

CARBON COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

**CARBON COUNTY
FINANCIAL STATEMENTS
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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, 2016, 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 .37 percent of the assets, .47 percent of net position and .38 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 11 and pages 69 through 76 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

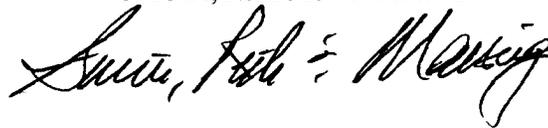
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carbon County's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of federal Regulations (CFR) part 200, Uniform Administrative Requirements, cost principals and audit requirements for Federal Awards, 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 18, 2017, 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 18, 2017

**CARBON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

This discussion of Carbon County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2016. 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, 2016 by \$152,839,513 (net position), compared to \$156,253,250 as of December 31, 2015, a decrease of \$3,413,737. Of this amount, \$5,031,040 (unrestricted net position) may be used to meet the governments' ongoing obligations to citizens and creditors. Current year net position decreased by \$3,376,018.
- The governmental activities total net position decreased by \$2,463,060. Net position increased by \$9,150,434 in the prior year. The major difference between the two years was a decrease in funding for charges for services revenue, a decrease in funding for capital grants and an increase in governmental activities expenditures in 2016.
- At the close of the current year, the Carbon County governmental funds reported combined ending fund balances of \$20,206,842, a decrease of \$769,836 in comparison with the prior year. The General Funds' total fund balance (committed, assigned and unassigned) is \$3,805,681. This is approximately 18.83 percent of the combined total and is available for spending at the government's discretion.
- At the end of the current year, unassigned fund balance for the general fund was \$3,133,534, or approximately 82.34 percent of total balance in the General Fund.
- Carbon County's total debt increased \$12,992,664 during the current year. Increase in loans of \$14,625,000 and the County made debt payments of \$1,632,336.
- In 2016, the County began the building of the new Seventh District Court Courthouse. The majority of the new debt obligation is attributable to this facility. The payment of the debt obligation will be from the rental of the facility to the State of Utah in the form of lease income.
- The County continued to make improvements in the 9 mile area. A new salt shed was built to help ease the costs of continued maintenance during the year and provide a closer resource of products, when needed.

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.

Fund financial statements (Continued)

- 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.

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 \$152,839,513 at December 31, 2016.

By far the largest portion of Carbon County's net position (79.48 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 are 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	
	2015	2016	2015	2016	2015	2016
Current and other assets	\$ 25,255,952	\$ 38,090,379	\$ 1,365,227	\$ 506,201	\$ 26,621,179	\$ 38,596,580
Capital assets	167,697,610	164,106,686	748,762	693,427	168,446,372	164,800,113
Deferred outflow or resources	1,927,625	4,026,047			1,927,625	4,026,047
Total assets/deferred outflows	\$ 194,881,187	\$ 206,223,112	\$ 2,113,989	\$ 1,199,628	\$ 196,995,176	\$ 207,422,740
Long-term debt outstanding	\$ 30,335,352	\$ 43,328,016			\$ 30,335,352	\$ 43,328,016
Other liabilities	9,661,456	9,821,040	\$ 1,522	\$ 119	9,662,978	9,821,159
Deferred inflow of resources	743,596	927,851			743,596	927,851
Total liabilities/deferred inflows	\$ 40,740,404	\$ 54,076,907	\$ 1,522	\$ 119	\$ 40,741,926	\$ 54,077,026
Net position:						
Net invest. in capital assets	\$ 137,362,258	\$ 120,778,670	\$ 748,762	\$ 693,427	\$ 138,111,020	\$ 121,472,097
Restricted	11,032,589	25,830,294	1,363,705	506,082	12,396,294	26,336,376
Unrestricted	5,745,936	5,031,040			5,745,936	5,031,040
Total net position	\$ 154,140,783	\$ 151,640,004	\$ 2,112,467	\$ 1,199,509	\$ 156,253,250	\$ 152,839,513

A portion of Carbon County's net position (16.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$5,537,122 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 decreased Carbon County's net position by \$3,376,018. Key elements of this decrease are as follows:

**Table 2
Change in Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
Revenues						
Program Revenues:						
Charges for services	\$ 6,183,532	\$ 3,377,399	\$ 185,898	\$ 185,897	\$ 6,369,430	\$ 3,563,296
Operating grants and cont.	4,628,621	4,888,218			4,628,621	4,888,218
Capital grants and cont.	6,502,949	5,634,481			6,502,949	5,634,481
General Revenues:						
Property taxes	6,976,079	6,717,546			6,976,079	6,717,546
Sales taxes	1,955,779	2,249,751			1,955,779	2,249,751
Other general revenues	3,991,339	4,142,961			3,991,339	4,142,961
Special item - Asset contrib.	8,764,258				8,764,258	
Total revenues	\$ 39,002,557	\$ 27,010,356	\$ 185,898	\$ 185,897	\$ 39,188,455	\$ 27,196,253
Program expenses						
General government	\$ 6,048,109	\$ 9,024,467			\$ 6,048,109	\$ 9,024,467
Public safety	7,798,235	7,943,700			7,798,235	7,943,700
Public health	4,224,182	3,641,539			4,224,182	3,641,539
Highways and public improv.	8,911,709	6,687,174			8,911,709	6,687,174
Parks and recreation	1,751,748	1,861,436			1,751,748	1,861,436
Conservation & Econ. Dev.	530,581	657,519			530,581	657,519
Contributions and Misc.	214,920	235,208			214,920	235,208
Capital outlay	76,326	271,072			76,326	271,072
Interest on long-term liab.	296,313	137,701			296,313	137,701
County Court Complex			\$ 127,381	\$ 112,455	127,381	112,455
Total expenses	\$ 29,852,123	\$ 30,459,816	\$ 127,381	\$ 112,455	\$ 29,979,504	\$ 30,572,271
Excess (deficiency) before transfers	\$ 9,150,434	\$ (3,449,460)	\$ 58,517	\$ 73,442	\$ 9,208,951	\$ (3,376,018)
Transfers to (from)		\$ 986,400		\$ (986,400)		\$...
Change in net position	\$ 9,150,434	\$ (2,463,060)	\$ 58,517	\$ (912,958)	\$ 9,208,951	\$ (3,376,018)
Net assets - beginning	\$ 145,067,835	\$ 154,140,783	\$ 2,053,950	\$ 2,112,467	\$ 147,121,785	\$ 156,253,250
Prior period adjustment	(77,486)	(37,719)			(77,486)	(37,719)
Net assets - ending	154,140,783	151,640,004	2,112,467	1,199,509	156,253,250	152,839,513
Change in net position	\$ 9,150,434	\$ (2,463,060)	\$ 58,517	\$ (912,958)	\$ 9,208,951	\$ (3,376,018)

Government-wide financial analysis (Continued)

In 2016 Carbon County experienced a decrease in taxable property value totaling \$166,906,870 as reported to the State Tax Commission. This decrease in value is due primarily to the value of centrally assessed property. Certified tax rates automatically adjust for the changes in property values.

Business-type activities decreased Carbon County’s net position by \$912,958, after a transfer to the General Fund. 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 \$20,206,842, which is a decrease of \$769,836 in comparison with the prior year. Approximately 15.50 percent or \$3,133,534 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 \$3,133,534.

- 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 \$506,082.

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	\$ 5,782,350	\$ 6,106,350	\$ 324,000
Public Safety	7,023,509	7,368,196	344,687
Public Health	370,000	370,000	
Highway and Public Improvements	867,500	905,500	38,000
Parks, recreation and public property	202,700	243,700	41,000
Conservation and Economic Development	62,900	68,400	5,500
Contributions and miscellaneous	164,000	223,000	59,000
Other Financing Sources (Uses)	953,452	953,452	
Net			<u>\$ 812,187</u>

Capital Asset and Debt Administration

Capital Assets

Carbon County's investment in capital assets for its governmental activities as of December 31, 2016, amounts to \$164,106,686 (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 decreases in Carbon County's governmental activities capital assets for the current year was \$3,590,924.

Carbon County's investment in capital assets for its business-type activities as of December 31, 2016, amounts to \$693,427 (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 \$55,335.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2016	2015	2016	2015	2016
Right of ways	\$ 1,401,918	\$ 1,401,918			\$ 1,401,918	\$ 1,401,918
Land	2,117,894	2,099,894	\$ 198,000	\$ 198,000	2,315,894	2,297,894
Buildings	57,698,932	56,456,683	550,762	495,427	58,249,694	56,952,110
Improvements other than buildings	32,278,796	30,805,149			32,278,796	30,805,149
Fixtures and equipment	4,807,380	3,975,351			4,807,380	3,975,351
Infrastructure	69,246,690	66,940,433			69,246,690	66,940,433
Water stock	146,000	146,000			146,000	146,000
Work in progress		2,281,258				2,281,258
	<u>\$ 167,697,610</u>	<u>\$ 164,106,686</u>	<u>\$ 748,762</u>	<u>\$ 693,427</u>	<u>\$ 168,446,372</u>	<u>\$ 164,800,113</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, 2016 was \$44,156,093, 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	
	2015	2016	2015	2016	2015	2016
Revenue Bonds	\$ 30,335,352	\$ 43,328,016			\$ 30,335,352	\$ 43,328,016
Compensated Absences	814,371	828,077			814,371	828,077
	<u>\$ 31,149,723</u>	<u>\$ 44,156,093</u>	<u>\$...</u>	<u>\$...</u>	<u>\$ 31,149,723</u>	<u>\$ 44,156,093</u>

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for Carbon County in 2016 was 5.9%, an increase of .3% from 2015. This is higher than the state's average unemployment rate of 3.4%, and higher than the national average of 4.7%. 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 20,399 in 2016.

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.

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, 2016

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash and cash equivalents	\$ 9,446,660	\$ 506,201	\$ 9,952,861	\$ 1,040,021
Restricted - Cash and cash equivalents	24,212,031		24,212,031	3,196,350
Due from other governments	2,527,691		2,527,691	415,120
Taxes receivable	1,386,665		1,386,665	
Inventory of supplies	5,720		5,720	
Net pension asset	5,411		5,411	
Capital assets (net of accumulated depreciation):				
Land	2,099,894	198,000	2,297,894	1,477,184
Rights-of-way	1,401,918		1,401,918	41,550
Water stock	146,000		146,000	110,000
Buildings	56,456,683	375,451	56,832,134	112,646
Improvements other than buildings	30,805,149		30,805,149	1,956,955
Fixtures and equipment	3,975,351	119,976	4,095,327	328,678
Work in progress	2,281,258		2,281,258	
Infrastructure	66,940,433		66,940,433	
Total assets	\$ 201,690,864	\$ 1,199,628	\$ 202,890,492	\$ 8,678,504
Deferred outflows of resources related to pensions	\$ 4,026,047		\$ 4,026,047	\$ 16,823
Total assets and deferred outflow of resources	\$ 205,716,911	\$ 1,199,628	\$ 206,916,539	\$ 8,695,327
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Accounts payable	\$ 1,088,869	\$ 119	\$ 1,088,988	\$ 9,975
Accrued payroll	250,800		250,800	
Accrued liabilities	330,519		330,519	2,350
Unearned revenue	1,076,737		1,076,737	24,456
Bond interest payable	59,964		59,964	
Revenue bonds payable - Due within one year	1,669,336		1,669,336	
Revenue bonds payable - Due in more than one year	41,658,680		41,658,680	
Compensated absences	828,077		828,077	3,175
Net pension liability	6,186,074		6,186,074	26,960
Total liabilities	\$ 53,149,056	\$ 119	\$ 53,149,175	\$ 66,916
Deferred inflow of resources - relating to pensions	\$ 927,851	\$...	\$ 927,851	\$ 3,114
Total liabilities and deferred inflow of resources	\$ 54,076,907	\$ 119	\$ 54,077,026	\$ 70,030

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

**CARBON COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<u>NET POSITION</u>				
Net investment in capital assets	\$ 120,778,670	\$ 693,427	\$ 121,472,097	\$ 4,027,011
Nonspendable:				
Inventory	5,720		5,720	
Restricted:				
Class "B" roads	4,613,097		4,613,097	
Economic development	574,230		574,230	
Municipal services	2,393,010		2,393,010	
Health care	730,863		730,863	
Capital projects	15,667,324		15,667,324	
Landfill	97,917		97,917	
Debt service	1,748,133		1,748,133	
Unrestricted	5,031,040	506,082	5,537,122	4,598,286
Total net position	\$ 151,640,004	\$ 1,199,509	\$ 152,839,513	\$ 8,625,297

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

**CARBON COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

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		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Primary government:							
Governmental activities:							
General government	\$ 9,024,467	\$ 203,947	\$ 143,317	\$ (8,677,203)		\$ (8,677,203)	\$ (40)
Public safety	7,943,700	1,748,297	631,889	(5,563,514)		(5,563,514)	
Highways and public improvements	6,687,174	298,141	1,495,644	741,092		741,092	(97,021)
Public health	3,641,539	829,360	1,922,015	(890,164)		(890,164)	
Parks and recreation	1,861,436	297,654	432,246	(1,131,536)		(1,131,536)	(309,739)
Conservation and economic development	657,519		263,107	(394,412)		(394,412)	
Contributions and miscellaneous	235,208			(235,208)		(235,208)	
Capital outlay	271,072			(271,072)		(271,072)	
Interest on long-term liabilities	137,701			(137,701)		(137,701)	
Total governmental activities	<u>\$ 30,459,816</u>	<u>\$ 3,377,399</u>	<u>\$ 4,888,218</u>	<u>\$ (16,559,718)</u>	\$...	<u>\$ (16,559,718)</u>	<u>\$ (406,800)</u>
Business-type activities:							
County Court Complex	\$ 112,455	\$ 185,897			\$ 73,442	\$ 73,442	
Total business-type activities	<u>\$ 112,455</u>	<u>\$ 185,897</u>	<u>\$...</u>	<u>\$...</u>	<u>\$ 73,442</u>	<u>\$ 73,442</u>	
Total primary government	<u>\$ 30,572,271</u>	<u>\$ 3,563,296</u>	<u>\$ 4,888,218</u>	<u>\$ (16,559,718)</u>	<u>\$ 73,442</u>	<u>\$ (16,486,276)</u>	
Component Units:							
Scofield Reservoir Special Service District							\$ 36,279
Total component units	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>	<u>\$ 36,279</u>
General revenues:							
Property taxes				\$ 6,717,546		\$ 6,717,546	
State PILT				132,394		132,394	\$ 125,943
Federal PILT				1,116,154		1,116,154	
Sales taxes				2,249,751		2,249,751	
Miscellaneous taxes				246,492		246,492	
Unrestricted investment earnings				122,335		122,335	45,582
Royalties and rents				1,549,336		1,549,336	
Contributions to other governments							(3,940,204)
Gain/(Loss) on sale of fixed assets				(421,041)		(421,041)	
Miscellaneous				1,299,405		1,299,405	2,364
Mineral lease revenue				97,886		97,886	3,619,728
Transfer in (out)				986,400	\$ (986,400)		
Total general revenues and transfers				<u>\$ 14,096,658</u>	<u>\$ (986,400)</u>	<u>\$ 13,110,258</u>	<u>\$ (146,587)</u>
Change in net position				\$ (2,463,060)	\$ (912,958)	\$ (3,376,018)	\$ (517,108)
Net position - beginning				154,140,783	2,112,467	156,253,250	9,142,405
Prior period adjustment				(37,719)		(37,719)	
Net position - ending				<u>\$ 151,640,004</u>	<u>\$ 1,199,509</u>	<u>\$ 152,839,513</u>	<u>\$ 8,625,297</u>

