10	389
Education - Training	9		3,102		3,247
Capital Purchases	2,903				4,995
Utilities	163	27	259	42	677
Maintenance - Repairs	295	50	406	73	1,346
Insurance	114		530		2
Data Processing	113	27	137	32	406
Postage	50	5	49	28	208
Printing - Binding					
Supplies - Office	69	1,050	1,396	2,540	12,011
Laboratory					
Telephone	166	36	208	49	2,027
Other	53	11	43	7	254
Debt payment					
State match					
Rent	7		11	2	21
Advertising	18	3	110	3	52
Mini Grants		4,181	6,000		
Total Expenditures	<u>\$ 16,596</u>	<u>\$ 9,060</u>	<u>\$ 27,380</u>	<u>\$ 5,841</u>	<u>\$ 78,236</u>
Net Revenues/(Expenditures)	<u>\$ (496)</u>	<u>\$ (4,362)</u>	<u>\$ (847)</u>	<u>\$ 140</u>	<u>\$ 2,358</u>

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2014

	CHEC PHYSICALS	FAMILY PLANNING	CASE MANAGEMENT	ENVIRONMENTAL HEALTH DEQ	COMMUNITY BASED SERVICES	TOTAL
Revenues:						
State Reimbursement		\$ 2,610	\$ 45,634	\$ 94,579	\$ 39,294	\$ 1,758,689
General Health	\$ 71,109			45,218		296,387
County						354,854
School Nurses						108,705
Miscellaneous						1,194
Occupancy allocation	324	171	308	839	293	14,115
Grants and other government resources						61,447
Total Revenues	\$ 71,433	\$ 2,781	\$ 45,942	\$ 140,636	\$ 39,587	\$ 2,595,391
Expenditures:						
Salaries	\$ 28,211	\$ 15,437	\$ 26,169	\$ 69,051	\$ 23,493	\$ 1,196,882
Fringe Benefits	13,598	7,515	12,805	33,588	11,269	623,430
Consultants	355	193	339	981	192	18,550
Contract - MD						
Contract - Travel						
Patient Care		1,325				25,601
Pharmacy		2,636				128,856
Supplies - Medical						20,426
Travel	528	303	579	4,828	343	66,421
Dues - Periodicals	376	206	270	787	164	16,635
Education - Training	69	32	50	185	55	22,984
Capital Purchases						71,724
Utilities	620	345	627	1,549	504	26,649
Maintenance - Repairs	1,159	630	1,088	2,965	869	50,276
Insurance	580	274	475	996	697	22,812
Data Processing	363	245	329	936	318	21,441
Postage	170	126	160	443	128	7,738
Printing - Binding						4,618
Supplies - Office	287	163	287	1,050	776	84,564
Laboratory						967
Telephone	548	297	533	1,408	472	30,773
Other	171	102	198	511	130	14,766
Debt payment						22,336
State match						12,603
Rent	21	12	25	50	20	933
Advertising	39	22	48	118	35	33,037
Mini Grants						9,067
Total Expenditures	\$ 47,095	\$ 29,863	\$ 43,982	\$ 119,446	\$ 39,465	\$ 2,534,089
Net Revenues/(Expenditures)	\$ 24,338	\$ (27,082)	\$ 1,960	\$ 21,190	\$ 122	\$ 61,302

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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

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

MEMBERS

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

Board of County Commissioners
Carbon County
Price, Utah 84501

Re: Independent Auditor's Report on Compliance
and on Internal Controls over Compliance
In Accordance with the State of Utah Legal
Compliance Audit Guide

REPORT ON COMPLIANCE

We have audited Carbon County's compliance with general and major state program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended December 31, 2014. The general compliance requirements applicable to the County are identified as follows:

Government Records Access Mgt Act	Transient Room Tax
Cash Management	Nepotism
Statement of Taxes Charged, Collected and Disbursed	Open and Public Meetings Act
Assessing & Collecting of Property Taxes	Budgetary Compliance
Utah Retirement System Compliance	Justice Courts
Fund Balance Limitation	Utah Public Finance Website
	Conflicts of Interest

The County received the following major assistance programs from the State of Utah:

Mineral Revenue Sharing (Department of Transportation)
CIB Grants (Department of Workforce Services)
CIB Loans (Department of Workforce Services)

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Carbon County's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the County's compliance based on our audit.

