

**CARBON COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**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, 2017, 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 .36 percent of the assets, .45 percent of net position and .37 percent of revenues of the Statement of Net Position and the Statement of Activity of the aggregate discretely presented component units. 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.

### Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Qualified
General Fund	Unmodified
Southeastern Utah District Health	Unmodified
Municipal Services	Unmodified
Capital Projects Fund	Unmodified
Building Authority	Unmodified
Aggregate Remaining Governmental Funds	Unmodified

### Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units

The financial statements of Scofield Reservoir Special Service District (the District) have not been audited, and we were not engaged to audit the District's financial statements as part of our audit of Carbon County's basic financial statements. The District's financial activities are included in the County's basic financial statements as a discretely presented component unit and represent 7.4 percent of the assets, 5.9 percent of the net position, and 1.7 percent of the revenues of the County's aggregate discretely presented component units.

### Qualified Opinion

In our opinion, based on our audit and the reports of other auditors, except for the possible effects of the matter discussed in the "Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the County as of December 31, 2017, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Unmodified 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, each major fund and the aggregate remaining fund information of Carbon County, as of December 31, 2017, 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, pension information and budgetary comparison information on pages 4 through 11 and on pages 70 through 80 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

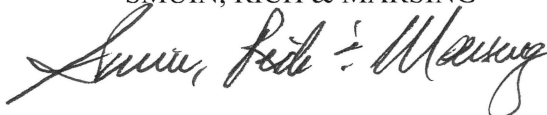
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carbon County's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial 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 principles 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 16, 2018, 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 16, 2018

**CARBON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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This discussion of Carbon County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2017. 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, 2017 by \$146,043,224 (net position), compared to \$152,839,513 as of December 31, 2016, a decrease of \$6,796,289. Of this amount, \$6,935,602 (unrestricted net position) may be used to meet the governments' ongoing obligations to citizens and creditors. Current year net position decreased by \$6,809,584.
- The governmental activities total net position decreased by \$7,277,954. Net position decreased by \$2,463,060 in the prior year. The major difference between the two years was a decrease in funding for capital grants and contributions, and an increase in governmental activities expenditures in 2017, which was mostly attributable to depreciation expense deductions and pension expense.
- At the close of the current year, the Carbon County governmental funds reported combined ending fund balances of \$17,535,427, a decrease of \$2,671,415 in comparison with the prior year. The General Funds' total fund balance (committed, assigned and unassigned) is \$2,647,632. This is approximately 15.09 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 \$2,549,568, or approximately 96.30 percent of total balance in the General Fund.
- Carbon County's total debt decreased \$1,669,336 during the current year. This was all due to the County making debt payments of \$1,669,336.
- In 2016, the County began the building of the new Seventh District Court Courthouse. The construction process is continuing and on schedule. Payment of the debt obligation for the Seventh District Court Courthouse will come from the rental of the facility to the State of Utah in the form of lease income.
- The County purchased a new ambulance during the year, with funding coming from Carbon County Recreation/Transportation District, a chip spreader was purchased, additional costs were made to the Courthouse building, Airport improvements were made during the year and various other improvement projects – dealing with storm drain and Carbon Recreation.

## **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 \$146,043,224 at December 31, 2017.

By far the largest portion of Carbon County's net position (84.47 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	
	2016	2017	2016	2017	2016	2017
Current and other assets	\$ 38,090,379	\$ 29,762,320	\$ 506,201	\$ 1,029,452	\$ 38,596,580	\$ 30,791,772
Capital assets	164,106,686	164,739,449	693,427	640,964	164,800,113	165,380,413
Deferred outflow or resources	4,026,047	4,448,512			4,026,047	4,448,512
Total assets/deferred outflows	\$ 206,223,112	\$ 198,950,281	\$ 1,199,628	\$ 1,670,416	\$ 207,422,740	\$ 200,620,697
Long-term debt outstanding	\$ 43,328,016	\$ 41,658,680			\$ 43,328,016	\$ 41,658,680
Other liabilities	9,821,040	11,658,342	\$ 119	\$ 2,537	9,821,159	11,660,879
Deferred inflow of resources	927,851	1,257,914			927,851	1,257,914
Total liabilities/deferred inflows	\$ 54,076,907	\$ 54,574,936	\$ 119	\$ 2,537	\$ 54,077,026	\$ 54,577,473
Net position:						
Net invest. in capital assets	\$ 120,778,670	\$ 123,080,769	\$ 693,427	\$ 640,964	\$ 121,472,097	\$ 123,721,733
Restricted	25,259,494	14,358,974	506,082	1,026,915	25,765,576	15,385,889
Unrestricted	5,601,840	6,935,602			5,601,840	6,935,602
Total net position	\$ 151,640,004	\$ 144,375,345	\$ 1,199,509	\$ 1,667,879	\$ 152,839,513	\$ 146,043,224

A portion of Carbon County's net position (10.54 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$6,935,602 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 type activities decreased Carbon County's net position by \$6,867,509. Key elements of this decrease are as follows:

**Table 2**  
**Change in Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 3,377,399	\$ 3,335,695	\$ 185,897	\$ 585,897	\$ 3,563,296	\$ 3,921,592
Operating grants and cont.	4,888,218	5,096,856			4,888,218	5,096,856
Capital grants and cont.	5,634,481	3,774,883			5,634,481	3,774,883
General Revenues:						
Property taxes	6,717,546	7,544,033			6,717,546	7,544,033
Sales taxes	2,249,751	2,568,320			2,249,751	2,568,320
Other general revenues	4,142,961	4,336,764			4,142,961	4,336,764
Total revenues	\$ 27,010,356	\$ 26,656,551	\$ 185,897	\$ 585,897	\$ 27,196,253	\$ 27,242,448
<b>Program expenses</b>						
General government	\$ 9,024,467	\$ 9,390,207			\$ 9,024,467	\$ 9,390,207
Public safety	7,943,700	8,509,255			7,943,700	8,509,255
Public health	3,641,539	6,509,997			3,641,539	6,509,997
Highways and public improv.	6,687,174	3,863,059			6,687,174	3,863,059
Parks and recreation	1,861,436	1,873,333			1,861,436	1,873,333
Conservation & Econ. Dev.	657,519	615,576			657,519	615,576
Contributions and Misc.	235,208	519,141			235,208	519,141
Capital outlay	271,072	883,230			271,072	883,230
Interest on long-term liab.	137,701	525,075			137,701	525,075
Contribution to other gov		1,245,632				1,245,632
County Court Complex			\$ 112,455	\$ 117,527	112,455	117,527
Total expenses	\$ 30,459,816	\$ 33,934,505	\$ 112,455	\$ 117,527	\$ 30,572,271	\$ 34,052,032
Excess (deficiency) before transfers	\$ (3,449,460)	\$ (7,277,954)	\$ 73,442	\$ 468,370	\$ (3,376,018)	\$ (6,809,584)
Transfers to (from)	\$ 986,400		\$ (986,400)		\$ ...	\$ ...
Change in net position	\$ (2,463,060)	\$ (7,277,954)	\$ (912,958)	\$ 468,370	\$ (3,376,018)	\$ (6,809,584)
Net assets - beginning	\$ 154,140,783	\$ 151,640,004	\$ 2,112,467	\$ 1,199,509	\$ 156,253,250	\$ 152,839,513
Prior period adjustment	(37,719)	13,295			(37,719)	13,295
Net assets - ending	151,640,004	144,375,345	1,199,509	1,667,879	152,839,513	146,043,224
Change in net position	\$ (2,463,060)	\$ (7,277,954)	\$ (912,958)	\$ 468,370	\$ (3,376,018)	\$ (6,809,584)



## Government-wide financial analysis (Continued)

In 2017 Carbon County experienced a decrease in taxable property value to \$1,613,469,861 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 increased Carbon County's net position by \$468,370. 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 \$17,535,427, which is a decrease of \$2,671,415 in comparison with the prior year. Approximately 14.54 percent or \$2,549,568 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 \$2,549,568.

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

Total unrestricted net position of the proprietary funds at year end amounted to \$1,026,915.

## 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	\$ 6,015,100	\$ 6,136,100	\$ 121,000
Public Safety	7,514,600	7,352,707	(161,893)
Public Health	372,000	372,000	
Highway and Public Improvements	899,000	864,000	(35,000)
Parks, recreation and public property	213,100	213,100	
Conservation and Economic Development	71,200	71,200	
Contributions and miscellaneous	228,000	228,000	
Other Financing Sources (Uses)	(1,463,635)	(1,492,635)	(29,000)
Net			<u>\$ (104,893)</u>

## Capital Asset and Debt Administration

### Capital Assets

Carbon County's investment in capital assets for its governmental activities as of December 31, 2017, amounts to \$164,739,449 (net of accumulated depreciation). This investment in capital assets includes land, rights of way, buildings, improvements other than buildings, equipment, and infrastructure, which includes roads, highways, and bridges. The total increases in Carbon County's governmental activities capital assets for the current year was \$632,763.

Carbon County's investment in capital assets for its business-type activities as of December 31, 2017, amounts to \$640,964 (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 \$52,463.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2017	2016	2017	2016	2017
Right of ways	\$ 1,401,918	\$ 1,401,918			\$ 1,401,918	\$ 1,401,918
Land	2,099,894	2,099,894	\$ 198,000	\$ 198,000	2,297,894	2,297,894
Buildings	56,456,683	54,818,025	495,427	442,964	56,952,110	55,260,989
Improvements other than buildings	30,805,149	31,619,995			30,805,149	31,619,995
Fixtures and equipment	3,975,351	3,617,201			3,975,351	3,617,201
Infrastructure	66,940,433	64,638,591			66,940,433	64,638,591
Water stock	146,000	146,000			146,000	146,000
Work in progress	2,281,258	6,397,825			2,281,258	6,397,825
	<u>\$ 164,106,686</u>	<u>\$ 164,739,449</u>	<u>\$ 693,427</u>	<u>\$ 640,964</u>	<u>\$ 164,800,113</u>	<u>\$ 165,380,413</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, 2017 was \$42,310,474, 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	
	2016	2017	2016	2017	2016	2017
Revenue Bonds	\$ 43,328,016	\$ 41,658,680			\$ 43,328,016	\$ 41,658,680
Compensated Absences	828,077	651,794			828,077	651,794
	<u>\$ 44,156,093</u>	<u>\$ 42,310,474</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 44,156,093</u>	<u>\$ 42,310,474</u>

## Economic Factors and Next Year's Budgets and Rates

The unemployment rate for Carbon County in 2017 was 4.3%, an increase of 1.6% from 2016. This is higher than the state's average unemployment rate of 2.8%, and higher than the national average of 4.1%. The population in Carbon County was approximately 20,403 in 2017.