"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, 2016**

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	CAPITAL PROJECTS FUND	BUILDING AUTHORITY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and cash equivalents	\$ 2,028,275	\$ 878,804	\$ 1,537,186	\$ 1,473,793	\$ 1,183,884	\$ 2,344,718	\$ 9,446,660
Restricted cash and cash equivalents			4,613,097	2,724	17,179,655	2,416,555	24,212,031
Receivables (net):							
Taxes	1,311,889		74,776				1,386,665
Other	1,159,592	202,163	384,422	207,935	327,169	246,410	2,527,691
Inventories		5,720					5,720
Total assets	<u>\$ 4,499,756</u>	<u>\$ 1,086,687</u>	<u>\$ 6,609,481</u>	<u>\$ 1,684,452</u>	<u>\$ 18,690,708</u>	<u>\$ 5,007,683</u>	<u>\$ 37,578,767</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 314,144	\$ 22,098	\$ 100,699	\$ 225,820	\$ 271,559	\$ 154,549	\$ 1,088,869
Accrued payroll	183,183	28,845	38,772				250,800
Accrued liabilities	196,748	28,946	34,703			70,122	330,519
Unearned revenue		4,283			15,697,454		15,701,737
Total liabilities	<u>\$ 694,075</u>	<u>\$ 84,172</u>	<u>\$ 174,174</u>	<u>\$ 225,820</u>	<u>\$ 15,969,013</u>	<u>\$ 224,671</u>	<u>\$ 17,371,925</u>
Fund balances:							
Nonspendable:							
Inventory		\$ 5,720					\$ 5,720
Restricted:							
Class "B" Road			\$ 4,613,097				4,613,097
Debt service reserve					\$ 1,482,201		1,482,201
Permanent funds						\$ 2,416,555	2,416,555
Committed:							
Landfill	\$ 97,917						97,917
Municipal services			1,822,210				1,822,210
Building Authority					1,239,494		1,239,494
RDA Development						599,487	599,487
Assigned:							
Economic Development - restaurant tax	574,230					517,912	1,092,142
Economic Development - other						108,805	108,805
Health Care		730,863					730,863
Debt service		265,932					265,932
Capital projects				\$ 1,458,632			1,458,632
Parks and recreation						591,803	591,803
Emergency services						132,234	132,234
Aging programs						416,216	416,216
Unassigned:							
General	3,133,534						3,133,534
Total fund balances	<u>\$ 3,805,681</u>	<u>\$ 1,002,515</u>	<u>\$ 6,435,307</u>	<u>\$ 1,458,632</u>	<u>\$ 2,721,695</u>	<u>\$ 4,783,012</u>	<u>\$ 20,206,842</u>
Total liabilities and fund balances	<u>\$ 4,499,756</u>	<u>\$ 1,086,687</u>	<u>\$ 6,609,481</u>	<u>\$ 1,684,452</u>	<u>\$ 18,690,708</u>	<u>\$ 5,007,683</u>	<u>\$ 37,578,767</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, 2016**

Total fund balances - governmental fund types: \$ 20,206,842

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	\$ 2,099,894
Rights of Way	1,401,918
Water stock	146,000
Buildings	56,456,683
Improvements other than buildings	30,805,149
Fixtures and equipment	3,975,351
Work in progress	2,281,258
Infrastructure	<u>66,940,433</u>

Total 164,106,686

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	\$ (1,669,336)
Revenue bonds payable - Due in more than one year	(41,658,680)
Bond interest payable	(59,964)
Net pension liability	(6,186,074)
Deferred revenue - recorded as debt obligation in net assets	14,625,000
Deferred inflow of resources - related to pension	(927,851)
Deferred outflow of resources - related to pension	4,026,047
Compensated absences	<u>(828,077)</u>

Total (32,678,935)

The net pension asset is not an available resource, therefore, it is not reported in the governmental funds.

5,411

Net position of government activities

\$ 151,640,004

"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, 2016

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	CAPITAL PROJECTS FUND	BUILDING AUTHORITY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Taxes	\$ 7,341,608		\$ 1,640,628			\$ 231,553	\$ 9,213,789
Licenses and permits	45,375		54,252				99,627
Intergovernmental revenues	2,141,114	\$ 1,724,317	1,808,246	\$ 452,174	\$ 3,836,995	1,623,238	11,586,084
Charges for services	1,411,626	687,803	24,076			715,921	2,839,426
Fines and forfeitures	263,886						263,886
Interest income	57,115	3,555	41,591	3		20,071	122,335
Contributions	964,018			26,352	297,194	4,933	1,292,497
Miscellaneous	1,889,909	15,898	107,393			553	2,013,753
Total revenues	\$ 14,114,651	\$ 2,431,573	\$ 3,676,186	\$ 478,529	\$ 4,134,189	\$ 2,596,269	\$ 27,431,397
EXPENDITURES:							
Current:							
General government	\$ 5,823,398		\$ 63,961				\$ 5,887,359
Public safety	7,138,557		508,051			\$ 105,694	7,752,302
Highways and public improvements	834,670		3,135,016			296,072	4,265,758
Public health	359,108	\$ 2,228,437				998,610	3,586,155
Parks, recreation, and public property	219,445					1,412,937	1,632,382
Conservation and economic development	58,131					595,523	653,654
Capital outlay				\$ 823,542	\$ 2,447,118		3,270,660
Contributions and miscellaneous	235,208						235,208
Principal retirement		22,336			1,610,000		1,632,336
Interest and fiscal charges					234,100		234,100
Total expenditures	\$ 14,668,517	\$ 2,250,773	\$ 3,707,028	\$ 823,542	\$ 4,291,218	\$ 3,408,836	\$ 29,149,914
Excess revenues over (under) expenditures	\$ (553,866)	\$ 180,800	\$ (30,842)	\$ (345,013)	\$ (157,029)	\$ (812,567)	\$ (1,718,517)
OTHER FINANCING SOURCES (USES):							
Transfers in	\$ 986,400					\$ 947,615	\$ 1,934,015
Transfers out	(877,615)					(70,000)	(947,615)
Total other financing sources (uses)	\$ 108,785	\$...	\$...	\$...	\$...	\$ 877,615	\$ 986,400
Excess of revenues and other sources over (under) expenditures and other uses	\$ (445,081)	\$ 180,800	\$ (30,842)	\$ (345,013)	\$ (157,029)	\$ 65,048	\$ (732,117)
FUND BALANCES - beginning of year	4,288,481	821,715	6,466,149	1,803,645	2,878,724	4,717,964	20,976,678
Prior period adjustment	(37,719)						(37,719)
FUND BALANCES - end of year	\$ 3,805,681	\$ 1,002,515	\$ 6,435,307	\$ 1,458,632	\$ 2,721,695	\$ 4,783,012	\$ 20,206,842

"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, 2016

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

Net changes in fund balances - total governmental funds \$ (732,117)

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	\$	202,432	
Public safety		147,698	
Highways		280,098	
Parks and recreation		6,000	
Capital outlay		<u>2,999,588</u>	
Total assets shown as expenditures		\$ 3,635,816	
Less: depreciation		<u>(6,805,699)</u>	
Difference between expenditure and depreciation			(3,169,883)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donation) is to decrease net position. (Loss on fixed assets) (421,041)

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.

Bond interest payable change	\$	96,399	
Retirement of long-term debt		<u>1,632,336</u>	
Net effect of long-term debt issue and debt payments			1,728,735

Governmental funds do not accrue net pension assets or liabilities. In the statement of activities, the net effect of reporting pension activity reduced pension expense. 144,952

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. (Decrease in compensated absences) (13,706)

Change in net position of governmental activities \$ (2,463,060)

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

**CARBON COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2016**

		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
		COUNTY COURT COMPLEX
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$	506,201
Total current assets	\$	506,201
Noncurrent assets:		
Land	\$	198,000
Buildings		1,576,152
Furniture, fixtures and equipment		225,135
Less: accumulated depreciation		(1,305,860)
Total noncurrent assets	\$	693,427
Total assets	\$	1,199,628
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	\$	119
Total current liabilities	\$	119
Noncurrent liabilities:		
Total noncurrent liabilities	\$...
Total liabilities	\$	119
Deferred inflows of resources		
Total liabilities and inflows of resources	\$	119
Net Position:		
Net investment in capital assets	\$	693,427
Unrestricted		506,082
Total net position	\$	1,199,509

"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, 2016

		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <hr/> COUNTY COURT COMPLEX <hr/>
Operating revenues:		
Rental income	\$	185,897
Total operating revenues	\$	185,897
Operating expenses:		
Utilities	\$	34,789
Repairs and maintenance		22,332
Depreciation		55,334
Total operating expenses	\$	112,455
Operating income (loss)	\$	73,442
Nonoperating revenues (expenses):		
Total nonoperating revenues (expenses)	\$...
Income (loss) before contributions and transfers	\$	73,442
Contributions and transfers - from(to):		
Transfer to other funds	\$	(986,400)
Total contributions and transfers	\$	(986,400)
Change in net position	\$	(912,958)
Total net position - beginning		2,112,467
Total net position - ending	\$	1,199,509

"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, 2016**

		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
		<u>COUNTY COURT COMPLEX</u>
Cash Flows From Operating Activities:		
Receipts from customers	\$	185,897
Payments to suppliers		<u>(58,523)</u>
Net cash provided (used) by operating activities	\$	<u>127,374</u>
Cash Flows From Noncapital Financing Activities:		
Transfer to other funds	\$	<u>(986,400)</u>
Net cash provided (used) by noncapital financing activities	\$	<u>(986,400)</u>
Net increase (decrease) in cash and cash equivalents	\$	(859,026)
Cash and cash equivalents, January 1		<u>1,365,227</u>
Cash and cash equivalents, December 31	\$	<u><u>506,201</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$	<u>73,442</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	\$	55,334
Increase (Decrease) in accounts payable		<u>(1,402)</u>
Total adjustments	\$	<u>53,932</u>
Net cash provided (used) by operating activities	\$	<u><u>127,374</u></u>

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

**CARBON COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2016**

	AGENCY FUNDS
<u>ASSETS</u>	
Cash and cash equivalents	\$ 6,625,339
Accounts receivable	412,415
	\$ 7,037,754
<u>LIABILITIES</u>	
Accounts payable	\$ 248,673
Precinct fees, bail and bonds payable	24,041
Due to taxing units	4,689,711
Miscellaneous reimbursements	121,241
Due to other governments and agencies	1,954,088
	\$ 7,037,754
	\$ 7,037,754

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

**CARBON COUNTY
STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2016**

	SCOFIELD RESERVIOR SPECIAL SERVICE DISTRICT	CARBON COUNTY RECREATION & TRANSPORTATION SPECIAL SERVICE DISTRICT	TOTAL
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>			
Current Assets:			
Cash and cash equivalents	\$ 190,043	\$ 849,978	\$ 1,040,021
Restricted - Cash and cash equivalents		3,196,350	3,196,350
Due from other governments		415,120	415,120
Noncurrent assets:			
Capital assets (net of accumulated depreciation):			
Land	16,128	1,461,056	1,477,184
Rights-of-way		41,550	41,550
Buildings		112,646	112,646
Equipment		328,678	328,678
Sewer systems and improvements	565,235		565,235
Improvements other than buildings		1,391,720	1,391,720
Water stock		110,000	110,000
Total assets	<u>\$ 771,406</u>	<u>\$ 7,907,098</u>	<u>\$ 8,678,504</u>
Deferred outflows of resources - related to pensions		<u>\$ 16,823</u>	<u>\$ 16,823</u>
Total assets and deferred outflows of resources	<u>\$ 771,406</u>	<u>\$ 7,923,921</u>	<u>\$ 8,695,327</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
Current Liabilities:			
Accounts payable	\$ 5,184	\$ 4,791	\$ 9,975
Accrued liabilities		2,350	2,350
Deferred revenue	24,456		24,456
Total current liabilities	<u>\$ 29,640</u>	<u>\$ 7,141</u>	<u>\$ 36,781</u>
Noncurrent liabilities:			
Compensated absences payable		\$ 3,175	\$ 3,175
Net pension liability		26,960	26,960
Total noncurrent liabilities	<u>\$...</u>	<u>\$ 30,135</u>	<u>\$ 30,135</u>
Total liabilities	<u>\$ 29,640</u>	<u>\$ 37,276</u>	<u>\$ 66,916</u>
Deferred inflow of resources - related to pensions		<u>\$ 3,114</u>	<u>\$ 3,114</u>
Total liabilities and deferred inflow of resources	<u>\$ 29,640</u>	<u>\$ 40,390</u>	<u>\$ 70,030</u>
<u>NET POSITION</u>			
Net investment in capital assets	\$ 581,363	\$ 3,445,648	\$ 4,027,011
Unrestricted	160,403	4,437,883	4,598,286
Total net position	<u>\$ 741,766</u>	<u>\$ 7,883,531</u>	<u>\$ 8,625,297</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, 2016**

Function/Programs	NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS				
	EXPENSES	PROGRAM REVENUES		PRIMARY GOVERNMENT	
		CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
Governmental activities:					
Carbon County Recreation & Transportation Special Service District					
Highways and public improvements	\$ 97,061			\$ (97,061)	\$ (97,061)
Parks, recreation and public improvements	309,739			(309,739)	(309,739)
Total governmental activities	\$ 406,800	\$...	\$...	\$ (406,800)	\$ (406,800)
Business-type activities:					
Scofield Reservoir Special Service District					
	\$ 81,528	\$ 50,863	\$ 66,943	\$ 36,278	\$ 36,278
Total business-type activities	\$ 81,528	\$ 50,863	\$ 66,943	\$ 36,278	\$ 36,278
Total component units	\$ 488,328	\$ 50,863	\$ 66,943	\$ (406,800)	\$ (370,522)
General revenues:					
Mineral lease revenue			\$ 3,619,728		\$ 3,619,728
State PILT			125,943		125,943
Investment earnings			43,916	\$ 1,666	45,582
Miscellaneous revenue			1,955	410	2,365
Contributions to other governments			(3,940,204)		(3,940,204)
Total general revenues and transfers			\$ (148,662)	\$ 2,076	\$ (146,586)
Change in net assets			\$ (555,462)	\$ 38,354	\$ (517,108)
Net position - beginning			8,438,993	703,412	9,142,405
Net position - ending			\$ 7,883,531	\$ 741,766	\$ 8,625,297

"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, 2016

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 statements, 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 position.