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 of Utah Legal Compliance Audit Guide*.

Auditor's Responsibility (Continued)

Those standards and the State of Utah Legal 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 material effect on the County and its major programs 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 and for each major state program. However, our audit does not provide a legal determination on the County's compliance with these requirements.

Opinion on General State Compliance requirements and Each Major State Program

In our opinion, Carbon County complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State of Utah Legal Compliance Audit Guide and which are described in our letter to management dated July 10, 2015 as items 2014-1, 2014-2, 2014-3 and 2014-4.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Managements of Carbon 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, we considered the County's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, 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 does not allow management or employees, in the normal course of performing their assigned function, to prevent, or detect and correct, noncompliance 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 compliance requirement will not be prevented, or detected and corrected, on a time basis.

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 that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Carbon County's Response to Findings

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

Purpose of Report

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

Other Reporting Requirements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carbon County for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 10, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the State Compliance Audit Guide and is not a required part of the basic financial statements. Such information is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and others records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

SMUIN, RICH & MARSING

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

Price, Utah

July 10, 2015

**CARBON COUNTY/SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF EXPENDITURES OF STATE GRANTS,
CONTRACTS, AND LOAN FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

GRANT/LOAN NAME	AWARD CONTRACT # (IF APPLICABLE)	YEAR OF LAST AUDIT	EXPENDITURES
Department of Economic Development			
Marketing grant			\$ 4,874
Subtotal - Department of Economic Development			<u>\$ 4,874</u>
Department of Agriculture			
Liquor allotment			\$ 28,925
Subtotal - Department of Agriculture			<u>\$ 28,925</u>
Utah Department of Transportation			
Mineral lease revenue sharing			\$ 868,057 *
B Road funds (none expended this year)			
Airport resurfacing project			49,143
Subtotal - Utah Department of Transportation			<u>\$ 917,200</u>
Department of Health and Human Services			
Community based child abuse prevention			\$ 105,947
Crisis respite care			118,411
Community health services			12,500
Children with special healthcare needs			39,294
Breast and cervical cancer			560
Utah indoor clear air			3,309
Physical act, nutrition and obesity			756
Search and rescue			13,476
CHEC			5,919
LHD environmental services			73,075
Early childhood case management			7,159
Consumer education and assistance			22,817
Tobacco prevention and control			176,879
Emergency medical services			66,253
Minimum performance grant			235,816
Subtotal - Department of Health and Human Services			<u>\$ 882,171</u>
Commission on Criminal & Juvenile Justice			
CJC - Childrens justice center			\$ 127,565
Subtotal - Commission on Criminal & Juvenile Justice			<u>\$ 127,565</u>
Department of Workforce Services			
CIB - Nine mile canyon road improvement grant			\$ 7,255,337 *
CIB - Nine mile canyon road improvement loan			6,500,000 *
CIB - Courthouse building grant			1,813,903 *
CIB - Courthouse building loan			11,473,000 *
CIB - Animal shelter grant			10,264
Subtotal - Department of Community and Culture			<u>\$ 27,052,504</u>
TOTAL GRANT, CONTRACT, AND LOAN FUND EXPENDITURES			<u><u>\$ 29,013,239</u></u>

*Indicates Major Programs Tested

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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

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

MEMBERS

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

Board of County Commissioners
Carbon County
Price, Utah 84501

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Carbon County's basic financial statements and have issued our report thereon dated July 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carbon 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 Carbon County's internal control. Accordingly, we do not express an opinion on the effectiveness of Carbon 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 function, to prevent or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

We noted certain matters that we reported to management of the County in a separate letter dated July 10, 2015.

Purpose of this Report

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

SMUIN, RICH & MARSING

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

Price, Utah

July 10, 2015

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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

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

MEMBERS

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

Board of County Commissioners
Carbon County
Price, Utah 84501

RE: Independent Auditor's Report on Compliance for
Each Major Program and on Internal Control over
Compliance Required by OMB Circular A-133

Report on Compliance for Each Major Federal Program

We have audited Carbon County's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Carbon County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Programs

In our opinion Carbon County complied, in all material respect, 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, 2014.