Coal mining and oil and gas production have struggled due to poor prices and regulation. The County is actively encouraging development throughout the County to improve the economy. In the end of 2017 the County laid off approximately 10% of its' workforce in an attempt to cut expenses to match current revenues. Management will look for additional ways to reduce costs in the coming years.

## 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, 751 East 100 North, Price, Utah, 84501.

**CARBON COUNTY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>				
Assets:				
Cash and cash equivalents	\$ 9,660,078	\$ 1,029,452	\$ 10,689,530	\$ 817,448
Restricted - Cash and cash equivalents	15,084,173		15,084,173	4,564,544
Due from other governments	3,605,090		3,605,090	358,105
Taxes receivable	1,406,221		1,406,221	
Inventory of supplies	3,388		3,388	
Net pension asset	3,370		3,370	
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	54,818,025	442,964	55,260,989	107,600
Improvements other than buildings	31,619,995		31,619,995	1,841,171
Fixtures and equipment	3,617,201		3,617,201	293,606
Work in progress	6,397,825		6,397,825	
Infrastructure	64,638,591		64,638,591	
Total assets	\$ 194,501,769	\$ 1,670,416	\$ 196,172,185	\$ 9,611,208
Deferred outflows of resources related to pensions	\$ 4,448,512		\$ 4,448,512	\$ 19,194
Total assets and deferred outflows of resources	\$ 198,950,281	\$ 1,670,416	\$ 200,620,697	\$ 9,630,402
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>				
Liabilities:				
Accounts payable	\$ 3,017,940	\$ 2,537	\$ 3,020,477	\$ 17,636
Accrued payroll	246,009		246,009	
Accrued liabilities	553,939		553,939	3,095
Unearned revenue	574,955		574,955	
Bond interest payable	204,430		204,430	
Revenue bonds payable - Due within one year	1,676,000		1,676,000	9,000
Revenue bonds payable - Due in more than one year	39,982,680		39,982,680	124,000
Compensated absences	651,794		651,794	4,084
Net pension liability	6,409,275		6,409,275	29,035
Total liabilities	\$ 53,317,022	\$ 2,537	\$ 53,319,559	\$ 186,850
Deferred inflows of resources - relating to pensions	\$ 1,257,914	\$ ...	\$ 1,257,914	\$ 4,802
Total liabilities and deferred inflows of resources	\$ 54,574,936	\$ 2,537	\$ 54,577,473	\$ 191,652

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

**CARBON COUNTY**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	
<u>NET POSITION</u>				
Net investment in capital assets	\$ 123,080,769	\$ 640,964	\$ 123,721,733	\$ 3,738,111
Nonspendable:				
Inventory	3,388		3,388	
Restricted:				
Class "B" roads	2,563,436		2,563,436	
Economic development	499,224		499,224	
Municipal services	3,327,259		3,327,259	
Health care	984,798		984,798	
Capital projects	2,668,323		2,668,323	
Landfill	98,064		98,064	
Debt service	1,768,925		1,768,925	
Permanent funds	2,445,557		2,445,557	
Unrestricted	6,935,602	1,026,915	7,962,517	5,700,639
Total net position	<u>\$ 144,375,345</u>	<u>\$ 1,667,879</u>	<u>\$ 146,043,224</u>	<u>\$ 9,438,750</u>

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

**CARBON COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Function/Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE & CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENTS UNITS
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 9,390,207	\$ 261,339	\$ 180,057		\$ (8,948,811)		\$ (8,948,811)	\$ (2,520)
Public safety	8,509,255	1,746,676	750,935	\$ 224,578	(5,787,066)		(5,787,066)	
Highways and public improvements	6,509,997	299,013	1,748,384	3,550,305	(912,295)		(912,295)	(104,896)
Public health	3,863,059	718,329	2,180,354		(964,376)		(964,376)	
Parks and recreation	1,873,333	310,338	1,500		(1,561,495)		(1,561,495)	(272,099)
Conservation and economic development	615,576		235,626		(379,950)		(379,950)	
Contributions and miscellaneous	519,141				(519,141)		(519,141)	
Capital outlay	883,230				(883,230)		(883,230)	
Interest on long-term liabilities	525,075				(525,075)		(525,075)	
Total governmental activities	<u>\$ 32,688,873</u>	<u>\$ 3,335,695</u>	<u>\$ 5,096,856</u>	<u>\$ 3,774,883</u>	<u>\$ (20,481,439)</u>	<u>\$ ...</u>	<u>\$ (20,481,439)</u>	<u>\$ (379,515)</u>
Business-type activities:								
County Court Complex	<u>\$ 117,527</u>	<u>\$ 585,897</u>				<u>\$ 468,370</u>	<u>\$ 468,370</u>	
Total business-type activities	<u>\$ 117,527</u>	<u>\$ 585,897</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 468,370</u>	<u>\$ 468,370</u>	
Total primary government	<u>\$ 32,806,400</u>	<u>\$ 3,921,592</u>	<u>\$ 5,096,856</u>	<u>\$ 3,774,883</u>	<u>\$ (20,481,439)</u>	<u>\$ 468,370</u>	<u>\$ (20,013,069)</u>	
<b>Component Units:</b>								
Scofield Reservoir Special Service District								\$ (37,934)
Total component units	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ (37,934)</u>
General revenues:								
Property taxes					\$ 7,544,033		\$ 7,544,033	
State PILT					129,028		129,028	\$ 126,963
Federal PILT					1,141,316		1,141,316	
Sales taxes					2,568,320		2,568,320	
Miscellaneous taxes					301,060		301,060	
Unrestricted investment earnings					155,386		155,386	66,718
Royalties and rents					432,172		432,172	
Contributions from other governments					1,724,811		1,724,811	
Contributions to other governments					(1,245,632)		(1,245,632)	(2,943,173)
Gain/(Loss) on sale of fixed assets					32,612		32,612	(7,390)
Miscellaneous					215,019		215,019	5,000
Mineral lease revenue					205,360		205,360	4,124,784
Transfer in (out)								
Total general revenues and transfers					<u>\$ 13,203,485</u>	<u>\$ ...</u>	<u>\$ 13,203,485</u>	<u>\$ 1,372,902</u>
Change in net position					<u>\$ (7,277,954)</u>	<u>\$ 468,370</u>	<u>\$ (6,809,584)</u>	<u>\$ 955,453</u>
Net position - beginning					151,640,004	1,199,509	152,839,513	8,483,297
Prior period adjustment					13,295		13,295	
Net position - ending					<u>\$ 144,375,345</u>	<u>\$ 1,667,879</u>	<u>\$ 146,043,224</u>	<u>\$ 9,438,750</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, 2017**

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	CAPITAL PROJECTS FUND	BUILDING AUTHORITY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,799,716	\$ 1,015,146	\$ 3,112,114	\$ 1,020,941	\$ 799,459	\$ 1,912,702	\$ 9,660,078
Restricted cash and cash equivalents			2,563,436		10,075,180	2,445,557	15,084,173
Receivables (net):							
Taxes	1,303,057		75,096			28,068	1,406,221
Other	379,739	317,425	563,769	1,069,304	1,186,752	88,101	3,605,090
Inventories		3,388					3,388
Total assets	<u>\$ 3,482,512</u>	<u>\$ 1,335,959</u>	<u>\$ 6,314,415</u>	<u>\$ 2,090,245</u>	<u>\$ 12,061,391</u>	<u>\$ 4,474,428</u>	<u>\$ 29,758,950</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 245,461	\$ 20,536	\$ 346,629	\$ 1,045,041	\$ 1,194,705	\$ 165,568	\$ 3,017,940
Accrued payroll	178,837	25,846	24,952			16,374	246,009
Accrued liabilities	410,582	30,215	52,139			61,003	553,939
Unearned revenue		5,244			8,400,391		8,405,635
Total liabilities	<u>\$ 834,880</u>	<u>\$ 81,841</u>	<u>\$ 423,720</u>	<u>\$ 1,045,041</u>	<u>\$ 9,595,096</u>	<u>\$ 242,945</u>	<u>\$ 12,223,523</u>
Fund balances:							
Nonspendable:							
Inventory		\$ 3,388					\$ 3,388
Restricted:							
Class "B" Road			\$ 2,563,436				2,563,436
Debt service reserve					\$ 1,502,993		1,502,993
Permanent funds						\$ 2,445,557	2,445,557
Committed:							
Landfill	\$ 98,064						98,064
Municipal services			3,327,259				3,327,259
Building Authority					963,302		963,302
RDA Development						627,555	627,555
Assigned:							
Economic Development - restaurant tax						499,224	499,224
Economic Development - other						32,262	32,262
Health Care		984,798					984,798
Debt service		265,932					265,932
Capital projects				\$ 1,045,204			1,045,204
Parks and recreation						125,523	125,523
Emergency services						112,266	112,266
Aging programs						389,096	389,096
Unassigned:							
General	<u>2,549,568</u>						<u>2,549,568</u>
Total fund balances	<u>\$ 2,647,632</u>	<u>\$ 1,254,118</u>	<u>\$ 5,890,695</u>	<u>\$ 1,045,204</u>	<u>\$ 2,466,295</u>	<u>\$ 4,231,483</u>	<u>\$ 17,535,427</u>
Total liabilities and fund balances	<u>\$ 3,482,512</u>	<u>\$ 1,335,959</u>	<u>\$ 6,314,415</u>	<u>\$ 2,090,245</u>	<u>\$ 12,061,391</u>	<u>\$ 4,474,428</u>	<u>\$ 29,758,950</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, 2017**