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 \$768,564.

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 position.

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 Position 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 Position. 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 deferred outflows and liabilities and deferred inflows 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 investment in capital assets, 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 nonspendable, restricted, committed, assigned and unassigned.

K. **Pensions**

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

2. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

Primary Government Governmental activities:	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
Capital assets not being depreciated:				
Land	\$ 2,117,894		\$ (18,000)	\$ 2,099,894
Rights of Way	1,401,918			1,401,918
Water stock	146,000			146,000
Construction in progress		\$ 2,281,258		2,281,258
Total capital assets not not being depreciated	<u>\$ 3,665,812</u>	<u>\$ 2,281,258</u>	<u>\$ (18,000)</u>	<u>\$ 5,929,070</u>
Capital assets being depreciated:				
Buildings	\$ 70,442,109	\$ 734,474	\$ (935,540)	\$ 70,241,043
Improvements other than buildings	42,259,628	119,040	(394,041)	41,984,627
Machinery and equipment	20,987,146	501,044	(1,077,376)	20,410,814
Infrastructure (Roads & Bridges)	157,767,588			157,767,588
Total capital assets being depreciated	<u>\$ 291,456,471</u>	<u>\$ 1,354,558</u>	<u>\$ (2,406,957)</u>	<u>\$ 290,404,072</u>
Less accumulated depreciation for:				
Buildings	\$ 12,743,177	\$ 1,911,864	\$ (870,681)	\$ 13,784,360
Improvements other than buildings	9,980,832	1,345,330	(146,684)	11,179,478
Machinery and equipment	16,179,766	1,242,248	(986,551)	16,435,463
Infrastructure (Roads & Bridges)	88,520,898	2,306,257		90,827,155
Total accumulated depreciation	<u>\$ 127,424,673</u>	<u>\$ 6,805,699</u>	<u>\$ (2,003,916)</u>	<u>\$ 132,226,456</u>
Total capital assets, being depreciated, net	<u>\$ 164,031,798</u>	<u>\$ (5,451,141)</u>	<u>\$ (403,041)</u>	<u>\$ 158,177,616</u>
Governmental activities capital assets, net	<u>\$ 167,697,610</u>	<u>\$ (3,169,883)</u>	<u>\$ (421,041)</u>	<u>\$ 164,106,686</u>

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	326,760		\$ (101,627)	225,133
Total capital assets being depreciated	\$ 1,902,912	\$...	\$ (101,627)	\$ 1,801,285
Less accumulated depreciation for:				
Buildings	\$ 1,161,298	\$ 39,403		\$ 1,200,701
Machinery and equipment	190,854	15,930	\$ (101,627)	105,157
Total accumulated depreciation	\$ 1,352,152	\$ 55,333	\$...	\$ 1,305,858
Total capital assets, being depreciated, net	\$ 550,760	\$ (55,333)	\$...	\$ 495,427
Business-type activities capital assets, net	\$ 748,760	\$ (55,333)	\$...	\$ 693,427

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

Governmental activities:

General government	\$ 3,363,792
Public safety	370,403
Public Health	104,200
Highways and public improvements	2,710,772
Parks and recreation	249,771
Conservation and economic development	6,761
Total depreciation expense - governmental activities	\$ 6,805,699

Business-type activities:

County Court Complex	\$ 55,333
Total depreciation expense - Business-Type Activities	\$ 55,333

Total depreciation expense \$ 6,861,032

2. **CAPITAL ASSETS (Continued)**

Component units:	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
Capital assets not being depreciated:				
Land and rights of way	\$ 1,518,734			\$ 1,518,734
Water stock	110,000			110,000
Work in progress	60,531		\$ 60,531	
Total capital assets not being depreciated	<u>\$ 1,689,265</u>	<u>\$...</u>	<u>\$ 60,531</u>	<u>\$ 1,628,734</u>
Capital assets being depreciated:				
Buildings	\$ 191,923			\$ 191,923
Improvements other than buildings	3,913,512	\$ 153,623		4,067,135
Machinery and equipment	845,177			845,177
Total capital assets being depreciated	<u>\$ 4,950,612</u>	<u>\$ 153,623</u>	<u>\$...</u>	<u>\$ 5,104,235</u>
Less accumulated depreciation for:				
Buildings	\$ 74,231	\$ 5,046		\$ 79,277
Improvements other than buildings	1,969,915	140,265		2,110,180
Machinery and equipment	463,094	53,405		516,499
Total accumulated depreciation	<u>\$ 2,507,240</u>	<u>\$ 198,716</u>	<u>\$...</u>	<u>\$ 2,705,956</u>
Total capital assets, being depreciated, net	<u>\$ 2,443,372</u>	<u>\$ (45,093)</u>	<u>\$...</u>	<u>\$ 2,398,279</u>
Component units capital assets, net	<u>\$ 4,132,637</u>	<u>\$ (45,093)</u>	<u>\$ 60,531</u>	<u>\$ 4,027,013</u>

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

Carbon County Recreation & Transportation Special Service District	\$ 164,001
Scofield Reservoir Special Service District	<u>34,715</u>
Total depreciation expense	<u>\$ 198,716</u>

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
2017	\$ 1,647,000	\$ 374,999	\$ 2,021,999			
2018	1,657,000	374,317	2,031,317			
2019	2,353,000	364,601	2,717,601			
2020	2,373,000	344,378	2,717,378			
2021	2,396,000	322,756	2,718,756			
2022-2026	11,320,189	2,252,726	13,572,915			
2027-2031	8,641,506	1,619,513	10,261,019			
2032-2036	5,770,000	1,025,439	6,795,439			
2037-2041	5,775,000	439,850	6,214,850			
2042-2043	932,000	16,625	948,625			
	<u>\$ 42,864,695</u>	<u>\$ 7,135,204</u>	<u>\$ 49,999,899</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>

Revenue Bonds – Revenue Bonds payable at December 31, 2016, 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.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
09-01-17		\$ 16,000	\$ 16,000
09-01-18		16,000	16,000
09-01-19		16,000	16,000
09-01-20		16,000	16,000
09-01-21		16,000	16,000
2022-2026		79,190	79,190
	<u>\$...</u>	<u>\$ 159,190</u>	<u>\$ 159,190</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>
09-01-17		\$ 6,000	\$ 6,000
09-01-18		6,000	6,000
09-01-19		6,000	6,000
09-01-20		6,000	6,000
09-01-21		6,000	6,000
2022		6,000	6,000
	<u>\$...</u>	<u>\$ 36,000</u>	<u>\$ 36,000</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>
01-01-17		\$ 14,000	\$ 14,000
01-01-18		14,000	14,000
01-01-19		14,000	14,000
01-01-20		14,000	14,000
01-01-21		14,000	14,000
2022-2026		70,000	70,000
2027		9,000	9,000
	<u>\$...</u>	<u>\$ 149,000</u>	<u>\$ 149,000</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>
01-01-17		\$ 108,000	\$ 108,000
01-01-18		108,000	108,000
01-01-19		108,000	108,000
01-01-20		108,000	108,000
01-01-21		108,000	108,000
2022-2026		540,000	540,000
2027		114,000	114,000
	<u>\$...</u>	<u>\$ 1,194,000</u>	<u>\$ 1,194,000</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>
01-01-17		\$ 61,000	\$ 61,000
01-01-18		61,000	61,000
01-01-19		61,000	61,000
01-01-20		61,000	61,000
01-01-21		61,000	61,000
2022-2026		305,000	305,000
2027-2031		305,000	305,000
2032		61,000	61,000
	<u>\$...</u>	<u>\$ 976,000</u>	<u>\$ 976,000</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>
01-01-17		\$ 65,000	\$ 65,000
01-01-18		65,000	65,000
01-01-19		65,000	65,000
01-01-20		65,000	65,000
01-01-21		65,000	65,000
2022-2026		325,000	325,000
2027		55,000	55,000
	<u>\$...</u>	<u>\$ 705,000</u>	<u>\$ 705,000</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>
01-01-17		\$ 50,000	\$ 50,000
01-01-18		50,000	50,000
01-01-19		50,000	50,000
01-01-20		50,000	50,000
01-01-21		50,000	50,000
2022-2026		250,000	250,000
2027		48,000	48,000
	<u>\$...</u>	<u>\$ 548,000</u>	<u>\$ 548,000</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>
04-01-17		\$ 155,000	\$ 155,000
04-01-18		155,000	155,000
04-01-19		155,000	155,000
04-01-20		155,000	155,000
04-01-21		155,000	155,000
2022-2026		775,000	775,000
2027		12,506	12,506
	<u>\$...</u>	<u>\$ 1,562,506</u>	<u>\$ 1,562,506</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>
01-01-17		\$ 150,000	\$ 150,000
01-01-18		150,000	150,000
01-01-19		150,000	150,000
01-01-20		150,000	150,000
01-01-21		150,000	150,000
2022-2026		750,000	750,000
2027-2028		300,000	300,000
	<u>\$...</u>	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</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>
04-01-17		\$ 29,000	\$ 29,000
04-01-18		29,000	29,000
04-01-19		29,000	29,000
04-01-20		29,000	29,000
04-01-21		29,000	29,000
2022-2026		142,000	142,000
2027-2029		83,000	83,000
	<u>\$...</u>	<u>\$ 370,000</u>	<u>\$ 370,000</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>
10-01-17		\$ 23,000	\$ 23,000
10-01-18		23,000	23,000
10-01-19		23,000	23,000
10-01-20		23,000	23,000
10-01-21		23,000	23,000
2022-2026		115,000	115,000
2027-2028		46,000	46,000
	<u>\$...</u>	<u>\$ 276,000</u>	<u>\$ 276,000</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>
01-01-17		\$ 40,000	\$ 40,000
01-01-18		40,000	40,000
01-01-19		40,000	40,000
01-01-20		40,000	40,000
01-01-21		40,000	40,000
2022-2026		200,000	200,000
2027-2031		200,000	200,000
2032-2034		120,000	120,000
	<u>\$...</u>	<u>\$ 720,000</u>	<u>\$ 720,000</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>
07-01-17		\$ 14,000	\$ 14,000
07-01-18		14,000	14,000
07-01-19		14,000	14,000
07-01-20		14,000	14,000
07-01-21		14,000	14,000
2022-2026		70,000	70,000
2027-2031		70,000	70,000
2032-2036		73,000	73,000
2037-2040		60,000	60,000
	<u>\$...</u>	<u>\$ 343,000</u>	<u>\$ 343,000</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>
07-01-17		\$ 44,000	\$ 44,000
07-01-18		44,000	44,000
07-01-19		44,000	44,000
07-01-20		44,000	44,000
07-01-21		44,000	44,000
2022-2026		220,000	220,000
2027-2031		220,000	220,000
2032-2036		217,000	217,000
2037-2040		215,000	215,000
	<u>\$...</u>	<u>\$ 1,092,000</u>	<u>\$ 1,092,000</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>
07-01-17		\$ 83,000	\$ 83,000
07-01-18		83,000	83,000
07-01-19		83,000	83,000
07-01-20		83,000	83,000
07-01-21		83,000	83,000
2022-2026		420,000	420,000
	<u>\$...</u>	<u>\$ 835,000</u>	<u>\$ 835,000</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>
10-01-17		\$ 33,000	\$ 33,000
10-01-18		33,000	33,000
10-01-19		33,000	33,000
10-01-20		33,000	33,000
10-01-21		33,000	33,000
2022-2026		165,000	165,000
2027-2031		165,000	165,000
2032-2036		169,000	169,000
2037-2041		170,000	170,000
2042		34,000	34,000
	<u>\$...</u>	<u>\$ 868,000</u>	<u>\$ 868,000</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>
10-01-17		\$ 192,000	\$ 192,000
10-01-18		192,000	192,000
10-01-19		192,000	192,000
10-01-20		192,000	192,000
10-01-21		192,000	192,000
2022-2026		960,000	960,000
2027-2031		960,000	960,000
2032-2036		960,000	960,000
2037-2041		960,000	960,000
2042-2043		369,000	369,000
	<u>\$...</u>	<u>\$ 5,169,000</u>	<u>\$ 5,169,000</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>
10-01-17	\$ 133,025	\$ 140,000	\$ 273,025
10-01-18	129,425	144,000	273,425
10-01-19	125,725	148,000	273,725
10-01-20	121,950	151,000	272,950
10-01-21	118,075	155,000	273,075
2022-2026	528,750	835,000	1,363,750
2027-2031	417,875	945,000	1,362,875
2032-2036	296,975	1,070,000	1,366,975
2037-2041	152,875	1,210,000	1,362,875
2042-2043	16,625	529,000	545,625
	<u>\$ 2,041,300</u>	<u>\$ 5,327,000</u>	<u>\$ 7,368,300</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 1.5% interest. The proceeds are being used to construct roads in 9 mile canyon. An additional amount of \$480,000 was added to the loan in 2016 for the construction of a salt shed. This amount was at 0% interest. The total amount of the combined loan was \$6,980,000.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-17	\$ 91,650	\$ 424,000	\$ 515,650
01-01-18	85,725	430,000	515,725
01-01-19	79,710	437,000	516,710
01-01-20	73,605	444,000	517,605
01-01-21	67,395	451,000	518,395
2022-2026	240,630	2,353,000	2,593,630
2027-2030	71,010	2,051,000	2,122,010
	<u>\$ 709,725</u>	<u>\$ 6,590,000</u>	<u>\$ 7,299,725</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>
01-01-17		\$ 22,336	\$ 22,336
01-01-18		19,000	19,000
01-01-19		19,000	19,000
01-01-20		19,000	19,000
01-01-21		19,000	19,000
2022-2026		95,000	95,000
2027-2031		95,000	95,000
2032-2036		95,000	95,000
2037-2040		79,984	79,984
	<u>\$...</u>	<u>\$ 463,320</u>	<u>\$ 463,320</u>

MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE BOND - SERIES 2016B

The Municipal Building Authority of Carbon County Utah sold bonds in the amount of \$6,900,000, bearing 2.5% interest. The proceeds are being used to construct the 7th District Court Building.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-17			
01-01-18			
01-01-19			
01-01-20			
01-01-21			
2022-2026	\$ 974,517		\$ 974,517
2027-2031	973,267	\$ 640,000	1,613,267
2032-2036	728,464	3,100,000	3,828,464
2037-2041	286,975	3,160,000	3,446,975
	<u>\$ 2,963,223</u>	<u>\$ 6,900,000</u>	<u>\$ 9,863,223</u>

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

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE
BOND - SERIES 2016C**

The Municipal Building Authority of Carbon County Utah sold bonds in the amount of \$7,245,000, bearing a variable interest rate from 1.51% to 2.575%. The proceeds are being used to help construct the 7th District Court Building.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
07-01-17	\$ 150,324		\$ 150,324
07-01-18	159,166		159,166
07-01-19	159,167	\$ 685,000	844,167
07-01-20	148,823	695,000	843,823
07-01-21	137,286	707,000	844,286
2022-2026	508,829	2,740,000	3,248,829
2027-2031	157,361	2,418,000	2,575,361
	<u>\$ 1,420,956</u>	<u>\$ 7,245,000</u>	<u>\$ 8,665,956</u>

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

SUMMARY OF NET CHANGES - PRIMARY GOVERNMENT

<u>Description</u>	<u>Balance</u> <u>01-01-16</u>	<u>Retired</u>	<u>Issued</u>	<u>Balance</u> <u>12-31-16</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<u>Governmental Activities</u>					
Lease Revenue 2001A	\$ 175,190	\$ (16,000)		\$ 159,190	\$ 16,000
Lease Revenue 2001B	42,000	(6,000)		36,000	6,000
MBA Lease Revenue 2006A	163,000	(14,000)		149,000	14,000
MBA Lease Revenue 2006B	1,302,000	(108,000)		1,194,000	108,000
MBA Lease Revenue 2006C	1,037,000	(61,000)		976,000	61,000
MBA Lease Revenue 2006D	770,000	(65,000)		705,000	65,000
MBA Lease Revenue 2006E	598,000	(50,000)		548,000	50,000
MBA Lease Revenue 2006F	1,717,506	(155,000)		1,562,506	155,000
MBA Lease Revenue 2007	1,950,000	(150,000)		1,800,000	150,000
MBA Lease Revenue 2008B	399,000	(29,000)		370,000	29,000
MBA Lease Revenue 2008C	299,000	(23,000)		276,000	23,000
MBA Lease Revenue 2008	760,000	(40,000)		720,000	40,000
MBA Lease Revenue 2010	357,000	(14,000)		343,000	14,000
MBA Lease Revenue 2011A	1,136,000	(44,000)		1,092,000	44,000
MBA Lease Revenue 2011B	918,000	(83,000)		835,000	83,000
MBA Lease Revenue 2012	901,000	(33,000)		868,000	33,000
MBA Bond Series 2013A	5,361,000	(192,000)		5,169,000	192,000
MBA Bond Series 2013B	5,464,000	(137,000)		5,327,000	140,000
MBA Lease Revenue 2014	6,500,000	(390,000)	\$ 480,000	6,590,000	424,000
MBA Lease Revenue 2016B			6,900,000	6,900,000	
MBA Lease Revenue 2016C			7,245,000	7,245,000	
	<u>\$ 29,849,696</u>	<u>\$ (1,610,000)</u>	<u>\$ 14,625,000</u>	<u>\$ 42,864,696</u>	<u>\$ 1,647,000</u>
<u>Governmental Activities</u>					
SEUDH Capital Leases:					
Series 2011	<u>\$ 485,656</u>	<u>\$ (22,336)</u>		<u>\$ 463,320</u>	<u>\$ 22,336</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 Position for proprietary funds, respectively, as "cash and investments." Total non-fiduciary cash and investments are also reflected on the government-wide Statement of Net Position. 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

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County'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, 2016, the bank balance of the County's deposits was \$2,799,780, of which Federal Deposit Insurance Corporation covers \$500,000.

Investments

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

The County follows the requirements of the Utah Money Management Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of the County's funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the County's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the County to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home

4. DEPOSITS AND INVESTMENTS (Continued)

Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares of certificates in a money market mutual fund as defined in the money Management Act; and the Utah State Public Treasurers’ Investment Fund.

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (Utah Code, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 Quoted prices for identical investments in active markets;
- Level 2 Observable inputs other than quoted market prices; and
- Level 3 Unobservable inputs.

At December 31, 2016, the County had the following recurring fair value measurements.

	12/31/2016	Fair Value Measurements Using		
		Less Level 1	Level 2	Level 3
<u>Investments by fair value level</u>				
<u>Debt Securities</u>				
Money Market Mutual Funds	\$ 1,915,872		\$ 1,915,872	
U.S. Treasuries	604,837	\$ 604,837		
U.S. Agencies	13,357,662	13,357,662		
Utah Public Treasurers' Investment Fund	20,368,711		20,368,711	
Total investments	<u>\$ 36,247,082</u>	<u>\$ 13,962,499</u>	<u>\$ 22,284,583</u>	<u>\$...</u>

4. DEPOSITS AND INVESTMENTS (Continued)

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' investment Fund: application of the December 31, 2016 fair value factor, as calculated by the Utah State Treasurer, to the County's average daily balance in the Fund; and
- Donated Real Estate: recent appraisals of the real estate's value.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days – 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of December 31, 2016 the County's investments had the following maturities:

<u>Investment Type</u>	12/31/2016 Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
<u>Debt Securities</u>					
Money Market Mutual Funds	\$ 1,915,872	\$ 1,915,872			
U.S. Treasuries	604,837	604,837			
U.S. Agencies	13,357,662	13,357,662			
Utah Public Treas. Invest. Fund	20,368,711	20,368,711			
Total investments	<u>\$ 36,247,082</u>	<u>\$ 36,247,082</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County’s policy for reducing its exposure to credit risk is to comply with the State’s Money Management Act, as previously discussed.

At December 31, 2016, the County’s investments had the following quality ratings:

<u>Investment Type</u>	<u>12/31/2016 Fair Value</u>	<u>Quality Rating</u>
<u>Debt Securities</u>		
Money Market Mutual Funds	\$ 1,915,872	Unrated
U.S. Treasuries	604,837	Unrated
U.S. Agencies	13,357,662	Unrated
Utah Public Treas. Invest. Fund	20,368,711	Unrated
Total investments	<u>\$ 36,247,082</u>	

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The County’s policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Custodial Credit Risk

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, 2016 were held by the County or in the County’s name by the County’s custodial banks with qualified depositories totaling \$20,368,711 where the underlying securities were uninsured and held by the investment’s counterparty the Utah Public Treasurer's Investment Fund.

5. PENSION PLANS

General Information about the Pension Plan

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

CARBON COUNTY

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

SOUTHEASTERN UTAH HEALTH

- Public Employees Contributory Retirement System (Contributory System); is a multiple employer, cost sharing, public employees, retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); are multiple employer, cost sharing, public employees, retirement systems.

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

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

5. PENSION PLANS (Continued)

Summary of Benefits by System

CARBON COUNTY

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

5. PENSION PLANS (Continued)

SOUTHEASTERN UTAH HEALTH

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

*with actuarial reductions

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

5. PENSION PLANS (Continued)

Contributions As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2016 are as follows:

Utah State Retirement Systems

	Employee	Employer	Employer 401(k)
CARBON COUNTY			
Contributory System			
11 - Local Governmental Division Tier 1	6.000%	14.46%	N/A
111 - Local Governmental Division Tier 2	N/A	14.910%	1.780%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.470%	N/A
Public Safety Retirement System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety	N/A	23.660%	1.330%
Noncontributory			
75 - Other Division A with 4% COLA	N/A	35.710%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.690%	10.000%
222 - Public Safety	N/A	12.990%	12.000%
SOUTHEASTERN UTAH HEALTH			
Contributory System			
111 - Local Governmental Division Tier 2	N/A	14.910%	1.780%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.690%	10.000%

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

5. **PENSION PLANS (Continued)**

For fiscal year ended December 31, 2016, the employer and employee contributions to the Systems were as follows:

CARBON COUNTY

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 691,340	N/A
Contributory System	19,723	
Public Safety System	624,186	
Tier 2 Public Employees System	176,319	
Tier 2 Public Safety and Firefighter	75,595	
Tier 2 DC Only System	14,262	N/A
Tier 2 DC Public Safety and Firefighter System	8,970	N/A
Total Contributions	\$ 1,610,395	\$. . .

SOUTHEASTERN UTAH HEALTH

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 157,397	N/A
Tier 2 Public Employees System	23,043	
Tier 2 DC Only System	923	N/A
Total Contributions	\$ 181,363	\$. . .

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

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

At December 31, 2016, Carbon County reported a net pension asset of \$5,376 and a net pension liability of \$5,508,292 and Southeastern Utah Health reported a net pension asset of \$35 and a net pension liability of \$677,782.

5. **PENSION PLANS (Continued)**

CARBON COUNTY

	(Measurement Date): December 31, 2015				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2014	Change (Decrease)
Noncontributory System	\$0	\$2,753,909	0.4866865%	0.5005300%	(0.0138435)%
Contributory System	\$0	\$374,281	0.5325152%	0.6765446%	(0.1440294)%
Public Safety System	\$0	\$2,380,102	1.3287368%	1.1642284%	0.1645084%
Tier 2 Public Employees System	\$306	\$0	0.1402243%	0.1147323%	0.0254920%
Tier 2 Public Safety and Firefighter	\$5,070	\$0	0.3470058%	0.2549850%	0.0920208%
	<u>\$5,376</u>	<u>\$5,508,292</u>			

SOUTHEASTERN UTAH HEALTH

	(Measurement Date): December 31, 2015				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2014	Change (Decrease)
Noncontributory System	\$0	\$677,782	0.1197815%	0.1344757%	(0.0146942)%
Tier 2 Public Employees System	\$5,070	\$0	0.0160396%	0.0178322%	(0.0017926)%
	<u>\$5,070</u>	<u>\$677,782</u>			

The net pension asset and liability were measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015, and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2016, Carbon County recognized pension expense of \$1,513,674 and Southeastern Utah Health recognized pension expense of \$133,126. At December 31, 2016, Carbon County and Southeastern Utah Health reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

5. **PENSION PLANS (Continued)**

CARBON COUNTY

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 880	\$ 394,179
Changes in assumptions		316,839
Net difference between projected and actual earnings on pension plan investments	1,811,231	
Changes in proportion and differences between contributions and proportionate share of contributions	191,819	88,431
Contributions subsequent to the measurement date	<u>1,610,395</u>	
 Total	 <u>\$ 3,614,325</u>	 <u>\$ 799,449</u>

SOUTHEASTERN UTAH HEALTH

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience		\$ 31,249
Changes in assumptions		37,989
Net difference between projected and actual earnings on pension plan investments	\$ 229,794	
Changes in proportion and differences between contributions and proportionate share of contributions	566	59,164
Contributions subsequent to the measurement date	<u>181,363</u>	
 Total	 <u>\$ 411,723</u>	 <u>\$ 128,402</u>

Carbon County reported \$1,610,395 and Southeastern Utah Health reported \$181,363 as deferred outflows of resources related to pensions results from contributions made by the Carbon County and Southeastern Utah Health prior to our fiscal year end, but subsequent to the measurement date of December 31, 2015. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

5. **PENSION PLANS (Continued)**

<u>Year Ended December 31,</u>	Deferred Outflows (inflows) of Resources	
	Carbon County	Southeastern Utah Health
	2016	\$ 215,829
2017	255,605	20,251
2018	325,766	21,074
2019	411,757	42,244
2020	(822)	(100)
Thereafter	(3,655)	(450)

Actuarial assumptions - The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2013.

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

5. PENSION PLANS (Continued)

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
		Inflation	2.75%
		Expected arithmetic nominal return	<u>7.98%</u>

The 7.50 percent assumed investment rate of return is comprised of an inflation rate of 2.75 percent, a real return of 4.75 percent that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one-percentage point higher (8.50 percent) than the current rate:

CARBON COUNTY

System	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Noncontributory System	\$ 5,818,736	\$ 2,753,909	\$ 195,392
Contributory System	659,144	374,281	135,125
Public Safety System	5,040,051	2,380,102	214,412
Tier 2 Public Employees System	56,135	(306)	(43,083)
Tier 2 Public Safety and Firefighter	8,618	(5,070)	(15,581)
Total	\$ 11,582,684	\$ 5,502,916	\$ 486,265

5. **PENSION PLANS (Continued)**

SOUTHEASTERN UTAH HEALTH

System	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Noncontributory System	\$ 1,432,086	\$ 677,782	\$ 48,089
Tier 2 Public Employees System	6,421	(35)	(4,928)
Total	\$ 1,438,507	\$ 677,747	\$ 43,161

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

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

Carbon County and Southeastern Utah Health participate in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

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

CARBON COUNTY

	2016	2015	2014
401(k) Plan			
Employer Contributions	\$ 71,881	\$ 68,376	\$ 69,213
Employee Contributions	187,740	164,775	132,174
457 Plan			
Employer Contributions			
Employee Contributions	40,096	42,199	53,712

5. **PENSION PLANS (Continued)**

SOUTHEASTERN UTAH HEALTH

	2016	2015	2014
401(k) Plan			
Employer Contributions	\$ 28,880	\$ 21,124	\$ 25,557
Employee Contributions	37,445	38,916	46,960
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 5,400	\$ 6,600	\$ 5,900

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 in 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 \$97,917 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:

Fund	Transfers In	Transfers Out
General	\$ 986,400	\$ 877,615
Court complex - enterprise		986,400
Travel bureau		70,000
Fairgrounds	70,000	
RSVP	15,763	
Economic development	162,050	
Council on aging	250,000	
Nutrition	449,802	
	<u>\$ 1,934,015</u>	<u>\$ 1,934,015</u>

12. BUDGETARY COMPLIANCE

Unfavorable budget variances were incurred in the following funds:

GENERAL FUND -

General government -

Data processing	\$ 4,204
Sheriff	25,236
County jail	75,113

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, 2016, 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.