Report on Internal Control Over Compliance

Management of Carbon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Carbon County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

SMUIN, RICH & MARSING



Price, Utah

July 10, 2015

**CARBON COUNTY/SEUDHD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

A. SUMMARY OF AUDIT RESULTS

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

<u>Program</u>	<u>CFDA#</u>
WIC Administration and Nutrition/Food Vouchers	10.557
FAA Airport improvement projects	20.106
USDA/USFS - Seely fire burn	10.923
PH Emergency preparedness	93.069

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Carbon County was determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

None

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

None

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2014	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2014
U.S. DEPARTMENT OF AGRICULTURE							
Direct Program:							
Forrest Reserve	10.670	N/A	\$ 15,665		\$ 15,665	\$ 15,665	
USDA & USFS - Seely Fire Burn	10.923	*	900,017		900,017	900,017	
Pass Through State Department:							
WIC Administration and Nutrition (Note 2)	10.557	*	141,274		317,151	317,151	
WIC Administration and Nutrition (Note 2)	10.557	*	152,700		114,310	114,310	
WIC Food Vouchers (Note 2)	10.557	*	629,126		629,126	629,126	
WIF Food Vouchers (Note 2)	10.557	*	195,807		195,807	195,807	
Pass Through Southeastern Utah Association of Governments							
USDA Cash in Lieu	10.550	N/A	91,049		45,524	45,524	
Total U.S. Department of Agriculture			\$ 2,721,229	\$...	\$ 2,217,600	\$ 2,217,600	\$...
U.S. DEPARTMENT OF JUSTICE							
Direct Program:							
Victims of Crime	16.575	13-VOCA-11	\$ 35,500		\$ 16,922	\$ 16,922	
Victims of Crime	16.575	14-VOCA-11	38,734		19,386	19,386	
National Children's Alliance	16.758	6-PRICE-UT-SA13	12,355		12,355	12,355	
Total U.S. Department of Justice			\$ 86,589	\$...	\$ 48,663	\$ 48,663	\$...
U.S. DEPARTMENT OF TRANSPORTATION							
Direct Program:							
FAA - Airport Resurfacing	20.106	*	\$ 6,048,879		\$ 986,549	\$ 986,549	
Pass through State Department:							
Highway Safety Project	20.600	14-0208	6,000		2,803	2,803	
Highway Safety Project	20.616	14-0208	4,000		1,869	1,869	
Hazmat Emergency Preparation - HLS	20.703	12-0208	3,200		3,200	3,200	
Total U.S. Department of Transportation			\$ 6,062,079	\$...	\$ 994,421	\$ 994,421	\$...

* Major Programs

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2014	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2014
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY							
Pass through State Department:							
Environmental Services - DEQ	66.468	132516/150026	\$ 18,252		\$ 9,126	\$ 9,126	
Environmental Services - DEQ	66.605	132516/150026	24,755		12,378	12,378	
Total U.S. Department of Environmental Protection Agency			\$ 43,007	\$...	\$ 21,504	\$ 21,504	\$...
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass through State Department:							
TB Elimination	93.116	141772	\$ 5,583		\$ 5,583	\$ 5,583	
NACCHO	93.008	14-0455	3,500		3,500	3,500	
PH Emergency Preparedness	93.069 *	140630	271,640		152,371	152,371	
PH Emergency Preparedness	93.069 *	150348	285,190		165,687	165,687	
Wisewoman	93.094	142242	22,554		1,135	1,135	
Immunizations	93.268	141772	69,297		62,297	62,297	
Tobacco Prevention & Control Program	93.283	142231	44,112		20,661	20,661	
Bewise	93.283	140305	30,174		6,600	6,600	
CDC Cancer	93.283	140305	11,540		5,520	5,520	
Comprehensive Tobacco	93.283	140052	44,112		27,239	27,239	
CHEC	93.778	150620	23,612		10,965	10,965	
CHEC	93.778	140610	23,612		11,489	11,489	
Cons. Education & Assistance	93.778	150620	30,498		10,334	10,334	
Cons. Education & Assistance	93.778	140610	30,498		12,483	12,483	
Breast & Cervical Cancer	93.919	142242	11,540		3,956	3,956	
Sexually Transmitted Disease	93.977	131568	3,057		3,057	3,057	
Title XIX, Early Childhood	93.778	150620	55,912		10,742	10,742	
Title XIX, Early Childhood	93.778	140610	55,912		6,785	6,785	
Early Childhood Targeted Case	93.778	15-0620	55,912		10,742	10,742	
Physical Act, Nutrition and Obesity	93.991	140053	39,000		16,648	16,648	
MCH Title V Block Grant VIPP MCH	93.994	140053	27,328		11,503	11,503	
VIPP INJ	93.991	140053	4,000		3,500	3,500	
VIPP	93.994	142229	27,328		14,995	14,995	
Healthcare Association Infection	93.521	131357	11,989		11,989	11,989	
Bioterrorism - MRC and ASPR Reg Preparedness	93.889	140630	81,015		40,639	40,639	
Medical Reserve Corp	93.889	140630	10,000		5,356	5,356	
Medical Reserve Corp	93.889	150348	5,000		607	607	
Healthcare Preparedness Program	93.889	150348	85,416		39,592	39,592	
HIV Prevention, Counseling and Testing	93.940	131568	1,000		1,000	1,000	
EPICC	93.945	142229	3,083		1,258	1,258	
EPICC	93.991	142229	59,302		23,907	23,907	
Pano/Epicc	93.945	140053	6,928		5,403	5,403	