Total fund balances - governmental fund types: \$ 17,535,427

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		54,818,025	
Improvements other than buildings		31,619,995	
Fixtures and equipment		3,617,201	
Work in progress		6,397,825	
Infrastructure		<u>64,638,591</u>	
 Total			 164,739,449

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	\$	(1,676,000)	
Revenue bonds payable - Due in more than one year		(39,982,680)	
Bond interest payable		(204,430)	
Net pension liability		(6,409,275)	
Deferred revenue - recorded as debt obligation in net assets		7,830,680	
Deferred inflow of resources - related to pension		(1,257,914)	
Deferred outflow of resources - related to pension		4,448,512	
Compensated absences		<u>(651,794)</u>	
 Total			 (37,902,901)

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

3,370

Net position of government activities

\$ 144,375,345

"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, 2017**

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	CAPITAL PROJECTS FUND	BUILDING AUTHORITY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Taxes	\$ 8,198,748		\$ 1,936,142			\$ 278,523	\$ 10,413,413
Licenses and permits	45,327		81,958				127,285
Intergovernmental revenues	2,381,182	\$ 1,985,771	1,787,526	\$ 1,385,915	\$ 1,635,051	638,555	9,814,000
Charges for services	1,418,649	602,867	22,961			632,861	2,677,338
Fines and forfeitures	354,147						354,147
Interest income	59,372	4,146	62,355			29,513	155,386
Contributions	1,724,811			88,031	441,308	3,570	2,257,720
Miscellaneous	846,099	15,311	46,312			1,448	909,170
Total revenues	<u>\$ 15,028,335</u>	<u>\$ 2,608,095</u>	<u>\$ 3,937,254</u>	<u>\$ 1,473,946</u>	<u>\$ 2,076,359</u>	<u>\$ 1,584,470</u>	<u>\$ 26,708,459</u>
EXPENDITURES:							
Current:							
General government	\$ 5,930,490		\$ 96,772				\$ 6,027,262
Public safety	7,208,891		1,181,682			\$ 104,358	8,494,931
Highways and public improvements	734,662		3,203,412			278,752	4,216,826
Public health	352,697	\$ 2,334,156				1,126,206	3,813,059
Parks, recreation, and public property	222,682					1,408,552	1,631,234
Conservation and economic development	61,602					546,826	608,428
Capital outlay				\$ 581,742	\$ 6,821,717	210,572	7,614,031
Contributions and miscellaneous	196,093			323,048			519,141
Principal retirement		22,336			1,614,000		1,636,336
Interest and fiscal charges					380,609		380,609
Total expenditures	<u>\$ 14,707,117</u>	<u>\$ 2,356,492</u>	<u>\$ 4,481,866</u>	<u>\$ 904,790</u>	<u>\$ 8,816,326</u>	<u>\$ 3,675,266</u>	<u>\$ 34,941,857</u>
Excess revenues over (under) expenditures	<u>\$ 321,218</u>	<u>\$ 251,603</u>	<u>\$ (544,612)</u>	<u>\$ 569,156</u>	<u>\$ (6,739,967)</u>	<u>\$ (2,090,796)</u>	<u>\$ (8,233,398)</u>
OTHER FINANCING SOURCES (USES):							
Transfers in						\$ 1,689,267	\$ 1,689,267
Transfers out	\$ (1,479,267)			\$ (60,000)		(150,000)	(1,689,267)
Bond proceeds					\$ 6,794,320		6,794,320
Contributions to other governments				(1,245,632)			(1,245,632)
Total other financing sources (uses)	<u>\$ (1,479,267)</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ (1,305,632)</u>	<u>\$ 6,794,320</u>	<u>\$ 1,539,267</u>	<u>\$ 5,548,688</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ (1,158,049)</u>	<u>\$ 251,603</u>	<u>\$ (544,612)</u>	<u>\$ (736,476)</u>	<u>\$ 54,353</u>	<u>\$ (551,529)</u>	<u>\$ (2,684,710)</u>
FUND BALANCES - beginning of year	3,805,681	1,002,515	6,435,307	1,458,632	2,721,695	4,783,012	20,206,842
Prior period adjustment				323,048	(309,753)		13,295
FUND BALANCES - end of year	<u>\$ 2,647,632</u>	<u>\$ 1,254,118</u>	<u>\$ 5,890,695</u>	<u>\$ 1,045,204</u>	<u>\$ 2,466,295</u>	<u>\$ 4,231,483</u>	<u>\$ 17,535,427</u>

"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, 2017**

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

Net changes in fund balances - total governmental funds \$ (2,684,710)

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.

Public safety	307,470	
Highways	289,442	
Capital outlay	6,697,801	
	\$ 7,294,713	
Total assets shown as expenditures	\$ 7,294,713	
Less: depreciation	(6,610,042)	
Difference between expenditure and depreciation		684,671

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donation) is to decrease net position. 32,612

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

Issuance of long-term debt	\$ (6,794,320)	
Bond interest payable change	(144,466)	
Retirement of long-term debt	1,669,336	
Net effect of long-term debt issue and debt payments		(5,269,450)

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. (132,840)

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. (Decreases in compensated absences/Increases in Insurance proceeds) 91,763

Change in net position of governmental activities \$ (7,277,954)

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

**CARBON COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
	COUNTY COURT COMPLEX
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 1,029,452
Total current assets	\$ 1,029,452
Noncurrent assets:	
Land	\$ 198,000
Buildings	1,576,152
Furniture, fixtures and equipment	225,405
Less: accumulated depreciation	(1,358,593)
Total noncurrent assets	\$ 640,964
Total assets	\$ 1,670,416
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 2,537
Total current liabilities	\$ 2,537
Noncurrent liabilities:	
Total noncurrent liabilities	\$ ...
Total liabilities	\$ 2,537
Deferred inflows of resources	
Total liabilities and inflows of resources	\$ 2,537
Net Position:	
Net investment in capital assets	\$ 640,964
Unrestricted	1,026,915
Total net position	\$ 1,667,879

"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, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	COUNTY COURT COMPLEX
Operating revenues:	
Rental income	\$ 585,897
Total operating revenues	\$ 585,897
Operating expenses:	
Utilities	\$ 36,568
Repairs and maintenance	28,225
Depreciation	52,734
Total operating expenses	\$ 117,527
Operating income (loss)	\$ 468,370
Nonoperating revenues (expenses):	
Total nonoperating revenues (expenses)	\$ ...
Income (loss) before contributions and transfers	\$ 468,370
Contributions and transfers - from (to):	
Transfer to other funds	
Total contributions and transfers	\$ ...
Change in net position	\$ 468,370
Total net position - beginning	1,199,509
Total net position - ending	\$ 1,667,879

"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, 2017**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	COUNTY COURT COMPLEX
<b>Cash Flows From Operating Activities:</b>	
Receipts from customers	\$ 585,897
Payments to suppliers	(62,646)
Net cash provided (used) by operating activities	\$ 523,251
<b>Cash Flows From Noncapital Financing Activities:</b>	
Transfer to other funds	
Net cash provided (used) by noncapital financing activities	\$ ...
Net increase (decrease) in cash and cash equivalents	\$ 523,251
Cash and cash equivalents, January 1	506,201
Cash and cash equivalents, December 31	\$ 1,029,452
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ 468,370
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	\$ 52,734
Increase (Decrease) in accounts payable	2,147
Total adjustments	\$ 54,881
Net cash provided (used) by operating activities	\$ 523,251

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

**CARBON COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2017**

	<u>AGENCY FUNDS</u>
 <u>ASSETS</u>	
Cash and cash equivalents	\$ 6,845,935
Accounts receivable	<u>343,504</u>
Total assets	<u><u>\$ 7,189,439</u></u>
 <u>LIABILITIES</u>	
Accounts payable	\$ 545,657
Precinct fees, bail and bonds payable	25,609
Due to taxing units	4,602,147
Miscellaneous reimbursements	201,683
Due to other governments and agencies	<u>1,814,343</u>
Total liabilities	<u><u>\$ 7,189,439</u></u>

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

**CARBON COUNTY**  
**STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**DECEMBER 31, 2017**

	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	\$ 168,907	\$ 648,541	\$ 817,448
Restricted - Cash and cash equivalents		4,564,544	4,564,544
Due from other governments		358,105	358,105
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		107,600	107,600
Equipment		293,606	293,606
Sewer systems and improvements	529,007		529,007
Improvements other than buildings		1,312,164	1,312,164
Water stock		110,000	110,000
Total assets	<u>\$ 714,042</u>	<u>\$ 8,897,166</u>	<u>\$ 9,611,208</u>
Deferred outflows of resources - related to pensions		<u>\$ 19,194</u>	<u>\$ 19,194</u>
Total assets and deferred outflows of resources	<u>\$ 714,042</u>	<u>\$ 8,916,360</u>	<u>\$ 9,630,402</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>			
Current Liabilities:			
Accounts payable	\$ 17,046	\$ 590	\$ 17,636
Accrued liabilities		3,095	3,095
Revenue bonds payable - Due within one year	9,000		9,000
Total current liabilities	<u>\$ 26,046</u>	<u>\$ 3,685</u>	<u>\$ 29,731</u>
Noncurrent liabilities:			
Compensated absences payable		\$ 4,084	\$ 4,084
Revenue bonds payable - Due in more than one year	\$ 124,000		124,000
Net pension liability		29,035	29,035
Total noncurrent liabilities	<u>\$ 124,000</u>	<u>\$ 33,119</u>	<u>\$ 157,119</u>
Total liabilities	<u>\$ 150,046</u>	<u>\$ 36,804</u>	<u>\$ 186,850</u>
Deferred inflow of resources - related to pensions		<u>\$ 4,802</u>	<u>\$ 4,802</u>
Total liabilities and deferred inflow of resources	<u>\$ 150,046</u>	<u>\$ 41,606</u>	<u>\$ 191,652</u>
<u>NET POSITION</u>			
Net investment in capital assets	\$ 412,135	\$ 3,325,976	\$ 3,738,111
Unrestricted	151,861	5,548,778	5,700,639
Total net position	<u>\$ 563,996</u>	<u>\$ 8,874,754</u>	<u>\$ 9,438,750</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, 2017**