\$97,917 is reserved to cover the estimated costs of the landfill closure at some future date.

MUNICIPAL SERVICES FUND –

\$4,613,097 is reserved for Class “B” Road expenditures for the County.

\$1,822,210 is the balance of Municipal Services Fund and has been committed for the purpose of meeting municipal services specific purposes.

SEU DISTRICT HEALTH DEPARTMENT –

\$416,216 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 –

\$1,482,201 is for debt service requirements, \$1,239,494 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 (2016), the County worked on three major projects. The first project was the County finalized a financing package for the construction of a new District and Juvenile Court building, which will be built at 120 East Main Street in Price, Utah. Construction on this project was delayed because of snow and did not commence until February of 2017.

16. **MAJOR CONSTRUCTION PROJECTS (Continued)**

The second project was a soccer field complex at the fairgrounds which leverages funds provided by the Carbon Recreation/Transportation Special Service District, a grant from the Eccles Foundation and a grant from the Community Impact Board to build three new soccer fields on fairgrounds road. The third project was the completion of the Salt Shed in Nine Mile Canyon.

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**

Construction of the new 7th District and Juvenile Court began in early 2017. The overall capital outlay for this building will be approximately thirteen million dollars. As of the time of issuance of these financial statements, the project is approximately 30% complete.

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 reports a deferred outflow of resources relating to pensions, which is created from the difference of the measurement of pension liability and payments on pension obligations subsequent to the measurement date.

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 reports a deferred inflow of resources relating to pensions, which is created because of the differences between expected and actual experiences and changes in assumptions as they relate to pension accounting and reporting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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, 2016, 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 \$15,701,737.

21. PRIOR PERIOD ADJUSTMENT

During the audit year ending December 31, 2016, a prior period adjustment was required to eliminate a duplicate receivable from the previous year and adjust cash balances to actual. It was determined that the accounts receivable had been reflected in a prior year audit and the cash account balances should have reflected a lower balance. The amount of the prior period adjustment was \$37,719.

CARBON COUNTY
Required Supplementary Information

- | | |
|------------|--|
| SCHEDULE 1 | Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund |
| SCHEDULE 2 | Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Southeastern Utah District Health Department |
| SCHEDULE 3 | Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Municipal Services Fund |
| SCHEDULE 4 | Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Municipal Building Authority |
| SCHEDULE 5 | Schedule of the Proportionate Share of the Net Pension Liability as of December 31, 2015 |
| SCHEDULE 6 | Schedule of Contributions as of December 31, 2015 |
- Notes to the Required Supplementary Information

**CARBON COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes:				
General property taxes - current year	\$ 4,992,659	\$ 4,992,659	\$ 4,604,820	\$ (387,839)
General property taxes - assessing & collecting	887,436	887,436	848,246	(39,190)
Prior year taxes - delinquent	160,000	160,000	211,562	51,562
General sales and use taxes	962,000	962,000	920,657	(41,343)
Fees in lieu of taxes	787,000	787,000	741,384	(45,616)
Franchise taxes	18,000	18,000	13,491	(4,509)
Miscellaneous taxes	1,000	1,000	1,448	448
Total taxes	\$ 7,808,095	\$ 7,808,095	\$ 7,341,608	\$ (466,487)
Licenses and Permits:				
Business licenses and permits	\$ 32,000	\$ 37,000	\$ 37,935	\$ 935
Non-business licenses and permits	5,000	5,000	7,440	2,440
Total licenses and permits	\$ 37,000	\$ 42,000	\$ 45,375	\$ 3,375
Intergovernmental Revenues:				
Federal sources -				
Children's Justice	\$ 345,000	\$ 415,000	\$ 404,697	\$ (10,303)
Victim's Rights	36,000	36,000	43,747	7,747
Forest Reserve	14,000	14,000	15,157	1,157
Payment in lieu of tax		1,116,000	1,116,154	154
Miscellaneous	100,000	369,700	158,101	(211,599)
Total federal sources	\$ 495,000	\$ 1,950,700	\$ 1,737,856	\$ (212,844)
State sources -				
Payment in lieu of tax	\$ 130,000	\$ 130,000	\$ 132,394	\$ 2,394
Jail reimbursements	15,000	15,000	19,474	4,474
EMS Grant	30,000	30,000	10,187	(19,813)
Mineral reserve funds	500,000	500,000	97,886	(402,114)
Miscellaneous		26,000	143,317	117,317
Total state sources	\$ 675,000	\$ 701,000	\$ 403,258	\$ (297,742)
Total intergovernmental revenues	\$ 1,170,000	\$ 2,651,700	\$ 2,141,114	\$ (510,586)
Charges for Services:				
General government -				
Recorder fees	\$ 86,000	\$ 86,000	\$ 79,637	\$ (6,363)
Auditor fees	12,000	12,000	13,172	1,172
Miscellaneous	6,000	6,000	11,225	5,225
Total general government	\$ 104,000	\$ 104,000	\$ 104,034	\$ 34

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

SCHEDULE 1
(Continued)

**CARBON COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Charges for Services (continued):				
Public safety -				
Jail fees	\$ 20,000	\$ 20,000	\$ 18,247	\$ (1,753)
Justice court surcharge	11,500	11,500	13,596	2,096
Special sheriff services		75,000	89,892	14,892
Court costs and fees	62,000	62,000	59,658	(2,342)
Total public safety	<u>\$ 93,500</u>	<u>\$ 168,500</u>	<u>\$ 181,393</u>	<u>\$ 12,893</u>
Other charges for services -				
Parks and public property	\$ 34,000	\$ 34,000	\$ 31,199	\$ (2,801)
Ambulance fees	1,025,000	1,025,000	1,094,714	69,714
G.I.S. fees	500	500	286	(214)
Total other charges for services	<u>\$ 1,059,500</u>	<u>\$ 1,059,500</u>	<u>\$ 1,126,199</u>	<u>\$ 66,699</u>
Total charges for services	<u>\$ 1,257,000</u>	<u>\$ 1,332,000</u>	<u>\$ 1,411,626</u>	<u>\$ 79,626</u>
Fines and Forfeitures:				
Fines	\$ 235,000	\$ 247,000	\$ 263,886	\$ 16,886
Total fines and forfeitures	<u>\$ 235,000</u>	<u>\$ 247,000</u>	<u>\$ 263,886</u>	<u>\$ 16,886</u>
Miscellaneous Revenues:				
Interest	\$ 35,000	\$ 45,000	\$ 57,115	\$ 12,115
Rents and concessions	5,000	5,000	10,488	5,488
Royalties and Mineral Leases	100,000	644,000	1,538,848	894,848
Sale of fixed assets	10,000	50,000	59,574	9,574
Airport fees and fuel sales	240,000	240,000	32,960	(207,040)
Tippage fees - ECDC	50,000	50,000	80,169	30,169
Sale of materials and supplies	20,000	20,000	19,509	(491)
Contributions		1,564,600	964,018	(600,582)
Miscellaneous	111,000	171,000	148,361	(22,639)
Total miscellaneous revenues	<u>\$ 571,000</u>	<u>\$ 2,789,600</u>	<u>\$ 2,911,042</u>	<u>\$ 121,442</u>
Contributions from other funds:				
Contributions from other funds	\$ 986,400	\$ 986,400	\$ 986,400	
Total Revenues	<u>\$ 12,064,495</u>	<u>\$ 15,856,795</u>	<u>\$ 15,101,051</u>	<u>\$ (755,744)</u>

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

SCHEDULE 1
(Continued)

**CARBON COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
EXPENDITURES				
Current:				
General Government:				
Commission	\$ 429,300	\$ 442,000	\$ 429,587	\$ 12,413
Justice court	294,600	294,600	283,920	10,680
District court	6,000	6,000	3,351	2,649
Public defender	255,000	255,000	236,270	18,730
Personel	229,500	231,000	193,520	37,480
Clerk/Auditor	365,000	372,000	369,151	2,849
Treasurer	174,300	185,300	180,745	4,555
Recorder	262,500	268,000	264,840	3,160
Attorney	856,000	871,300	865,427	5,873
Assessor	440,000	445,000	404,225	40,775
Non-Departmental	435,000	491,000	469,781	21,219
Data processing	544,500	555,500	559,704	(4,204)
Central purchasing	5,000	5,000	3,750	1,250
Central mailing	28,500	29,000	27,318	1,682
Communications	87,500	73,500	69,028	4,472
Attorney - Childrens Justice	453,950	548,450	520,847	27,603
Building and grounds	208,200	303,200	269,443	33,757
Engineering	226,000	232,000	207,036	24,964
Safety	90,000	95,000	84,655	10,345
Elections	28,000	28,000	25,222	2,778
Graphical information service	265,500	275,500	261,444	14,056
Industrial park	98,000	100,000	94,134	5,866
	\$ 5,782,350	\$ 6,106,350	\$ 5,823,398	\$ 282,952
Public Safety:				
Sheriff	\$ 2,362,000	\$ 2,425,000	\$ 2,450,236	\$ (25,236)
Victims rights	65,409	70,909	67,967	2,942
Emergency management	997,400	1,169,400	992,771	176,629
Drug court - tracking	278,200	278,200	185,315	92,885
Ambulance service	1,105,000	1,158,187	1,100,655	57,532
Jail complex	2,215,500	2,266,500	2,341,613	(75,113)
	\$ 7,023,509	\$ 7,368,196	\$ 7,138,557	\$ 229,639

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

**CARBON COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Public Health:				
Indigent	\$ 10,000	\$ 10,000	\$ 9,600	\$ 400
Public health	130,000	130,000	126,244	3,756
Mental health	230,000	230,000	223,264	6,736
Total public health	<u>\$ 370,000</u>	<u>\$ 370,000</u>	<u>\$ 359,108</u>	<u>\$ 10,892</u>
Highways and Public Improvements:				
Landfill	\$ 376,500	\$ 391,500	\$ 355,645	\$ 35,855
Maintenance and abatement	491,000	514,000	479,025	34,975
Total highways and public improvements	<u>\$ 867,500</u>	<u>\$ 905,500</u>	<u>\$ 834,670</u>	<u>\$ 70,830</u>
Parks, Recreation and Public Property:				
Recreation - Television	\$ 92,700	\$ 133,700	\$ 122,609	\$ 11,091
Library	110,000	110,000	96,836	13,164
Total parks, recreation and public property	<u>\$ 202,700</u>	<u>\$ 243,700</u>	<u>\$ 219,445</u>	<u>\$ 24,255</u>
Conservation and Economic Development:				
Agriculture and extension services	\$ 62,900	\$ 68,400	\$ 58,131	\$ 10,269
Total conservation and economic development	<u>\$ 62,900</u>	<u>\$ 68,400</u>	<u>\$ 58,131</u>	<u>\$ 10,269</u>
Contributions and Miscellaneous:				
Contributions to other governmental agencies	\$ 130,000	\$ 163,000	\$ 162,073	\$ 927
Miscellaneous	34,000	60,000	73,135	(13,135)
Total contributions and miscellaneous	<u>\$ 164,000</u>	<u>\$ 223,000</u>	<u>\$ 235,208</u>	<u>\$ (12,208)</u>
Total expenditures	<u>\$ 14,472,959</u>	<u>\$ 15,285,146</u>	<u>\$ 14,668,517</u>	<u>\$ 616,629</u>
Excess of revenues over (under) expenditures	<u>\$ (2,408,464)</u>	<u>\$ 571,649</u>	<u>\$ 432,534</u>	<u>\$ (139,115)</u>

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

**CARBON COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (953,452)	\$ (953,452)	\$ (877,615)	\$ (75,837)
Total other financing sources (uses)	\$ 953,452	\$ 953,452	\$ 877,615	\$ 75,837
Excess of revenues and other sources over (under) expenditures and other uses	\$ (3,361,916)	\$ (381,803)	\$ (445,081)	\$ (63,278)
Fund balance - beginning of year	3,361,916	381,803	4,288,481	3,906,678
Prior period adjustment			(37,719)	(37,719)
Fund balance - end of year	<u>\$...</u>	<u>\$...</u>	<u>\$ 3,805,681</u>	<u>\$ 3,805,681</u>

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

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Intergovernmental				
Federal, State and Local funds	\$ 1,716,175	\$ 1,675,387	\$ 1,724,317	\$ 48,930
Total Intergovernmental	\$ 1,716,175	\$ 1,675,387	\$ 1,724,317	\$ 48,930
Charges for services				
Charges for services	\$ 717,100	\$ 831,850	\$ 687,803	\$ (144,047)
Total Charges for services	\$ 717,100	\$ 831,850	\$ 687,803	\$ (144,047)
Miscellaneous				
Miscellaneous			\$ 15,898	\$ 15,898
Investment earnings	\$ 900	\$ 900	3,555	2,655
Total miscellaneous	\$ 900	\$ 900	\$ 19,453	\$ 18,553
Total Revenues	\$ 2,434,175	\$ 2,508,137	\$ 2,431,573	\$ (76,564)
EXPENDITURES				
Current:				
Public health	\$ 2,411,839	\$ 2,411,840	\$ 2,228,437	\$ 183,403
Bond principal - payments	22,336	22,336	22,336	
Total public health	\$ 2,434,175	\$ 2,434,176	\$ 2,250,773	\$ 183,403
Total expenditures	\$ 2,434,175	\$ 2,434,176	\$ 2,250,773	\$ 183,403
Excess of revenue over (under) expenditures		\$ 73,961	\$ 180,800	\$ 106,839
Fund balance - beginning of year		(73,961)	821,715	895,676
Fund balance - end of year	\$...	\$...	\$ 1,002,515	\$ 1,002,515