* Major Programs

SCHEDULE 7
(Continued)

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT OR PASS THROUGH GRANTOR'S NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2014</u>	<u>RECEIPTS OR REVENUE RECOGNIZED</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>	<u>CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2014</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass through State Department:							
VIPP INJ	93 994	142229	\$ 9,628		\$ 3,809	\$ 3,809	
VIPP	93 991	140053	17,971		13,894	13,894	
VIPP Mini Grant	93 994	142229	4,000		500	500	
MCH - Title V Block Grant	93 994	140166	109,513		43,850	43,850	
MCH - Title V Block Grant	93 994	152700014	87,610		43,805	43,805	
Prenatal to 5	93 994	140166	20,000		8,000	8,000	
Prenatal to 5	93 994	152700014	16,000		8,000	8,000	
Community Transformation	93 531	142229	9,750		9,750	9,750	
VIPP INJ	93 991	140053	9,628		7,221	7,221	
Pass Through Southeastern Utah Association of Governments							
Support Services	93 044	N/A	41,283		21,090	21,090	
Support Services	93 044	N/A	36,018		18,381	18,381	
Title III, Nutrition	93 045	N/A	70,936		35,468	35,468	
Title III, Nutrition	93 045	N/A	74,665		37,333	37,333	
Senior Health	93 043	AOG	3,556		2,231	2,231	
Senior Health	93 043	AOG	2,205		493	493	
Social Services Block Grant - XX	93 667	AOG	9,271		5,898	5,898	
Social Services Block Grant - XX	93 667	AOG	6,958		3,479	3,479	
Total U.S. Department of Health and Human Services			<u>\$ 1,968,636</u>	<u>\$...</u>	<u>\$ 970,745</u>	<u>\$ 970,745</u>	<u>\$...</u>

* Major Programs

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2014	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2014
CORPORATION FOR NATIONAL SERVICE							
Direct Program:							
Retired Senior Volunteer Program	94.002	440-P062/20	\$ 41,813		\$ 41,813	\$ 41,813	
Pass through Association of Governments:							
Retired Senior Volunteer Program	94.002		5,500		5,500	5,500	
Total U.S. Department of Corporation for National Service			\$ 47,313	\$...	\$ 47,313	\$ 47,313	\$...
U. S. DEPARTMENT OF HOMELAND SECURITY							
Direct Program:							
Hazardous Material - Hazmat Recovery	97.042		\$ 40,000		\$ 40,000	\$ 40,000	
Citizen Corp CCP	97.067		3,000		3,000	3,000	
Home Land Security - SHSP/CCP	97.067		392,676		148,357	148,357	
Total U.S. Department of Homeland Security			\$ 435,676	\$...	\$ 191,357	\$ 191,357	\$...
TOTAL FEDERAL ASSISTANCE			\$ 11,364,529	\$...	\$ 4,491,603	\$ 4,491,603	\$...

* Major Programs

CARBON COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF DECEMBER 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

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

2. FOOD INSTRUMENTS

Amounts shown on the schedule of expenditures of federal awards as WIC food vouchers are not direct cash expenditures of Carbon County. The Southeastern Utah Health District operates the Women, Infant and Children program. As part of this program the Health District distributes food instruments provided by the State of Utah that can be redeemed at local stores for food items. The dollar amounts, reported on the schedule of expenditures of federal awards, are the fair market value of the food instruments.