Function/Programs	PROGRAM REVENUES		NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT	
				GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
					TOTAL
<b>Governmental activities:</b>					
<b>Carbon County Recreation &amp; Transportation</b>					
<b>Special Service District</b>					
General government	\$ 2,520			\$ (2,520)	\$ (2,520)
Highways and public improvements	104,896			(104,896)	(104,896)
Parks, recreation and public improvements	272,099			(272,099)	(272,099)
Total governmental activities	\$ 379,515	\$ ...	\$ ...	\$ (379,515)	\$ (379,515)
<b>Business-type activities:</b>					
<b>Scofield Reservoir Special Service District</b>	\$ 115,467	\$ 53,019	\$ 24,514		\$ (37,934)
Total business-type activities	\$ 115,467	\$ 53,019	\$ 24,514	\$ ...	\$ (37,934)
Total component units	\$ 494,982	\$ 53,019	\$ 24,514	\$ (379,515)	\$ (417,449)
General revenues:					
Mineral lease revenue				\$ 4,124,784	\$ 4,124,784
State PILT				126,963	126,963
Investment earnings				64,554	\$ 2,164
Miscellaneous revenue				5,000	5,000
Loss on disposal of fixed assets				(7,390)	(7,390)
Contributions to other governments				(2,943,173)	(2,943,173)
Total general revenues and transfers				\$ 1,370,738	\$ 2,164
Change in net assets				\$ 991,223	\$ (35,770)
Net position - beginning				7,883,531	599,766
Net position - ending				\$ 8,874,754	\$ 563,996

"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, 2017**

**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 \$651,794.

**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, 2017 was as follows:

<b>Primary Government Governmental activities:</b>	<b>BEGINNING BALANCE</b>	<b>INCREASES</b>	<b>DECREASES</b>	<b>ENDING BALANCE</b>
Capital assets not being depreciated:				
Land	\$ 2,099,894			\$ 2,099,894
Rights of Way	1,401,918			1,401,918
Water stock	146,000			146,000
Construction in progress	2,281,258	\$ 6,405,338	\$ (2,288,771)	6,397,825
Total capital assets not not being depreciated	\$ 5,929,070	\$ 6,405,338	\$ (2,288,771)	\$ 10,045,637
Capital assets being depreciated:				
Buildings	\$ 70,241,043	\$ 290,239	\$ (7,962)	\$ 70,523,320
Improvements other than buildings	41,984,627	2,179,717	(37,276)	44,127,068
Machinery and equipment	20,410,814	708,190	(521,906)	20,597,098
Infrastructure (Roads & Bridges)	157,767,588			157,767,588
Total capital assets being depreciated	\$ 290,404,072	\$ 3,178,146	\$ (567,144)	\$ 293,015,074
Less accumulated depreciation for:				
Buildings	\$ 13,784,360	\$ 1,923,091	\$ (2,156)	\$ 15,705,295
Improvements other than buildings	11,179,478	1,367,854	(40,259)	12,507,073
Machinery and equipment	16,435,463	1,017,255	(472,821)	16,979,897
Infrastructure (Roads & Bridges)	90,827,155	2,301,842		93,128,997
Total accumulated depreciation	\$ 132,226,456	\$ 6,610,042	\$ (515,236)	\$ 138,321,262
Total capital assets, being depreciated, net	\$ 158,177,616	\$ (3,431,896)	\$ (51,908)	\$ 154,693,812
Governmental activities capital assets, net	\$ 164,106,686	\$ 2,973,442	\$ (2,340,679)	\$ 164,739,449

## 2. CAPITAL ASSETS (Continued)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
<b>Business-type activities:</b>				
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	225,133		\$ (101,627)	123,506
Total capital assets being depreciated	\$ 1,801,285	\$ ...	\$ (101,627)	\$ 1,699,658
Less accumulated depreciation for:				
Buildings	\$ 1,200,701	\$ 39,403		\$ 1,240,104
Machinery and equipment	105,157	15,930	\$ (101,627)	19,460
Total accumulated depreciation	\$ 1,305,858	\$ 55,333	\$ ...	\$ 1,259,564
Total capital assets, being depreciated, net	\$ 495,427	\$ (55,333)	\$ ...	\$ 440,094
Business-type activities capital assets, net	\$ 693,427	\$ (55,333)	\$ ...	\$ 638,094

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

Governmental activities:

General government	\$ 3,387,528
Public safety	325,600
Public Health	59,702
Highways and public improvements	2,599,337
Parks and recreation	233,415
Conservation and economic development	4,460
Total depreciation expense - governmental activities	\$ 6,610,042

Business-type activities:

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

Total depreciation expense	\$ 6,665,375
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## 2. CAPITAL ASSETS (Continued)

<b>Component units:</b>	<b>BEGINNING BALANCE</b>	<b>INCREASES</b>	<b>DECREASES</b>	<b>ENDING BALANCE</b>
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				
Total capital assets not being depreciated	<u>\$ 1,628,734</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 1,628,734</u>
Capital assets being depreciated:				
Buildings	\$ 191,923			\$ 191,923
Improvements other than buildings	4,067,135	\$ 26,661		4,093,796
Machinery and equipment	845,177	24,999	\$ 22,171	848,005
Total capital assets being depreciated	<u>\$ 5,104,235</u>	<u>\$ 51,660</u>	<u>\$ 22,171</u>	<u>\$ 5,133,724</u>
Less accumulated depreciation for:				
Buildings	\$ 79,277	\$ 5,046		\$ 84,323
Improvements other than buildings	2,110,182	142,443		2,252,625
Machinery and equipment	516,498	52,682	\$ 14,781	554,399
Total accumulated depreciation	<u>\$ 2,705,957</u>	<u>\$ 200,171</u>	<u>\$ 14,781</u>	<u>\$ 2,891,347</u>
Total capital assets, being depreciated, net	<u>\$ 2,398,278</u>	<u>\$ (148,511)</u>	<u>\$ (7,390)</u>	<u>\$ 2,242,377</u>
Component units capital assets, net	<u><u>\$ 4,027,012</u></u>	<u><u>\$ (148,511)</u></u>	<u><u>\$ (7,390)</u></u>	<u><u>\$ 3,871,111</u></u>

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

Carbon County Recreation & Transportation Special Service District	\$ 163,944
Scofield Reservoir Special Service District	<u>36,227</u>
Total depreciation expense	<u><u>\$ 200,171</u></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
2018	\$ 1,657,000	\$ 374,317	\$ 2,031,317			
2019	2,372,000	364,601	2,736,601			
2020	2,392,000	344,378	2,736,378			
2021	2,415,000	322,756	2,737,756			
2022	2,249,000	494,658	2,743,658			
2023-2027	11,266,695	2,135,999	13,402,694			
2028-2032	7,862,000	1,490,336	9,352,336			
2033-2037	5,792,000	913,710	6,705,710			
2038-2042	5,206,985	314,500	5,521,485			
2043	446,000	4,950	450,950			
	<u>\$ 41,658,680</u>	<u>\$ 6,760,205</u>	<u>\$ 48,418,885</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>

**Revenue Bonds** – Revenue Bonds payable at December 31, 2017, with their outstanding balances are comprised of the following individual issues:

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

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

DATE	INTEREST	PRINCIPAL	TOTAL
09-01-2018		\$ 16,000	\$ 16,000
09-01-2019		16,000	16,000
09-01-2020		16,000	16,000
09-01-2021		16,000	16,000
09-01-2022		16,000	16,000
2023-2026		63,190	63,190
	<u>\$ ...</u>	<u>\$ 143,190</u>	<u>\$ 143,190</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>
09-01-2018		\$ 6,000	\$ 6,000
09-01-2019		6,000	6,000
09-01-2020		6,000	6,000
09-01-2021		6,000	6,000
09-01-2022		6,000	6,000
	<u>\$ ...</u>	<u>\$ 30,000</u>	<u>\$ 30,000</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>
01-01-2018		\$ 14,000	\$ 14,000
01-01-2019		14,000	14,000
01-01-2020		14,000	14,000
01-01-2021		14,000	14,000
01-01-2022		14,000	14,000
2023-2027		65,000	65,000
	<u>\$ ...</u>	<u>\$ 135,000</u>	<u>\$ 135,000</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>
01-01-2018		\$ 108,000	\$ 108,000
01-01-2019		108,000	108,000
01-01-2020		108,000	108,000
01-01-2021		108,000	108,000
01-01-2022		108,000	108,000
2023-2027		546,000	546,000
	\$ ...	\$ 1,086,000	\$ 1,086,000

**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>
01-01-2018		\$ 61,000	\$ 61,000
01-01-2019		61,000	61,000
01-01-2020		61,000	61,000
01-01-2021		61,000	61,000
01-01-2022		61,000	61,000
2023-2027		305,000	305,000
2028-2032		305,000	305,000
	\$ ...	\$ 915,000	\$ 915,000