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

**CARBON COUNTY
MUNICIPAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Taxes	\$ 1,326,346	\$ 1,569,346	\$ 1,640,628	\$ 71,282
Licenses and permits	41,000	41,000	54,252	13,252
Intergovernmental	4,265,100	2,083,800	1,808,246	(275,554)
Charges for services	101,000	27,000	24,076	(2,924)
Interest Earnings	7,000	27,000	41,591	14,591
Miscellaneous	36,000	36,000	107,393	71,393
Total Revenues	\$ 5,776,446	\$ 3,784,146	\$ 3,676,186	\$ (107,960)
EXPENDITURES:				
General government	\$ 90,000	\$ 90,000	\$ 63,961	\$ 26,039
Public safety	690,350	690,350	508,051	182,299
Highways and public improvements	3,318,400	3,322,400	3,135,016	187,384
Total expenditures	\$ 4,098,750	\$ 4,102,750	\$ 3,707,028	\$ 395,722
Excess of revenue over (under) expenditures	\$ 1,677,696	\$ (318,604)	\$ (30,842)	\$ 287,762
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	\$ 1,677,696	\$ (318,604)	\$ (30,842)	\$ 287,762
Fund balance - beginning of year	(1,677,696)	318,604	6,466,149	6,147,545
Fund balance - end of year	\$...	\$...	\$ 6,435,307	\$ 6,435,307

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

**CARBON COUNTY
MUNICIPAL BUILDING AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(UNFAVORABLE)</u>
REVENUES:				
Intergovernmental	\$ 3,003,500	\$ 4,503,500	\$ 3,836,995	\$ (666,505)
Contributions	328,000	328,000	297,194	(30,806)
Total Revenues	<u>\$ 3,331,500</u>	<u>\$ 4,831,500</u>	<u>\$ 4,134,189</u>	<u>\$ (697,311)</u>
EXPENDITURES:				
Bond principal - payments	\$ 1,213,000	\$ 1,213,000	\$ 1,610,000	\$ (397,000)
Bond interest and fiscal charges	116,000	116,000	234,100	(118,100)
Highways and public improvements	2,002,500	3,502,500	2,447,118	1,055,382
Total expenditures	<u>\$ 3,331,500</u>	<u>\$ 4,831,500</u>	<u>\$ 4,291,218</u>	<u>\$ 540,282</u>
Excess of revenue over (under) expenditures	<u>\$...</u>	<u>\$...</u>	<u>\$ (157,029)</u>	<u>\$ (157,029)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in				
Total other financing sources (uses)	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>
Excess of revenue and other sources over (under) expenditures and other uses			<u>\$ (157,029)</u>	<u>\$ (157,029)</u>
Fund balance - beginning of year			<u>2,878,724</u>	<u>2,878,724</u>
Fund balance - end of year	<u>\$...</u>	<u>\$...</u>	<u>\$ 2,721,695</u>	<u>\$ 2,721,695</u>

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

CARBON COUNTY/SOUTHEASTERN UTAH HEALTH
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF DECEMBER 31, 2015

CARBON COUNTY

	Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of its covered-employee payroll
Noncontributory Retirement System	2014	0.5005300%	\$2,173,419	\$4,197,266	51.80%	90.2%
	2015	0.4866865%	\$2,753,909	\$3,975,087	69.28%	87.8%
Contributory Retirement System	2014	0.6765446%	\$195,145	\$361,871	53.90%	94.0%
	2015	0.5325152%	374,281	226,898	164.96%	85.7%
Public Safety System	2014	1.1642284%	\$1,464,114	1,738,824	84.20%	90.5%
	2015	1.3287368%	2,380,102	1,879,795	126.62%	87.1%
Tier 2 Public Employees Retirement System	2014	0.1147323%	(\$3,477)	\$562,914	(0.60)%	103.5%
	2015	0.1402243%	(306)	906,014	(0.03)%	100.2%
Tier 2 Public Safety and Firefighters Retirement	2014	0.2549850%	(\$3,772)	\$105,496	(3.60)%	120.5%
	2015	0.3470058%	(5,070)	206,537	-2.45%	110.7%

SOUTHEASTERN UTAH HEALTH

	Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of its covered-employee payroll
Noncontributory Retirement System	2014	0.1344757%	\$583,925	\$1,145,543	51.00%	90.2%
	2015	0.1197815%	\$677,782	\$1,024,879	66.13%	87.8%
Contributory Retirement System	2014	0.0091320%	\$2,634	\$5,102	51.60%	94.0%
	2015					
Tier 2 Public Employees Retirement System	2014	0.0178322%	(\$540)	\$87,357	(0.60)%	103.5%
	2015	0.0160396%	(35)	103,622	(0.03)%	100.2%

* In accordance with paragraph 81.a GASB 68, employers will need to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI.

"The accompanying notes are an integral part of these financial statements."

**CARBON COUNTY/SOUTHEASTERN UTAH HEALTH
SCHEDULE OF CONTRIBUTIONS
AS OF DECEMBER 31, 2016**

CARBON COUNTY

	As of fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required Contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 742,681	\$ 742,681	\$	\$ 4,192,791	17.71%
	2015	726,887	726,887		3,972,250	18.30%
	2016	691,340	691,340		3,785,655	18.26%
Contributory System	2014	\$ 50,023	\$ 50,023	\$	\$ 361,871	13.82%
	2015	32,809	32,809		226,898	14.46%
	2016	19,723	19,723		136,396	14.46%
Public Safety System	2014	\$ 555,855	\$ 555,855	\$	\$ 1,738,824	31.97%
	2015	647,778	647,778		1,879,970	34.46%
	2016	624,186	624,186		1,802,630	34.63%
Tier 2 Public Employees System*	2014	\$ 81,716	\$ 81,716	\$	\$ 564,639	14.47%
	2015	135,769	135,769		909,825	14.92%
	2016	176,319	176,319		1,184,023	14.89%
Tier 2 Public Safety and Firefighter System*	2014	\$ 24,766	\$ 24,766	\$	\$ 106,913	23.16%
	2015	48,909	48,909		206,537	23.68%
	2016	75,595	75,595		320,766	23.57%
Tier 2 Public Employees DC Only System*	2014	\$ 9,562	\$ 9,562	\$	\$ 154,482	6.19%
	2015	14,292	14,292		213,152	6.70%
	2016	14,262	14,262		213,176	6.69%
Tier 2 Public Safety and Firefighter DC Only System*	2014	\$ 4,503	\$ 4,503	\$	\$ 36,669	12.28%
	2015	9,269	9,269		71,354	12.99%
	2016	8,970	8,970		69,052	12.99%

SOUTHEASTERN UTAH HEALTH

	As of fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required Contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 204,988	\$ 204,988	\$	\$ 1,145,543	17.89%
	2015	189,295	189,295		1,024,879	18.47%
	2016	157,397	157,397		852,175	18.47%
Contributory System	2014	\$ 678	\$ 678	\$	\$ 5,102	13.28%
	2015					
	2016					
Tier 2 Public Employees System*	2014	\$ 12,603	\$ 12,603	\$	\$ 87,357	14.43%
	2015	15,464	15,464		103,622	14.92%
	2016	23,043	23,043		146,855	15.69%
Tier 2 Public Employees DC Only System*	2014	\$ 1,144	\$ 1,144	\$	\$ 18,774	6.09%
	2015	935	935		13,940	6.70%
	2016	923	923		13,797	6.69%

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

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

"The accompanying notes are an integral part of these financial statements."

CARBON COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2016

CHANGES IN ASSUMPTIONS:

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.50% to 3.25%. There was an improvement in the post retirement mortality assumption for female educators and minor adjustments to the preretirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

CARBON COUNTY
Supplementary Information

**CARBON COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	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	COUNCIL ON AGING	NUTRITION	AIRPORT	TAX STABILITY	
ASSETS											
Cash and cash equivalents	\$ 612,963	\$ 409,452	\$ 223,640	\$ 130,230	\$ 599,487	\$ 68,109	\$ 285,793	\$ 114,831	\$ (99,787)		\$ 2,344,718
Restricted - cash and cash equivalents										\$ 2,416,555	2,416,555
Receivables - other	25,776	320		7,761			11,908	36,325	164,320		246,410
Total assets	<u>\$ 638,739</u>	<u>\$ 409,772</u>	<u>\$ 223,640</u>	<u>\$ 137,991</u>	<u>\$ 599,487</u>	<u>\$ 68,109</u>	<u>\$ 297,701</u>	<u>\$ 151,156</u>	<u>\$ 64,533</u>	<u>\$ 2,416,555</u>	<u>\$ 5,007,683</u>
LIABILITIES AND FUND BALANCES											
LIABILITIES:											
Accounts payable	\$ 112,707	\$ 4,379	\$ 7,632	\$ 5,757		\$ 9,013	\$ 1,516	\$ 2,775	\$ 10,770		\$ 154,549
Accrued liabilities	8,120	16,878	12,720			4,054	9,247	19,103			70,122
Total liabilities	<u>\$ 120,827</u>	<u>\$ 21,257</u>	<u>\$ 20,352</u>	<u>\$ 5,757</u>	<u>\$...</u>	<u>\$ 13,067</u>	<u>\$ 10,763</u>	<u>\$ 21,878</u>	<u>\$ 10,770</u>	<u>\$...</u>	<u>\$ 224,671</u>
FUND BALANCES:											
Unreserved, reported in:											
Special revenue fund	\$ 517,912	\$ 388,515	\$ 203,288	\$ 132,234	\$ 599,487	\$ 55,042	\$ 286,938	\$ 129,278	\$ 53,763		\$ 2,366,457
Permanent - tax stability										\$ 2,416,555	2,416,555
Total fund balances	<u>\$ 517,912</u>	<u>\$ 388,515</u>	<u>\$ 203,288</u>	<u>\$ 132,234</u>	<u>\$ 599,487</u>	<u>\$ 55,042</u>	<u>\$ 286,938</u>	<u>\$ 129,278</u>	<u>\$ 53,763</u>	<u>\$ 2,416,555</u>	<u>\$ 4,783,012</u>
Total liabilities and fund equity	<u>\$ 638,739</u>	<u>\$ 409,772</u>	<u>\$ 223,640</u>	<u>\$ 137,991</u>	<u>\$ 599,487</u>	<u>\$ 68,109</u>	<u>\$ 297,701</u>	<u>\$ 151,156</u>	<u>\$ 64,533</u>	<u>\$ 2,416,555</u>	<u>\$ 5,007,683</u>

**CARBON COUNTY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	SPECIAL REVENUE FUNDS									PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	CASTLE COUNTRY TRAVEL BUREAU	FAIR GROUNDS	CARBON LEISURE SERVICES	EMERGENCY TELEPHONE	CARBON COUNTY RDA	CARBON COUNTY FUTURE	COUNCIL ON AGING	NUTRITION	AIRPORT	TAX STABILITY	
REVENUES:											
Taxes	\$ 231,553										\$ 231,553
Intergovernmental revenue	259,803	\$ 570,800	\$ 404,180		\$ 28,066		\$ 55,383	\$ 140,686	\$ 164,320		1,623,238
Charges for services		37,139	229,316	\$ 138,795			11,592	114,067	185,012		715,921
Contributions						\$ 3,304	1,629				4,933
Miscellaneous							50		503		553
Interest income				511						\$ 19,560	20,071
Total revenues	\$ 491,356	\$ 607,939	\$ 633,496	\$ 139,306	\$ 28,066	\$ 3,304	\$ 68,654	\$ 254,753	\$ 349,835	\$ 19,560	\$ 2,596,269
EXPENDITURES:											
Public safety				\$ 105,694							\$ 105,694
Highways and public improvements									\$ 296,072		296,072
Parks, recreation and public property		\$ 785,341	\$ 615,829		\$ 11,767						1,412,937
Public health							\$ 296,557	\$ 702,053			998,610
Conservation and economic development	\$ 447,906					\$ 147,617					595,523
Total expenditures	\$ 447,906	\$ 785,341	\$ 615,829	\$ 105,694	\$ 11,767	\$ 147,617	\$ 296,557	\$ 702,053	\$ 296,072	\$...	\$ 3,408,836
Excess of revenues over (under) expenditures	\$ 43,450	\$ (177,402)	\$ 17,667	\$ 33,612	\$ 16,299	\$ (144,313)	\$ (227,903)	\$ (447,300)	\$ 53,763	\$ 19,560	\$ (812,567)
Other financing sources (uses):											
Transfers in(out)	\$ (70,000)	\$ 70,000				\$ 162,050	\$ 265,763	\$ 449,802			\$ 877,615
Total other financing sources (uses)	\$ (70,000)	\$ 70,000	\$...	\$...	\$...	\$ 162,050	\$ 265,763	\$ 449,802	\$...	\$...	\$ 877,615
Excess of revenues and other sources over (under) expenditures and other uses	\$ (26,550)	\$ (107,402)	\$ 17,667	\$ 33,612	\$ 16,299	\$ 17,737	\$ 37,860	\$ 2,502	\$ 53,763	\$ 19,560	\$ 65,048
Fund Balances - Beginning of year	544,462	495,917	185,621	98,622	583,188	37,305	249,078	126,776		2,396,995	4,717,964
Fund Balances - End of year	\$ 517,912	\$ 388,515	\$ 203,288	\$ 132,234	\$ 599,487	\$ 55,042	\$ 286,938	\$ 129,278	\$ 53,763	\$ 2,416,555	\$ 4,783,012

CARBON COUNTY
COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2016

	SOUTHEAST UTAH HEALTH	FOUR CORNERS COMMUNITY BEHAVIORAL HEALTH	DISTRICT AND PRECINCT COURT	CLERK'S TRUST	TREASURER'S COLLECTION TRUST	TOTAL ALL FIDUCIARY FUNDS
<u>ASSETS</u>						
Cash and cash equivalents	\$ 854,240	\$ 925,576	\$ 34,571	\$ 121,241	\$ 4,689,711	\$ 6,625,339
Accounts receivable		410,014	2,401			412,415
Total assets	<u>\$ 854,240</u>	<u>\$ 1,335,590</u>	<u>\$ 36,972</u>	<u>\$ 121,241</u>	<u>\$ 4,689,711</u>	<u>\$ 7,037,754</u>
<u>LIABILITIES</u>						
Accounts payable		\$ 235,742	\$ 12,931			\$ 248,673
Precinct fees, bail and bonds payable			24,041			24,041
Due to taxing units					\$ 4,689,711	4,689,711
Miscellaneous reimbursements				\$ 121,241		121,241
Due to other agencies	\$ 854,240	1,099,848				1,954,088
Total liabilities	<u>\$ 854,240</u>	<u>\$ 1,335,590</u>	<u>\$ 36,972</u>	<u>\$ 121,241</u>	<u>\$ 4,689,711</u>	<u>\$ 7,037,754</u>