3. MEDICAID CASE MANAGEMENT

Medicaid Case Management is reimbursed on a fee for service basis. Because of this type of payment, the revenue exceeds the expenses for this program. In order not to have an accrued revenue amount for these programs, additional expenses have been recorded.

**CARBON COUNTY/SEUDHD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2014**

Finding 2014-1 Reconciliation of Significant Accounts

Corrected in the current year. Corrected

Finding 2014-2 Expenditures in Excess of Budget

Corrected in the current year. Corrected

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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

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

MEMBERS

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

Board of County Commissioners - Carbon County/
Southeastern Utah District Health Department
Price, Utah 84501

Ladies/Gentlemen:

The following comments and recommendations are a result of our review of the accounting procedures and internal controls in connection with our examination of the financial statements of Carbon County for the year ended December 31, 2014.

Since our review was made primarily to determine the scope of our auditing procedures and was not intended as a comprehensive study or evaluation of the systems and procedures, this memorandum should not be considered all inclusive.

We welcome the opportunity to discuss any items mentioned in this memorandum or any other accounting, or procedural questions.

CARBON COUNTY

2014-1 JAIL RECORDING – INMATE TRUST ACCOUNT AND COMMISSARY FUNDS

The jail is receiving and collecting funds for the inmates and is required to have internal controls that will safeguard these funds and keep adequate documentation to support the transactions performed. Excess funds are to be sent to the County on a regular basis. From our examination, the excess in the inmate account (commissary) is not being remitted regularly to the County.

We recommend the County review the processes at the Jail facility and implement internal controls that have been established at the County. We recommend a check list of processes that should be performed on a monthly basis by the jail, be generated and implemented by the Clerk/Auditor and approved by the County Commissioners.

Client Response

The County has had a change in staff managing the Sheriff's office and Jail which will facilitate the implementation of improved controls over the Inmate Trust and Commissary account.

CARBON COUNTY (continued)

2014-2 RECONCILIATION OF PAYROLL LIABILITIES TO PROPER FUNDS

The County should reconcile the payroll liabilities on a regular basis and ensure that the expenditures are recorded in the proper funds. During the audit, we proposed adjustments to several payroll liability accounts that were accumulating costs (the 03 account), but were not adjusted and moved to proper expense accounts in the different funds. Timely reviews and necessary adjustments will ensure the expenses are properly reported and financial statements will reflect more accurate balances.

We recommend the County review their processes for reviewing and reconciling the payroll liability accounts at the end of each month. Necessary adjustments need to be made timely to ensure accurate financial information is presented to the governing board.

Clients Response

The County will complete the conversion of payroll from their older platform, which will eliminate the need for manual corrections to the payroll liability accounts and improve timeliness of reconciliations..

2014-3 TIMELY RECONCILIATION OF CASH ACCOUNTS

The County has implemented procedures during the year that has improved the processes of recording due bills. Although the procedures have significantly improved the process, there was still transactions that needed to be recorded at year end to reflect proper balances. Bank account transactions have been recorded and most have been captured in the financial statements, but a full reconciliation of all bank accounts and the general ledger has not occurred each month.

We recommend the County review their cash reconciliation processes and implement procedures that will ensure a monthly review of all bank accounts and the subsequent matching to balances in the general ledger.

Clients Response

The County will continue to refine and improve timeliness of cash reconciliations.

2014-4 UTAH PUBLIC FINANCE WEBSITE

Utah Code section 63A-3-402 requires Counties to provide public financial information through the Utah Public Finance Website or their own website and provide a link to their website through the Utah Public Finance Website. The County has not posted 2014 financial information, including employee compensations summary, detail revenues and detail expenses.

We recommend the County prepare their financial information in a manner that will upload to the Utah Public Finance Website and perform the process within the time frame stipulated in the code section.

Clients Response

The County will post it's financial information to the Utah Public Finance Website once the information has been audited and the public has third party assurance that the information is free of material misstatements.

No Management letter for Southeastern Utah District Health Department

SUMMARY

We feel the accounting procedures and internal control items mentioned above are some areas where Carbon County and Southeastern Utah District Health Department can make changes so as to further improve their internal control structures to safeguard the assets, check the accuracy and reliability of accounting data and promote operating efficiency.

Sincerely,

SMUIN, RICH & MARSING

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

Price, Utah

July 10, 2015