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>
01-01-2018		\$ 65,000	\$ 65,000
01-01-2019		65,000	65,000
01-01-2020		65,000	65,000
01-01-2021		65,000	65,000
01-01-2022		65,000	65,000
2023-2027		315,000	315,000
	<u>\$ ...</u>	<u>\$ 640,000</u>	<u>\$ 640,000</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>
01-01-2018		\$ 50,000	\$ 50,000
01-01-2019		50,000	50,000
01-01-2020		50,000	50,000
01-01-2021		50,000	50,000
01-01-2022		50,000	50,000
2023-2027		248,000	248,000
	<u>\$ ...</u>	<u>\$ 498,000</u>	<u>\$ 498,000</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>
04-01-2018		\$ 155,000	\$ 155,000
04-01-2019		155,000	155,000
04-01-2020		155,000	155,000
04-01-2021		155,000	155,000
04-01-2022		155,000	155,000
2023-2027		632,506	632,506
	<u>\$ ...</u>	<u>\$ 1,407,506</u>	<u>\$ 1,407,506</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>
01-01-2018		\$ 150,000	\$ 150,000
01-01-2019		150,000	150,000
01-01-2020		150,000	150,000
01-01-2021		150,000	150,000
01-01-2022		150,000	150,000
2023-2027		750,000	750,000
2028		150,000	150,000
	<u>\$ ...</u>	<u>\$ 1,650,000</u>	<u>\$ 1,650,000</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>
04-01-2018		\$ 29,000	\$ 29,000
04-01-2019		29,000	29,000
04-01-2020		29,000	29,000
04-01-2021		29,000	29,000
04-01-2022		29,000	29,000
2023-2027		141,000	141,000
2028-2029		55,000	55,000
	<u>\$ ...</u>	<u>\$ 341,000</u>	<u>\$ 341,000</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>
10-01-2018		\$ 23,000	\$ 23,000
10-01-2019		23,000	23,000
10-01-2020		23,000	23,000
10-01-2021		23,000	23,000
10-01-2022		23,000	23,000
2023-2027		115,000	115,000
2028		23,000	23,000
	<u>\$ ...</u>	<u>\$ 253,000</u>	<u>\$ 253,000</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>
01-01-2018		\$ 40,000	\$ 40,000
01-01-2019		40,000	40,000
01-01-2020		40,000	40,000
01-01-2021		40,000	40,000
01-01-2022		40,000	40,000
2023-2027		200,000	200,000
2028-2032		200,000	200,000
2033-2034		80,000	80,000
	<u>\$ ...</u>	<u>\$ 680,000</u>	<u>\$ 680,000</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>
07-01-2018		\$ 14,000	\$ 14,000
07-01-2019		14,000	14,000
07-01-2020		14,000	14,000
07-01-2021		14,000	14,000
07-01-2022		14,000	14,000
2023-2027		70,000	70,000
2028-2032		70,000	70,000
2033-2037		74,000	74,000
2038-2040		45,000	45,000
	<u>\$ ...</u>	<u>\$ 329,000</u>	<u>\$ 329,000</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>
07-01-2018		\$ 44,000	\$ 44,000
07-01-2019		44,000	44,000
07-01-2020		44,000	44,000
07-01-2021		44,000	44,000
07-01-2022		44,000	44,000
2023-2027		220,000	220,000
2028-2032		220,000	220,000
2033-2037		216,000	216,000
2038-2040		172,000	172,000
	<u>\$ ...</u>	<u>\$ 1,048,000</u>	<u>\$ 1,048,000</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>
07-01-2018		\$ 83,000	\$ 83,000
07-01-2019		83,000	83,000
07-01-2020		83,000	83,000
07-01-2021		83,000	83,000
07-01-2022		84,000	84,000
2023-2026		336,000	336,000
	<u>\$ ...</u>	<u>\$ 752,000</u>	<u>\$ 752,000</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>
10-01-2018		\$ 33,000	\$ 33,000
10-01-2019		33,000	33,000
10-01-2020		33,000	33,000
10-01-2021		33,000	33,000
10-01-2022		33,000	33,000
2023-2027		165,000	165,000
2028-2032		165,000	165,000
2033-2037		170,000	170,000
2038-2042		170,000	170,000
	<u>\$ ...</u>	<u>\$ 835,000</u>	<u>\$ 835,000</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>
10-01-2018		\$ 192,000	\$ 192,000
10-01-2019		192,000	192,000
10-01-2020		192,000	192,000
10-01-2021		192,000	192,000
10-01-2022		192,000	192,000
2023-2027		960,000	960,000
2028-2032		960,000	960,000
2033-2037		960,000	960,000
2038-2042		960,000	960,000
2043		177,000	177,000
	<u>\$ ...</u>	<u>\$ 4,977,000</u>	<u>\$ 4,977,000</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>
10-01-2018	\$ 129,425	\$ 144,000	\$ 273,425
10-01-2019	125,725	148,000	273,725
10-01-2020	121,950	151,000	272,950
10-01-2021	118,075	155,000	273,075
10-01-2022	114,100	159,000	273,100
2023-2027	507,350	856,000	1,363,350
2028-2032	395,275	968,000	1,363,275
2033-2037	269,550	1,097,000	1,366,550
2038-2042	121,875	1,240,000	1,361,875
2043	4,950	269,000	273,950
	<u>\$ 1,908,275</u>	<u>\$ 5,187,000</u>	<u>\$ 7,095,275</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>
01-01-2018	\$ 85,725	\$ 401,000	\$ 486,725
01-01-2019	79,710	407,000	486,710
01-01-2020	73,605	414,000	487,605
01-01-2021	67,395	420,000	487,395
01-01-2022	61,095	426,000	487,095
2023-2027	207,720	2,227,000	2,434,720
2028-2030	42,825	1,420,000	1,462,825
	<u>\$ 618,075</u>	<u>\$ 5,715,000</u>	<u>\$ 6,333,075</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>
01-01-2018		\$ 19,000	\$ 19,000
01-01-2019		19,000	19,000
01-01-2020		19,000	19,000
01-01-2021		19,000	19,000
01-01-2022		19,000	19,000
2023-2027		95,000	95,000
2028-2032		95,000	95,000
2033-2037		95,000	95,000
2038-2040		60,984	60,984
	<u>\$ ...</u>	<u>\$ 440,984</u>	<u>\$ 440,984</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>
01-01-2018			
01-01-2019			
01-01-2020			
01-01-2021			
01-01-2022	\$ 194,903		\$ 194,903
2023-2027	974,517	\$ 5,000	979,517
2028-2032	957,017	1,255,000	2,212,017
2033-2037	644,160	3,100,000	3,744,160
2038-2041	192,626	2,540,000	2,732,626
	<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>
07-01-2017	\$ 150,324		\$ 150,324
07-01-2018	159,166		159,166
07-01-2019	159,167	\$ 685,000	844,167
07-01-2020	148,823	695,000	843,823
07-01-2021	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>

**COMPONENT UNIT**

**SCOFIELD RESERVOIR SPECIAL SERVICE DISTRICT SEWER REVENUE BOND - SERIES  
2016 – COMPONENT UNIT**

The Scofield Reservoir Special Service District sold sewer revenue bonds in the amount of \$142,000, bearing an interest rate of 1.50%. The proceeds are being used for the construction of sewer system improvements, including the upgrading of electrical panels of six sewer systems.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
03-01-2018	\$ 1,995	\$ 9,000	\$ 10,995
03-01-2019	1,860	9,000	10,860
03-01-2020	1,725	9,000	10,725
03-01-2021	1,590	9,000	10,590
03-01-2022	1,455	9,000	10,455
2023-2027	5,205	48,000	53,205
2028-2031	1,500	40,000	41,500
	<u>\$ 15,330</u>	<u>\$ 133,000</u>	<u>\$ 148,330</u>

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

#### SUMMARY OF NET CHANGES - PRIMARY GOVERNMENT

<u>Description</u>	Balance 01-01-17	Retired	Issued	Balance 12-31-17	Due Within One Year
<u>Governmental Activities</u>					
Lease Revenue 2001A	\$ 159,190	\$ (16,000)		\$ 143,190	\$ 16,000
Lease Revenue 2001B	36,000	(6,000)		30,000	6,000
MBA Lease Revenue 2006A	149,000	(14,000)		135,000	14,000
MBA Lease Revenue 2006B	1,194,000	(108,000)		1,086,000	108,000
MBA Lease Revenue 2006C	976,000	(61,000)		915,000	61,000
MBA Lease Revenue 2006D	705,000	(65,000)		640,000	65,000
MBA Lease Revenue 2006E	548,000	(50,000)		498,000	50,000
MBA Lease Revenue 2006F	1,562,506	(155,000)		1,407,506	155,000
MBA Lease Revenue 2007	1,800,000	(150,000)		1,650,000	150,000
MBA Lease Revenue 2008B	370,000	(29,000)		341,000	29,000
MBA Lease Revenue 2008C	276,000	(23,000)		253,000	23,000
MBA Lease Revenue 2008	720,000	(40,000)		680,000	40,000
MBA Lease Revenue 2010	343,000	(14,000)		329,000	14,000
MBA Lease Revenue 2011A	1,092,000	(44,000)		1,048,000	44,000
MBA Lease Revenue 2011B	835,000	(83,000)		752,000	83,000
MBA Lease Revenue 2012	868,000	(33,000)		835,000	33,000
MBA Bond Series 2013A	5,169,000	(192,000)		4,977,000	192,000
MBA Bond Series 2013B	5,327,000	(140,000)		5,187,000	144,000
MBA Lease Revenue 2014	6,590,000	(424,000)		6,166,000	430,000
MBA Lease Revenue 2016B	6,900,000			6,900,000	
MBA Lease Revenue 2016C	7,245,000			7,245,000	
	<u>\$ 42,864,696</u>	<u>\$ (1,647,000)</u>	<u>\$ ...</u>	<u>\$ 41,217,696</u>	<u>\$ 1,657,000</u>
<u>Governmental Activities</u>					
SEUDH Capital Leases:					
Series 2011	\$ 463,320	\$ (22,336)		\$ 440,984	\$ 19,000
	<u>\$ 463,320</u>	<u>\$ (22,336)</u>	<u>\$ ...</u>	<u>\$ 440,984</u>	<u>\$ 19,000</u>

#### SUMMARY OF NET CHANGES – COMPONENT UNIT

<u>Description</u>	Balance 01-01-17	Retired	Issued	Balance 12-31-17	Due Within One Year
<u>Component Unit - Scofield Reservoir SSD</u>					
Sewer Revenue Bond - 2016	\$ 142,000	\$ (9,000)		\$ 133,000	\$ 9,000
	<u>\$ 142,000</u>	<u>\$ (9,000)</u>	<u>\$ ...</u>	<u>\$ 133,000</u>	<u>\$ 9,000</u>



#### **4. DEPOSITS AND INVESTMENTS**

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

The County maintains a cash and investment pool that is used by all funds. Each major fund's portion of this pool, and the aggregate portion of the pool relating to non-major funds, is displayed on the Balance Sheet for Governmental Funds and the Statement of Net 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, 2017, the bank balance of the County's deposits was \$3,356,545, of which Federal Deposit Insurance Corporation covers \$750,000.