CARBON COUNTY
SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF
DECEMBER 31, 2016

TAX UNITS	ADJUSTED TAXABLE VALUE	TAX RATE	TOTAL TAXES LEVIED	TREASURER'S RELIEF				NET TAXES COLLECTED	PERCENT	OTHER COLLECTIONS		DELINQUENCIES TAXES PENALTY AND INTEREST
				UNPAID TAXES	ABATEMENTS	OTHER ADJUSTMENTS	TOTAL RELIEF			FEES IN LIEU	MISCELLANEOUS	
COUNTY FUNDS:												
General fund	\$ 1,748,453,556	0.002989	\$ 5,195,810	\$ 228,432	\$ 48,363		\$ 276,795	\$ 4,919,015	94.67%	\$ 318,491	\$ 36,272	\$ 114,024
Municipal services	1,106,004,279	0.000268	294,435	8,714	1,875		10,589	283,846	96.40%	19,203	2,031	6,106
Assessing and collecting	1,748,453,556	0.000011	19,348	852	165		1,017	18,331	94.74%	1,402	149	2,554
Local and collecting	1,748,453,556	0.000528	917,881	40,355	8,540		48,895	868,986	94.67%	56,314	6,412	27,790
Total County Funds			\$ 6,427,474	\$ 278,353	\$ 58,943	\$...	\$ 337,296	\$ 6,090,178		\$ 395,410	\$ 44,864	\$ 150,474
SCHOOL DISTRICT:												
Carbon												
Grouped budgets	\$ 1,748,453,556	0.001675	\$ 10,649,450	\$ 469,205	\$ 98,465		\$ 567,670	\$ 10,081,780	94.67%	\$ 665,933	\$ 75,298	\$ 275,391
Basic school levy	1,748,453,556	0.006131	2,935,692	128,188	26,901		155,089	2,780,603	94.72%	181,934	20,571	75,238
CITIES AND TOWNS:												
Price City	\$ 412,139,421	0.002078	\$ 852,587	\$ 57,596	\$ 12,953		\$ 70,549	\$ 782,038	91.73%	\$ 50,077	\$ 4,401	\$ (328)
Helper City	83,216,014	0.003092	257,235	19,899	4,124		24,023	233,212	90.66%	15,855	3,295	19,735
East Carbon City	79,445,440	0.007522	593,478	34,011	4,565		38,576	554,902	93.50%	6,649	7,661	38,935
Wellington City	59,154,433	0.001899	111,553	9,066	1,653		10,719	100,834	90.39%	8,171	786	10,374
Scofield Town	8,493,969	0.000879	7,436	482	17		499	6,937	93.29%	66	17	311
Total Cities and Towns			\$ 1,822,289	\$ 121,054	\$ 23,312	\$...	\$ 144,366	\$ 1,677,923		\$ 80,818	\$ 16,160	\$ 69,027
OTHER DISTRICTS:												
Price River Water Improvement	\$ 1,076,116,423	0.000789	\$ 844,492	\$ 41,109	\$ 11,196		\$ 52,305	\$ 792,187	93.81%	\$ 97,866	\$ 5,995	\$ 30,492
Carbon Water Conservancy	1,748,453,566	0.000154	267,648	11,767	2,495		14,262	253,386	94.67%	16,357	1,865	7,951
Total Other Districts			\$ 1,112,140	\$ 52,876	\$ 13,691	\$...	\$ 66,567	\$ 1,045,573		\$ 114,223	\$ 7,860	\$ 38,443
GRAND TOTAL			\$ 22,947,045	\$ 1,049,676	\$ 221,312	\$...	\$ 1,270,988	\$ 21,676,057		\$ 1,438,318	\$ 164,753	\$ 608,573

CARBON COUNTY
SOUTHEAST UTAH HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>GENERAL HEALTH</u>	<u>IMMUNIZATIONS BASIC/NON VFC</u>	<u>WIC</u>	<u>MCH BLOCK</u>	<u>FLU</u>
Revenues:					
State Reimbursement	\$ 153,568	\$ 84,378	\$ 340,071	\$ 129,957	\$ 81,239
General Health	20,379				
County	292,999				
School Nurses					
Miscellaneous	3,555				
Occupancy allocation	1,024	245	3,016	739	150
Grants and other government resources					
Total Revenues	\$ 471,525	\$ 84,623	\$ 343,087	\$ 130,696	\$ 81,389
Expenditures:					
Salaries	\$ 56,050	\$ 13,584	\$ 167,182	\$ 32,415	\$ 9,443
Fringe Benefits	71,188	12,023	151,572	28,972	8,376
Consultants	2,432	289	3,402	583	83
Patient care	1,776			9,480	
Pharmacy	693	85,091		66	29,336
Supplies - Medical	527	410	433	878	1,097
Travel	6,348	129	4,210	2,108	97
Dues - Periodicals	1,176	241	2,222	335	6
Education - Training	838	36	792	223	1
Capital Purchases			12,630		
Utilities	1,704	385	4,956	919	265
Maintenance - Repairs	2,841	486	6,168	1,136	330
Insurance	2,592	436	5,599	751	98
Data Processing	2,218	2,030	2,837	989	1,662
Postage	1,201	87	938	273	18
Printing - Binding		7	151	25	1
Supplies - Office	6,633	75	1,182	738	58
Laboratory	1,602				
Telephone	1,889	304	7,430	704	201
Other	5,060	202	2,870	1,413	105
Debt payment	22,336				
State match					
Rent				350	
Advertising	2,092	28	491	236	9
Mini Grants	3,400				
Total Expenditures	\$ 194,596	\$ 115,843	\$ 375,065	\$ 82,594	\$ 51,186
Net Revenues/(Expenditures)	\$ 276,929	\$ (31,220)	\$ (31,978)	\$ 48,102	\$ 30,203

**CARBON COUNTY
SOUTHEAST UTAH HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>TOBACCO PREVENTION</u>	<u>INDOOR CLEAN AIR</u>	<u>FARMERS MARKET</u>	<u>DOMESTIC EBOLA</u>	<u>MINIMUM PERFORMANCE VITAL STATISTICS</u>	<u>EBOLA SUPPLEMENTAL</u>
Revenues:						
State Reimbursement	\$ 90,180	\$ 1,881		\$ 1,790	\$ 66,671	\$ 29,277
General Health County School Nurses Miscellaneous			\$ 8,482			
Occupancy allocation	647	15	70	31	284	186
Grants and other government resources						
Total Revenues	<u>\$ 90,827</u>	<u>\$ 1,896</u>	<u>\$ 8,552</u>	<u>\$ 1,821</u>	<u>\$ 66,955</u>	<u>\$ 29,463</u>
Expenditures:						
Salaries	\$ 33,171	\$ 833	\$ 3,528	\$ 1,459	\$ 14,804	\$ 12,136
Fringe Benefits	31,088	799	2,749	915	13,610	10,907
Consultants	590	11	104		305	222
Patient Care Pharmacy Supplies - Medical						
Travel	3,601	6	42	19	146	1,969
Dues - Periodicals	211		38	63	140	137
Education - Training	948		10	6	213	563
Capital Purchases Utilities	1,062	27	109	42	461	361
Maintenance - Repairs	1,328	33	134	53	560	440
Insurance	1,979	123	2		457	128
Data Processing	651	12	87	26	259	289
Postage	208	7	17	9	84	58
Printing - Binding	2,582	2	176		10	14
Supplies - Office	2,335	6	18	10	121	47
Laboratory Telephone	1,529	19	153	36	349	289
Other	876	12	2,036	21	8,243	220
Debt payment State match Rent						
Advertising	10,463	3	536	2	33	848
Mini Grants	1,000					
Total Expenditures	<u>\$ 93,622</u>	<u>\$ 1,893</u>	<u>\$ 9,739</u>	<u>\$ 2,661</u>	<u>\$ 39,795</u>	<u>\$ 28,628</u>
Net Revenues/(Expenditures)	<u>\$ (2,795)</u>	<u>\$ 3</u>	<u>\$ (1,187)</u>	<u>\$ (840)</u>	<u>\$ 27,160</u>	<u>\$ 835</u>

CARBON COUNTY
SOUTHEAST UTAH HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>IMMUNIZATIONS</u>	<u>EPICC</u>	<u>BE WISE</u>	<u>STD AND HIV</u>	<u>ENVIRON- MENTAL HEALTH CHS</u>	<u>PHEP PREPAREDNESS</u>
Revenues:						
State Reimbursement		\$ 44,757	\$ 2,610	\$ 2,755	\$ 11,538	\$ 219,813
General Health County	117,512				103,497	
School Nurses						
Miscellaneous						
Occupancy allocation	1,249	319	47	52	1,238	\$ 1,265
Grants and other government resources						
Total Revenues	\$ 118,761	\$ 45,076	\$ 2,657	\$ 2,807	\$ 116,273	\$ 221,078
Expenditures:						
Salaries	\$ 67,064	\$ 20,145	\$ 2,823	\$ 3,384	\$ 65,751	\$ 66,099
Fringe Benefits	60,955	18,179	2,501	3,044	59,473	61,146
Consultants	1,337	299	38	65	1,361	1,512
Patient Care				262		
Pharmacy						
Supplies - Medical	1,252			23		
Travel	800	629	59	129	2,705	14,575
Dues - Periodicals	806	363	71	40	1,976	564
Education - Training	152	41	5	6	343	2,339
Capital Purchases						
Utilities	1,997	574	73	101	2,013	2,071
Maintenance - Repairs	3,925	732	102	116	2,505	2,763
Insurance	2,047	693	36	126	2,437	1,249
Data Processing	5,286	381	54	70	1,070	7,286
Postage	366	125	11	22	402	335
Printing - Binding	161	339		5	512	160
Supplies - Office	770	182	1,082	10	633	7,121
Laboratory						
Telephone	1,535	450	57	76	1,540	13,816
Other	1,040	1,355	38	63	1,637	22,857
Debt payment						
State match						
Rent					256	
Advertising	2,445	2,286	5	6		8,905
Mini Grants						
Total Expenditures	\$ 151,938	\$ 46,773	\$ 6,955	\$ 7,548	\$ 144,614	\$ 212,798
Net Revenues/(Expenditures)	\$ (33,177)	\$ (1,697)	\$ (4,298)	\$ (4,741)	\$ (28,341)	\$ 8,280

CARBON COUNTY
SOUTHEAST UTAH HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>TOBACCO BUYS</u>	<u>CHEC</u>	<u>TABACCO CONTROL</u>	<u>ALL COUNTIES SCHOOL NURSE</u>	<u>NEWBORN CARE</u>
Revenues:					
State Reimbursement	\$ 10,597	\$ 19,376	\$ 28,801		\$ 24,962
General Health County					
School Nurses				\$ 112,605	
Miscellaneous					
Occupancy allocation	75	148	170	1,059	263
Grants and other government resources					
Total Revenues	\$ 10,672	\$ 19,524	\$ 28,971	\$ 113,664	\$ 25,225
Expenditures:					
Salaries	\$ 4,243	\$ 8,007	\$ 11,046	\$ 58,284	\$ 15,642
Fringe Benefits	4,356	7,383	9,765	52,440	13,911
Consultants	119	179	244	902	416
Patient Care					
Pharmacy					
Supplies - Medical		445			
Travel	202	102	361	2,189	189
Dues - Periodicals	153	173	423	1,254	286
Education - Training	16	23	41	262	321
Capital Purchases					
Utilities	148	243	305	1,671	443
Maintenance - Repairs	192	311	410	2,100	561
Insurance	57	254	449	1,795	374
Data Processing	59	1,008	232	774	800
Postage	25	48	78	326	94
Printing - Binding	1	5	1,366	79	12
Supplies - Office	46	447	92	331	174
Laboratory					
Telephone	73	184	247	1,989	347
Other	3,165	135	1,905	963	1,152
Debt payment					
State match					8,921
Rent					
Advertising	7	18	4,320	120	26
Mini Grants			100		
Total Expenditures	\$ 12,862	\$ 18,965	\$ 31,384	\$ 125,479	\$ 43,669
Net Revenues/(Expenditures)	\$ (2,190)	\$ 559	\$ (2,413)	\$ (11,815)	\$ (18,444)

**CARBON COUNTY
SOUTHEAST UTAH HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>CASH PRENATAL TO AGE 5</u>	<u>HDSP</u>	<u>DIABETES</u>	<u>ASPR MRC</u>	<u>ASPR HPP</u>
Revenues:					
State Reimbursement		\$ 10,649	\$ 31,388	\$ 2,222	\$ 60,709
General Health County School Nurses Miscellaneous					
Occupancy allocation	\$ 35	81	214	18	411
Grants and other government resources					
Total Revenues	\$ 35	\$ 10,730	\$ 31,602	\$ 2,240	\$ 61,120
Expenditures:					
Salaries	\$ 1,794	\$ 4,699	\$ 15,867	\$ 948	\$ 22,693
Fringe Benefits	1,593	4,226	7,982	1,084	21,057
Consultants	20	52	410	4	518
Patient Care Pharmacy Supplies - Medical					
Travel	9	344	3,648	10	4,492
Dues - Periodicals	6	13	189	1	3
Education - Training	2	243	1,185		2,341
Capital Purchases Utilities	55	135	370	38	703
Maintenance - Repairs	67	164	455	45	853
Insurance	280	206	119		656
Data Processing	35	72	269	4	380
Postage	15	24	56	3	117
Printing - Binding	1	5	150		63
Supplies - Office	8	22	108	6	978
Laboratory Telephone	42	107	293	11	2,039
Other	25	82	192	22	1,728
Debt payment State match Rent					
Advertising	10	8	653	2	51
Mini Grants					
Total Expenditures	\$ 3,962	\$ 10,402	\$ 31,946	\$ 2,178	\$ 58,672
Net Revenues/(Expenditures)	\$ (3,927)	\$ 328	\$ (344)	\$ 62	\$ 2,448