##### ***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, 2017, the County had the following recurring fair value measurements.

		Fair Value Measurements Using		
		Less		
	12/31/2017	Level 1	Level 2	Level 3
<b><u>Investments by fair value level</u></b>				
<b><u>Debt Securities</u></b>				
Money Market Mutual Funds	\$ 1,532,670		\$ 1,532,670	
U.S. Treasuries	1,470,422	\$ 1,470,422		
U.S. Agencies	9,091,868	9,091,868		
Utah Public Treasurers'				
Investment Fund	15,665,150		15,665,150	
Total investments	\$ 27,760,110	\$ 10,562,290	\$ 17,197,820	\$ ...

#### 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, 2017 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, 2017 the County's investments had the following maturities:

		Investment Maturities (in years)			
	12/31/2017	Less			More
	Fair Value	Than 1	1-5	6-10	Than 10
<u>Investment Type</u>					
<u>Debt Securities</u>					
Money Market Mutual Funds	\$ 1,532,670	\$ 1,532,670			
U.S. Treasuries	1,470,422	1,470,422			
U.S. Agencies	9,091,868	9,091,868			
Utah Public Treas. Invest. Fund	15,665,150	15,665,150			
Total investments	<u>\$ 27,760,110</u>	<u>\$ 27,760,110</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, 2017, the County's investments had the following quality ratings:

<b><u>Investment Type</u></b>	<b><u>12/31/2017 Fair Value</u></b>	<b><u>Quality Rating</u></b>
<b><u>Debt Securities</u></b>		
Money Market Mutual Funds	\$ 1,532,670	Unrated
U.S. Treasuries	1,470,422	Unrated
U.S. Agencies	9,091,868	Unrated
Utah Public Treas. Invest. Fund	15,665,150	Unrated
Total investments	<u>\$ 27,760,110</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, 2017 were held by the County or in the County's name by the County's custodial banks with qualified depositories totaling \$15,665,150 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](http://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, 2017 are as follows:

### **Utah State Retirement Systems**

	Employee	Employer	Employer 401(k)
<b>CARBON COUNTY</b>			
Contributory System			
11 - Local Governmental Division Tier 1	6.000%	14.46%	N/A
111 - Local Governmental Division Tier 2	N/A	15.110%	1.580%
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	23.730%	1.260%
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%
<b>SOUTHEASTERN UTAH HEALTH</b>			
Contributory System			
111 - Local Governmental Division Tier 2	N/A	15.110%	1.580%
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, 2017, the employer and employee contributions to the Systems were as follows:

**CARBON COUNTY**

<b>System</b>	<b>Employer Contributions</b>	<b>Employee Contributions</b>
Noncontributory System	\$ 669,840	N/A
Contributory System	16,059	
Public Safety System	618,689	
Tier 2 Public Employees System	211,197	
Tier 2 Public Safety and Firefighter	111,216	
Tier 2 DC Only System	16,365	N/A
Tier 2 DC Public Safety and Firefighter System	11,200	N/A
Total Contributions	<u>\$ 1,654,566</u>	<u>\$ . . .</u>

**SOUTHEASTERN UTAH HEALTH**

<b>System</b>	<b>Employer Contributions</b>	<b>Employee Contributions</b>
Noncontributory System	\$ 129,078	N/A
Tier 2 Public Employees System	45,949	
Tier 2 DC Only System	1,047	N/A
Total Contributions	<u>\$ 176,074</u>	<u>\$ . . .</u>

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, 2017, Carbon County reported a net pension asset of \$3,370 and a net pension liability of \$5,773,547 and Southeastern Utah Health reported a net pension asset of \$0 and a net pension liability of \$635,728.

**5. PENSION PLANS (Continued)**

**CARBON COUNTY**

	(Measurement Date): December 31, 2016			Proportionate	Change
	Net Pension	Net Pension	Proportionate	Share	(Decrease)
	Asset	Liability	Share	December 31, 2015	
Noncontributory System	\$0	\$2,947,812	0.4590733%	0.4866865%	(0.0276132)%
Contributory System	\$0	\$186,520	0.5684649%	0.5325152%	0.0359497%
Public Safety System	\$0	\$2,623,110	1.2926335%	1.3287368%	(0.0361033)%
Tier 2 Public Employees System	\$0	\$16,105	0.1443787%	0.1402243%	0.00141544%
Tier 2 Public Safety and Firefighte	\$3,370	\$0	0.3882328%	0.3470058%	0.0412270%
	<u>\$3,370</u>	<u>\$5,773,547</u>			

**SOUTHEASTERN UTAH HEALTH**

	(Measurement Date): December 31, 2016			Proportionate	Change
	Net Pension	Net Pension	Proportionate	Share	(Decrease)
	Asset	Liability	Share	December 31, 2014	
Noncontributory System	\$0	\$633,640	0.0986790%	0.1197815%	(0.0211025)%
Tier 2 Public Employees System	\$0	\$2,088	0.0187221%	0.0160396%	0.0026825%
	<u>\$0</u>	<u>\$635,728</u>			

The net pension asset and liability were measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016, 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, 2017, Carbon County recognized pension expense of \$1,772,218 and Southeastern Utah Health recognized pension expense of \$191,930. At December 31, 2017, 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
Differences between expected and actual experience	\$ 66,521	\$ 307,865
Changes in assumptions	866,566	189,265
Net difference between projected and actual earnings on pension plan investments	1,303,582	381,178
Changes in proportion and differences between contributions and proportionate share of contributions	137,429	185,042
Contributions subsequent to the measurement date	1,654,567	
Total	<u>\$ 4,028,665</u>	<u>\$ 1,063,350</u>

**SOUTHEASTERN UTAH HEALTH**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,764	\$ 18,977
Changes in assumptions	86,939	20,814
Net difference between projected and actual earnings on pension plan investments	141,610	41,997
Changes in proportion and differences between contributions and proportionate share of contributions	1,460	112,776
Contributions subsequent to the measurement date	176,074	
Total	<u>\$ 419,847</u>	<u>\$ 194,564</u>

Carbon County reported \$1,635,350 and Southeastern Utah Health reported \$194,564 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, 2016. 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>	<u>Deferred Outflows (inflows) of Resources</u>	
	<u>Carbon County</u>	<u>Southeastern Utah Health</u>
2017	\$ 394,063	\$ 12,052
2018	462,430	12,759
2019	501,979	31,275
2020	(57,160)	(7,553)
2021	766	53
Thereafter	8,668	623

Actuarial assumptions - The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.35 - 10.35 percent, average, including inflation
Investment rate of return	7.20 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, 2016, 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	2.60%
		Expected arithmetic nominal return	7.83%

The 7.20 percent assumed investment rate of return is comprised of an inflation rate of 2.60 percent, a real return of 4.60 percent that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 7.20 percent from 7.50 percent from the prior measurement period.

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 7.20 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 (6.20 percent) or one-percentage point higher (8.20 percent) than the current rate:

### CARBON COUNTY

System	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Noncontributory System	\$ 6,105,919	\$ 2,947,812	\$ 312,546
Contributory System	449,017	186,520	(34,608)
Public Safety System	5,455,475	2,623,110	320,784
Tier 2 Public Employees System	109,624	16,105	(55,039)
Tier 2 Public Safety and Firefighter	23,578	(3,370)	(24,079)
Total	\$ 12,143,613	\$ 5,770,177	\$ 519,604

## 5. PENSION PLANS (Continued)

### SOUTHEASTERN UTAH HEALTH

<b>System</b>	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Noncontributory System	\$ 1,312,483	\$ 633,640	\$ 67,183
Tier 2 Public Employees System	14,215	2,088	(7,137)
Total	\$ 1,326,698	\$ 635,728	\$ 60,046

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

	2017	2016	2015
<b>401(k) Plan</b>			
Employer Contributions	\$ 84,998	\$ 68,376	\$ 69,213
Employee Contributions	191,093	164,775	132,174
<b>457 Plan</b>			
Employer Contributions			
Employee Contributions	36,583	42,199	53,712
<b>Roth IRA Plan</b>			
Employer Contributions	N/A		
Employee Contributions	7,136		

## 5. PENSION PLANS (Continued)

### SOUTHEASTERN UTAH HEALTH

	2017	2016	2015
<b>401(k) Plan</b>			
Employer Contributions	\$ 20,091	\$ 28,880	\$ 21,124
Employee Contributions	36,223	37,445	38,916
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 4,585	\$ 5,400	\$ 6,600

#### Pension Beginning and Ending Values

GASB 68 schedule	Beginning values			Ending values		
	NPL/(NPA)	Asset	Liability	NPL/(NPA)	Asset	Liability
<b>Carbon County</b>						
Noncontributory	\$ 2,753,909		\$ 2,753,909	\$ 2,947,812		\$ 2,947,812
Contributory	374,281		374,281	186,520		186,520
Public Safety	2,380,102		2,380,102	2,623,110		2,623,110
Tier 2 Public employees	(306)	\$ 306		16,105		16,105
Tier 2 Public employees & Firefighter	(5,070)	5,070		(3,370)	\$ 3,370	
Total	\$ 5,502,916	\$ 5,376	\$ 5,508,292	\$ 5,770,177	\$ 3,370	\$ 5,773,547

#### Southeastern Utah Health

Noncontributory	\$ 677,782		\$ 677,782	\$ 633,640		\$ 633,640
Tier 2 Public employees	(35)	\$ 35		2,088		2,088
Total	\$ 677,747	\$ 35	\$ 677,782	\$ 635,728	\$ -	\$ 635,728

Net Pension Liability/Asset at 12/31/15

Net Pension Liability/Asset at 12/31/16

Retirement System	System Total	Proportionate	Beginning	System Total	Proportionate	Beginning
	NPL/(NPA)	Share	Values	NPL/(NPA)	Share	Values
<b>Carbon County</b>						
<b>Noncontributory</b>						
Local Government	\$ 565,848,640	0.4866865%	\$ 2,753,909	\$ 642,122,385	0.4590730%	\$ 2,947,812
<b>Contributory</b>						
Local Government	70,285,442	0.5325152%	374,281	32,811,102	0.5684650%	186,520
<b>Public Safety</b>						
Other DIV A	179,125,130	1.3287368%	2,380,102	202,927,613	1.2926340%	2,623,110
Tier 2 Public Employees	(218,300)	0.1402243%	(306)	11,154,934	0.1443790%	16,105
Tier 2 PS and Firefighter:	(1,461,032)	0.3470058%	(5,070)	(868,058)	0.3882330%	(3,370)
<b>Southeastern Utah Health</b>						
<b>Noncontributory</b>						
Local Government	565,848,640	0.1197815%	677,782	642,122,385	0.0986790%	633,640
Tier 2 Public Employees	(218,300)	0.0160396%	(35)	11,154,934	0.0187220%	2,088

**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 \$98,064 to be put into an account held by the Utah Public Treasurer's Investment Pool.



**11. RECONCILIATION OF INTERFUND TRANSFERS**

The following table provides a reconciliation of all interfund transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General		\$ 1,479,267
Capital projects		60,000
Travel bureau		150,000
Carbon leisure	\$ 266,695	
Fairgrounds	392,400	
Nutrition	524,352	
Economic development	165,820	
Council on aging	280,000	
Airport	60,000	
	<u>\$ 1,689,267</u>	<u>\$ 1,689,267</u>

**12. BUDGETARY COMPLIANCE**

Unfavorable budget variances were incurred in the following funds:

**GENERAL FUND -**

**General government -**

Treasurer	\$ 3,972
Public defender	9,957
Non-departmental	9,922
Public safety -	
Sheriff	48,633
Jail complex	39,144
Parks, Recreation and public property	
Recreation - television	11,853

**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, 2017, by Wiggins & Company, Ogden, Utah.

**14. FUND BALANCE RESERVATIONS/NET POSITION RESTRICTIONS**

**GENERAL FUND –**

\$98,064 is reserved to cover the estimated costs of the landfill closure at some future date.

**MUNICIPAL SERVICES FUND –**

\$2,563,436 is reserved for Class “B” Road expenditures for the County.

\$3,327,259 is the balance of Municipal Services Fund and has been committed for the purpose of meeting municipal services specific purposes.

**SEU DISTRICT HEALTH DEPARTMENT –**

\$984,798 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 –**

\$1,502,993 is for debt service requirements, \$963,302 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 (2017), the County worked on a few major projects. The County continued work on the construction of a new District and Juvenile Court building, which is being built at 120 East Main Street in Price, Utah. Construction on this project is ongoing and is scheduled to be completed in the Fall of 2018.

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

The County also made some changes to the existing County building, remodeling some rooms to accommodate new tenants. The County also made some improvements to the Airport, which was mostly paid for by grants from Utah Department of Transportation. The County also finished the soccer field complex at the fairgrounds which was started during 2016. The County had several other smaller construction projects that were not major, but were identified as improvements for the County.

**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 7<sup>th</sup> District and Juvenile Court began in early 2017. The overall capital outlay for this building will be approximately fourteen million dollars. As of the time of issuance of these financial statements, the project is approximately 80% 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, the County issued bonds to the Community Impact Board (CIB) and received grant funds from the CIB. The County received a combined \$14,145,000 in loans. The County recorded the bonds as liabilities in the statement of net assets, but still carries the remaining bond proceeds as unearned revenue in the Governmental fund financial statements. At December 31, 2017, the County had not used all of the loan proceeds in this construction project. The balance of the loan that has been received, but unused has been recorded as unearned revenue in the amount of \$8,400,391.

**21. PRIOR PERIOD ADJUSTMENT**

During the audit year ending December 31, 2017, a prior period adjustment was required in the Capital Projects fund, to eliminate prior years' expenses for a project that was determined not to be the County's expenses. These expenses were occurred and recorded in a prior years' financial information in the amount of \$323,048. Another prior period adjustment was also required in the Building Authority for grant proceeds refunded to the Community Impact Board that had previously been recorded as revenue and subsequently, were never used. The total amount of grant revenue refunded to the CIB, was \$309,753. The net effect of these two prior period adjustments was \$13,295.

# **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, 2017
SCHEDULE 6	Schedule of Contributions as of December 31, 2017
	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, 2017**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
REVENUES				
Taxes:				
General property taxes - current year	\$ 5,450,000	\$ 5,454,509	\$ 5,156,354	\$ (298,155)
General property taxes - assessing & collecting	887,436	889,034	955,169	66,135
Prior year taxes - delinquent	160,000	175,000	288,975	113,975
General sales and use taxes	962,000	962,000	968,616	6,616
Fees in lieu of taxes	787,000	787,000	807,097	20,097
Franchise taxes	18,000	18,000	22,537	4,537
Miscellaneous taxes				
Total taxes	\$ 8,264,436	\$ 8,285,543	\$ 8,198,748	\$ (86,795)
Licenses and Permits:				
Business licenses and permits	\$ 37,000	\$ 37,000	\$ 36,527	\$ (473)
Non-business licenses and permits	5,000	5,000	8,800	3,800
Total licenses and permits	\$ 42,000	\$ 42,000	\$ 45,327	\$ 3,327
Intergovernmental Revenues:				
Federal sources -				
Children's Justice	\$ 497,222	\$ 497,222	\$ 405,681	\$ (91,541)
Victim's Rights	36,000	36,000	48,124	12,124
Forest Reserve	14,000	14,000	956	(13,044)
Payment in lieu of tax	1,141,316	1,141,316	1,141,316	
Miscellaneous	416,500	326,500	266,498	(60,002)
Total federal sources	\$ 2,105,038	\$ 2,015,038	\$ 1,862,575	\$ (152,463)
State sources -				
Payment in lieu of tax	\$ 130,000	\$ 130,000	\$ 129,028	\$ (972)
Jail reimbursements	15,000	15,000	6,155	(8,845)
EMS Grant	30,000	30,000	15,822	(14,178)
Mineral reserve funds	225,000	225,000	205,360	(19,640)
Miscellaneous	383,000	466,000	162,242	(303,758)
Total state sources	\$ 783,000	\$ 866,000	\$ 518,607	\$ (347,393)
Total intergovernmental revenues	\$ 2,888,038	\$ 2,881,038	\$ 2,381,182	\$ (499,856)
Charges for Services:				
General government -				
Recorder fees	\$ 86,000	\$ 86,000	\$ 84,679	\$ (1,321)
Auditor fees	12,000	12,000	14,371	2,371
Miscellaneous	85,500	24,500	37,509	13,009
Total general government	\$ 183,500	\$ 122,500	\$ 136,559	\$ 14,059

"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, 2017**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Charges for Services (continued):				
Public safety -				
Justice court surcharge	\$ 17,000	\$ 17,000	\$ 20,479	\$ 3,479
Special sheriff services	65,000	65,000	81,484	16,484
Court costs and fees	92,000	92,000	67,363	(24,637)
Total public safety	\$ 174,000	\$ 174,000	\$ 169,326	\$ (4,674)
Other charges for services -				
Parks and public property	\$ 34,000	\$ 34,000	\$ 27,161	\$ (6,839)
Ambulance fees	1,050,000	1,050,000	1,085,228	35,228
G.I.S. fees	500	500	375	(125)
Total other charges for services	\$ 1,084,500	\$ 1,084,500	\$ 1,112,764	\$ 28,264
Total charges for services	\$ 1,442,000	\$ 1,381,000	\$ 1,418,649	\$ 37,649
Fines and Forfeitures:				
Fines	\$ 285,000	\$ 285,000	\$ 354,147	\$ 69,147
Total fines and forfeitures	\$ 285,000	\$ 285,000	\$ 354,147	\$ 69,147
Miscellaneous Revenues:				
Interest	\$ 40,000	\$ 40,000	\$ 59,372	\$ 19,372
Rents and concessions	5,000	5,000	50,037	45,037
Royalties and Mineral Leases	200,000	200,000	214,215	14,215
Sale of fixed assets	40,000	40,000	84,520	44,520
Land fill fees	400,000	400,000	135,920	(264,080)
Tippage fees - ECDC	50,000	50,000	133,359	83,359
Sale of materials and supplies	20,000	20,000	33,349	13,349
Insurance proceeds	80,000	80,000	86,724	6,724
Miscellaneous	97,000	97,000	107,975	10,975
Total miscellaneous revenues	\$ 932,000	\$ 932,000	\$ 905,471	\$ (26,529)
Contributions from other governments:				
Contributions from other governments	\$ 2,100,000	\$ 2,100,000	\$ 1,724,811	\$ (375,189)
Total Revenues	\$ 15,953,474	\$ 15,906,581	\$ 15,028,335	\$ (878,246)