**CARBON COUNTY
SOUTHEAST UTAH HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>SAFE KIDS UTAH</u>	<u>VAPEFRONT</u>	<u>ZIKA PREPAREDNESS</u>	<u>POISON CONTROL</u>
Revenues:				
State Reimbursement	\$ 8,500	\$ 2,351	\$ 2,517	\$ 2,500
General Health County School Nurses Miscellaneous				
Occupancy allocation	104	14	24	20
Grants and other government resources				
Total Revenues	\$ 8,604	\$ 2,365	\$ 2,541	\$ 2,520
Expenditures:				
Salaries	\$ 3,617	\$ 1,057	\$ 966	\$ 1,478
Fringe Benefits	2,928	920	798	1,276
Consultants	93	7	17	25
Patient Care Pharmacy Supplies - Medical				
Travel	375	76	80	9
Dues - Periodicals	27		3	
Education - Training	66		2	2
Capital Purchases				
Utilities	115	19	28	35
Maintenance - Repairs	115	29	34	43
Insurance				1
Data Processing	19	8	8	23
Postage	24	2	5	5
Printing - Binding		1		1
Supplies - Office	8	3	27	5
Laboratory				
Telephone	107	17	23	29
Other	935	23		11
Debt payment State match Rent				
Advertising	8	1	339	2
Mini Grants				
Total Expenditures	\$ 8,437	\$ 2,163	\$ 2,330	\$ 2,945
Net Revenues/(Expenditures)	\$ 167	\$ 202	\$ 211	\$ (425)

CARBON COUNTY
SOUTHEAST UTAH HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2016

	CHEC PHYSICALS	PRESCRIPTION DRUG OVERDOSE PREVENTION	CASE MANAGEMENT	ENVIRONMENTAL HEALTH DEQ	HIGHWAY SAFETY	TOTAL
Revenues:						
State Reimbursement	\$ 49,422	\$ 57,978	\$ 52,690	\$ 91,670	\$ 7,500	\$ 1,724,317
General Health				32,329		282,199
County						292,999
School Nurses						112,605
Miscellaneous						3,555
Occupancy allocation	389	380	451	1,453	12	15,898
Grants and other government resources						
Total Revenues	\$ 49,811	\$ 58,358	\$ 53,141	\$ 125,452	\$ 7,512	\$ 2,431,573
Expenditures:						
Salaries	\$ 21,350	\$ 16,117	\$ 23,487	\$ 76,821	\$ 544	\$ 858,531
Fringe Benefits	19,222	14,274	21,549	71,094	535	793,890
Consultants	503	279	484	1,689	14	18,608
Patient Care						11,518
Pharmacy						115,186
Supplies - Medical						5,065
Travel	224	6,758	247	2,479	6	59,372
Dues - Periodicals	449	52	281	1,035		12,737
Education - Training	64	1,757	51	244	1	13,137
Capital Purchases						12,630
Utilities	625	504	727	2,399	19	25,702
Maintenance - Repairs	778	590	896	3,053	21	34,369
Insurance	303		639	1,276		25,162
Data Processing	415	177	451	1,373	5	31,319
Postage	115	77	128	564	2	5,869
Printing - Binding	10	466	13	1,057		7,375
Supplies - Office	93	1,715	1,496	510	5	27,095
Laboratory						1,602
Telephone	480	382	550	1,772	12	39,081
Other	321	373	638	8,745	348	68,811
Debt payment						22,336
State match						8,921
Rent						606
Advertising	36	12,981	46	334	1	47,351
Mini Grants						4,500
Total Expenditures	\$ 44,988	\$ 56,502	\$ 51,683	\$ 174,445	\$ 1,513	\$ 2,250,773
Net Revenues/(Expenditures)	\$ 4,823	\$ 1,856	\$ 1,458	\$ (48,993)	\$ 5,999	\$ 180,800

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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GREG MARSING, C.P.A.
DOUGLAS RASMUSSEN, C.P.A.
CRAIG G. SMUIN, C.P.A.
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TRACY LUDINGTON, 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 As Required
By the State Compliance Audit Guide On:
Compliance with General State Compliance
Requirements and Internal Controls over Compliance

Report on Compliance with General State compliance Requirements

We have audited Carbon County’s compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on Carbon County for the year ended December 31, 2016. General state compliance requirements were tested for the year ended December 31, 2016 in the following areas:

- | | |
|---------------------------------------|------------------------------|
| Cash Management | Treasurer's Bond |
| Restricted Taxes and Related Revenues | Open and Public Meetings Act |
| Budgetary Compliance | Schedule of Taxes Charged, |
| Fund Balance Limitations | Collected and Disbursed |
| Justice Courts | Utah Retirement System |

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on General State Compliance requirements

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, 2016.

Other Matters

The results of our auditing procedures disclosed two 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 18, 2017.

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 of compliance, we considered the County's internal control over compliance with the compliance requirements that could have a direct and material effect on the County to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with the State Compliance Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

SMUIN, RICH & MARSING

A handwritten signature in black ink that reads "Smuin, Rich & Marsing". The signature is written in a cursive style with a large, sweeping initial 'S'.

Price, Utah

July 17, 2017

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

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Board of County Commissioners
Carbon County
Price, Utah 84501

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

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, 2016, 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 18, 2017.

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 18, 2017.

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



Price, Utah

July 18, 2017

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 the Uniform Guidance

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 *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, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2016.

Report on Internal Control Over Compliance

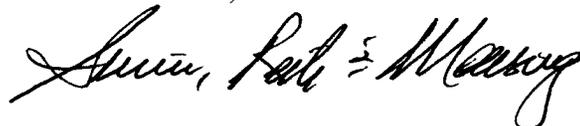
Management of Carbon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

SMUIN, RICH & MARSING



Price, Utah

July 18, 2017

**CARBON COUNTY/SEUDHD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Carbon County.
2. There was no significant deficiencies and no 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 and no 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

8. The threshold for distinguishing Type A and B programs was \$750,000.
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, 2016

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, 2016	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2016
U.S. DEPARTMENT OF AGRICULTURE							
Direct Program:							
Forrest Reserve	10.670	N/A	\$ 15,157		\$ 15,157	\$ 15,157	
USDA - NRC Emergency Watershed Protection	10.923	N/A	3,562,365		159,583	159,583	
Pass Through State Department:							
WIC Administration and Nutrition (Note 2)	10.557 *	152700149	190,632		184,203	184,203	
WIC Administration and Nutrition (Note 2)	10.557 *	152700149	404,861		155,868	155,868	
WIC Food Vouchers (Note 2)	10.557 *	152700149	477,584		477,584	477,584	
WIF Food Vouchers (Note 2)	10.557 *	152700149	147,141		147,141	147,141	
Summer food program	10.559	142230	230		230	230	
Pass Through Southeastern Utah Association of Governments:							
USDA Cash in Lieu	10.550	N/A	91,140		51,392	51,392	
Total U.S. Department of Agriculture			\$ 4,889,110	\$...	\$ 1,191,158	\$ 1,191,158	\$...
U.S. DEPARTMENT OF JUSTICE							
Direct Program:							
Victims of Crime	16.575	16-VOCA-10	\$ 47,020		\$ 21,735	\$ 21,735	
Victims of Crime	16.575	15-VOCA-11	38,734		22,013	22,013	
Total U.S. Department of Justice			\$ 85,754	\$...	\$ 43,748	\$ 43,748	\$...
U.S. DEPARTMENT OF TRANSPORTATION							
Direct Program:							
FAA - Airport Resurfacing	20.106	3-49-0026-15	\$ 6,048,879		\$ 182,937	\$ 182,937	
Pass Through State Department:							
Emergency Management - CARE	20.703	care-16hmep	2,765		967	967	
Total U.S. Department of Transportation			\$ 6,051,644	\$...	\$ 183,904	\$ 183,904	\$...

* Major Programs

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2016
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass through State Department:							
TB Elimination	93.116	152700358	\$ 2,794		\$ 2,794	\$ 2,794	
PH Emergency Preparedness - Ebola supplemental	93.074	152700471	50,605		29,277	29,277	
PH Emergency Preparedness	93.069	162701091	187,487		98,147	98,147	
PH Emergency Preparedness	93.069	162700156	211,750		121,666	121,666	
Prescription Drug Overdose Prevention	93.136	172700014	85,978		57,978	57,978	
Immunizations	93.268	162700617	39,116		39,116	39,116	
PBG - Injury Prevention	93.758	162700963	17,065		8,416	8,416	
Hospital Preparedness Program - Ebola preparedness	93.817	162700365	33,883		187	187	
PHEP - Zika Response	93.817	172700086	8,812		2,517	2,517	
Comprehensive Tobacco	93.305	162700079	84,681		38,078	38,078	
Child Health Evaluation and Care	93.778	162700982	25,000		7,449	7,449	
Child Health Evaluation and Care	93.778	162700281	25,000		11,926	11,926	
Cons. Education & Assistance	93.778	162701166	30,498		12,057	12,057	
Cons. Education & Assistance	93.778	162700523	30,498		14,288	14,288	
Sexually Transmitted Disease	93.977	152700278	2,095		2,095	2,095	
MCH Title V Block Grant VIPP MCH	93.758	162700147	51,440		15,880	15,880	
Violence and Injury Prevention program	93.994	162700323	4,000		3,400	3,400	
Violence and Injury Prevention - MCH	93.994	162700323	24,828		14,033	14,033	
Violence and Injury Prevention - MCH	93.994	162700963	21,308		8,436	8,436	
West Nile Virus & Arbovirus	93.521	162700311	25,272		317	317	
Prion Disease Surveillance	93.521	162700402	1,015		1,015	1,015	
Medical Reserve Corp	93.889	162701091	8,000		2,222	2,222	
Healthcare Preparedness Program	93.889	162700156	78,015		35,366	35,366	
Healthcare Preparedness Program	93.889	162701091	78,700		25,343	25,343	
HIV Prevention, Counseling and Testing	93.940	152700288	660		660	660	
EPICC - Diabetes	93.757	162700147	39,600		7,409	7,409	
EPICC - HDSP	93.757	162700147	20,400		5,037	5,037	
EPICC - 1305 Diabetes and HDSP	93.945	162700147	60,000		29,276	29,276	
EPICC - Pano/School health	93.945	162700147	4,249		316	316	

* Major Programs

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ <u>PROGRAM TITLE</u>	FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2016	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2016
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass through State Department:							
MCH - Title V Block Grant	93.994	162700352	\$ 68,648		\$ 17,162	\$ 17,162	
MCH - Title V Block Grant	93.994	162700352	72,295		54,221	54,221	
Pass Through Southeastern Utah Association of Governments:							
Support Services	93.044	N/A	37,875		18,938	18,938	
Support Services	93.044	N/A	37,875		23,003	23,003	
Title III, Nutrition	93.045	N/A	76,878		38,439	38,439	
Title III, Nutrition	93.045	N/A	76,878		42,178	42,178	
Social Services Block Grant - XX	93.667	AOG	6,700		6,382	6,382	
Sexual Violence Grant	93.560	AOG	19,200		3,598	3,598	
Total U.S. Department of Health and Human Services			<u>\$ 1,649,098</u>	<u>\$...</u>	<u>\$ 798,622</u>	<u>\$ 798,622</u>	<u>\$...</u>
CORPORATION FOR NATIONAL SERVICE							
Direct Program:							
Retired Senior Volunteer Program	94.002	440-P062/20	\$ 7,130		\$ 7,130	\$ 7,130	
Pass through Association of Governments:							
Retired Senior Volunteer Program	94.002	N/A	11,000		11,000	11,000	
Total U.S. Department of Corporation for National Service			<u>\$ 18,130</u>	<u>\$...</u>	<u>\$ 18,130</u>	<u>\$ 18,130</u>	<u>\$...</u>
U. S. DEPARTMENT OF HOMELAND SECURITY							
Direct Program:							
Home Land Security - SHSP/CCP	97.067	DEM-2014/2015-SHSP	\$ 220,775		\$ 80,990	\$ 80,990	
Pass through State Department:							
Emergency Management Program	97.042	EMPG-2015-DEM-022	54,500		59,037	59,037	
Pre-disaster Mitigation PDM Grant	97.047	PDMC-PL-08-UT-2015	22,500		4,856	4,856	
Bulletproof Vest Program	97.047	N/A	8,583		6,902	6,902	
Total U.S. Departmnt of Homeland Security			<u>\$ 306,358</u>	<u>\$...</u>	<u>\$ 151,785</u>	<u>\$ 151,785</u>	<u>\$...</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 13,000,094</u>	<u>\$...</u>	<u>\$ 2,387,347</u>	<u>\$ 2,387,347</u>	<u>\$...</u>

* Major Programs

CARBON COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF DECEMBER 31, 2016

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, 2016

Carbon County had no follow-up findings that need to be reported in the December 31, 2015 audit report. Carbon County has corrected any findings that may have been reported in prior audit reports.

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UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners - Carbon County/
Southeast Utah 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, 2016.

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

2016-1 TIMELY RECONCILIATION OF CASH ACCOUNTS

The County has tried to implement procedures during the year to improve the processes of recording due bills and reviewing transactions affecting cash accounts. Although the procedures appear to be adequate, County personnel have not taken the time to adequately follow thru with the processes. The cash account balances were not timely reconciled and there were still transactions that needed to be recorded at year end to reflect proper balances. The majority of the deposit and check transactions have been recorded in the financial statements, but a full reconciliation of all bank accounts which matches the general ledger has not occurred each month.

We recommend the County review their cash reconciliation procedures and processes. County personnel need to implement procedures that will ensure a monthly review and reconciliation of all bank accounts. These need to be done in a timely manner.

Clients Response

The County will provide additional temporary staffing and training for the Treasurers and Clerk/Auditor offices in order to facilitate more timely reconciliations.

CARBON COUNTY (continued)

2016-2 TIMELY RECORDING OF ACCOUNTS/TAXES RECEIVABLE ACCOUNTS

County staff failed to follow established procedures and processes, resulting in inaccurate balances pertaining to taxes and other receivables. The procedures and processes are established, the County has not implemented these processes on a timely basis. The year end balances did not properly reflect accurate balances and the County did not provide account balances timely.

We recommend the County adhere to their procedures and process transaction on a timely basis. Financial statement transactions that have not been recorded timely will result in inaccurate financial information for management to make proper decisions.

Clients Response

The County has made changes in personnel and responsibilities that should facilitate the correct recording of accounts receivable and taxes receivable for the 2017 calendar year.

No Management letter for Southeast Utah Health Department

SUMMARY

We feel the accounting procedures and internal control items mentioned above are some areas where Carbon County and Southeast Utah 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 18, 2017