"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, 2017**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
EXPENDITURES				
Current:				
General Government:				
Commission	\$ 419,800	\$ 444,800	\$ 429,211	\$ 15,589
Justice court	327,000	327,000	311,502	15,498
District court	6,000	6,000	2,913	3,087
Public defender	285,000	285,000	294,957	(9,957)
Personnel	217,000	217,000	194,401	22,599
Clerk/Auditor	376,000	396,000	400,236	(4,236)
Treasurer	186,200	186,200	190,172	(3,972)
Recorder	257,350	289,350	286,634	2,716
Attorney	953,000	953,000	946,637	6,363
Assessor	430,000	440,000	423,855	16,145
Non-Departmental	487,000	500,000	509,922	(9,922)
Data processing	523,500	523,500	489,378	34,122
Central purchasing	5,000	5,000	4,807	193
Central mailing	28,500	28,500	28,546	(46)
Communications	42,250	42,250	35,787	6,463
Attorney - Children's Justice	566,900	566,900	491,103	75,797
Building and grounds	279,000	279,000	278,966	34
Engineering	220,500	220,500	211,621	8,879
Safety	94,500	94,500	86,589	7,911
Elections	26,000	26,000	21,990	4,010
Graphical information service	263,600	284,600	276,782	7,818
Industrial park	21,000	21,000	14,481	6,519
Total general government	\$ 6,015,100	\$ 6,136,100	\$ 5,930,490	\$ 205,610
Public Safety:				
Sheriff	\$ 2,469,500	\$ 2,083,612	\$ 2,132,245	\$ (48,633)
Victims rights	76,500	76,500	75,913	587
Emergency management	1,149,600	1,057,595	945,705	111,890
Drug court - tracking	236,500	236,500	205,609	30,891
Ambulance service	1,371,500	1,371,500	1,283,275	88,225
Jail complex	2,211,000	2,527,000	2,566,144	(39,144)
Total public safety	\$ 7,514,600	\$ 7,352,707	\$ 7,208,891	\$ 143,816

"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, 2017**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Public Health:				
Indigent	\$ 12,000	\$ 12,000	\$ 6,000	\$ 6,000
Public health	130,000	130,000	128,891	1,109
Mental health	230,000	230,000	217,806	12,194
Total public health	\$ 372,000	\$ 372,000	\$ 352,697	\$ 19,303
Highways and Public Improvements:				
Landfill	\$ 349,000	\$ 349,000	\$ 264,085	\$ 84,915
Maintenance and abatement	550,000	515,000	470,577	44,423
Total highways and public improvements	\$ 899,000	\$ 864,000	\$ 734,662	\$ 129,338
Parks, Recreation and Public Property:				
Recreation - Television	\$ 131,100	\$ 131,100	\$ 142,953	\$ (11,853)
Library	82,000	82,000	79,729	2,271
Total parks, recreation and public property	\$ 213,100	\$ 213,100	\$ 222,682	\$ (9,582)
Conservation and Economic Development:				
Agriculture and extension services	\$ 71,200	\$ 71,200	\$ 61,602	\$ 9,598
Total conservation and economic development	\$ 71,200	\$ 71,200	\$ 61,602	\$ 9,598
Contributions and Miscellaneous:				
Contributions to other governmental agencies	\$ 168,000	\$ 168,000	\$ 159,093	\$ 8,907
Miscellaneous	60,000	60,000	37,000	23,000
Total contributions and miscellaneous	\$ 228,000	\$ 228,000	\$ 196,093	\$ 31,907
Total expenditures	\$ 15,313,000	\$ 15,237,107	\$ 14,707,117	\$ 529,990
Excess of revenues over (under) expenditures	\$ 640,474	\$ 669,474	\$ 321,218	\$ (348,256)

"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, 2017**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ 1,463,635	\$ 1,492,635	\$ 1,479,267	\$ 13,368
Total other financing sources (uses)	\$ (1,463,635)	\$ (1,492,635)	\$ (1,479,267)	\$ (13,368)
Excess of revenues and other sources over (under) expenditures and other uses	\$ (823,161)	\$ (823,161)	\$ (1,158,049)	\$ (334,888)
Fund balance - beginning of year	823,161	823,161	3,805,681	2,982,520
Fund balance - end of year	\$ ...	\$ ...	\$ 2,647,632	\$ 2,647,632

"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, 2017**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Intergovernmental				
Federal, State and Local funds	\$ 1,892,280	\$ 1,913,775	\$ 1,985,771	\$ 71,996
Total Intergovernmental	\$ 1,892,280	\$ 1,913,775	\$ 1,985,771	\$ 71,996
Charges for services				
Charges for services	\$ 605,366	\$ 605,366	\$ 602,867	\$ (2,499)
Total Charges for services	\$ 605,366	\$ 605,366	\$ 602,867	\$ (2,499)
Miscellaneous				
Miscellaneous			\$ 15,311	\$ 15,311
Investment earnings	\$ 1,400	\$ 1,400	4,146	2,746
Total miscellaneous	\$ 1,400	\$ 1,400	\$ 19,457	\$ 18,057
Total Revenues	\$ 2,499,046	\$ 2,520,541	\$ 2,608,095	\$ 87,554
<b>EXPENDITURES</b>				
Current:				
Public health	\$ 2,469,046	\$ 2,490,541	\$ 2,334,156	\$ 156,385
Bond principal - payments	30,000	30,000	22,336	7,664
Total public health	\$ 2,499,046	\$ 2,520,541	\$ 2,356,492	\$ 164,049
Total expenditures	\$ 2,499,046	\$ 2,520,541	\$ 2,356,492	\$ 164,049
Excess of revenue over (under) expenditures			\$ 251,603	\$ 251,603
Fund balance - beginning of year			1,002,515	1,002,515
Fund balance - end of year	\$ ...	\$ ...	\$ 1,254,118	\$ 1,254,118

"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, 2017**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Taxes	\$ 1,887,000	\$ 1,887,000	\$ 1,936,142	\$ 49,142
Licenses and permits	241,000	241,000	81,958	(159,042)
Intergovernmental	1,349,000	1,349,000	1,787,526	438,526
Charges for services	22,000	22,000	22,961	961
Interest Earnings	20,000	20,000	62,355	42,355
Miscellaneous	61,000	61,000	46,312	(14,688)
Total Revenues	\$ 3,580,000	\$ 3,580,000	\$ 3,937,254	\$ 357,254
<b>EXPENDITURES:</b>				
General government	\$ 98,500	\$ 98,500	\$ 96,772	\$ 1,728
Public safety	707,850	1,195,343	1,181,682	13,661
Highways and public improvements	2,932,500	2,935,500	3,203,412	(267,912)
Total expenditures	\$ 3,738,850	\$ 4,229,343	\$ 4,481,866	\$ (252,523)
Excess of revenue over (under) expenditures	\$ (158,850)	\$ (649,343)	\$ (544,612)	\$ 104,731
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in				
Operating transfers out				
Total other financing sources (uses)	\$ ...	\$ ...	\$ ...	\$ ...
Excess of revenue and other sources over (under) expenditures and other uses	\$ (158,850)	\$ (649,343)	\$ (544,612)	\$ 104,731
Fund balance - beginning of year	158,850	649,343	6,435,307	5,785,964
Fund balance - end of year	\$ ...	\$ ...	\$ 5,890,695	\$ 5,890,695

"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, 2017**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Intergovernmental	\$ 2,116,000	\$ 2,566,000	\$ 1,635,051	\$ (930,949)
Contributions	328,000	328,000	441,308	113,308
Total Revenues	\$ 2,444,000	\$ 2,894,000	\$ 2,076,359	\$ (817,641)
<b>EXPENDITURES:</b>				
Bond principal - payments	\$ 1,615,000	\$ 1,615,000	\$ 1,614,000	\$ 1,000
Bond interest and fiscal charges	363,000	363,000	380,609	(17,609)
Highways and public improvements	11,466,000	12,066,000	6,821,717	5,244,283
Total expenditures	\$ 13,444,000	\$ 14,044,000	\$ 8,816,326	\$ 5,227,674
Excess of revenue over (under) expenditures	\$ (11,000,000)	\$ (11,150,000)	\$ (6,739,967)	\$ 4,410,033
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond proceeds	\$ 11,000,000	\$ 11,000,000	\$ 6,794,320	\$ (4,205,680)
Total other financing sources (uses)	\$ 11,000,000	\$ 11,000,000	\$ 6,794,320	\$ (4,205,680)
Excess of revenue and other sources over (under) expenditures and other uses		\$ (150,000)	\$ 54,353	\$ 204,353
Fund balance - beginning of year			2,721,695	2,721,695
Prior period adjustment		150,000	(309,753)	(459,753)
Fund balance - end of year	\$ ...	\$ ...	\$ 2,466,295	\$ 2,466,295

"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, 2017**

**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%
	2016	0.4590733%	\$2,947,812	\$3,784,293	77.90%	87.3%
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%
	2016	0.5684649%	186,520	136,396	136.75%	92.9%
Public Safety System	2014	1.1642284%	\$1,464,114	1,738,824	84.20%	90.5%
	2015	0.5325152%	374,281	226,898	164.96%	85.7%
	2016	1.2926335%	2,623,110	1,802,630	145.52%	86.5%
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%
	2016	0.1443787%	16,105	1,184,023	1.36%	95.1%
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%
	2016	0.3882328%	(3,370)	320,766	(1.05)%	103.6%

**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%
	2016	0.0986790%	\$633,640	\$852,175	74.36%	87.3%
Contributory Retirement System	2014	0.0091320%	\$2,634	\$5,102	51.60%	94.0%
	2015					
	2016					92.9%
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%
	2016	0.0187221%	2,088	153,536	1.36%	95.1%

\* 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.

**CARBON COUNTY/SOUTHEASTERN UTAH HEALTH  
SCHEDULE OF CONTRIBUTIONS  
AS OF DECEMBER 31, 2017**

**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%
	2017	669,840	669,840		3,680,551	18.20%
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%
	2017	16,059	16,059		111,060	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%
	2017	618,689	618,689		1,801,425	34.34%
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%
	2017	211,197	211,197		1,408,625	14.99%
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%
	2017	111,216	111,216		470,645	23.63%
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%
	2017	16,365	16,365		244,626	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%
	2017	11,200	11,200		86,437	12.96%

**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%
	2017	129,078	129,078		698,850	18.47%
Contributory System	2014	\$ 678	\$ 678	\$	\$ 5,102	13.28%
	2015					
	2016					
	2017					
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%
	2017	45,949	45,949		305,643	15.03%
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%
	2017	1,047	1,047		15,644	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, 2017**

**CHANGES IN ASSUMPTIONS:**

The following actuarial assumption changes were adopted January 1, 2016. The assumed investment return assumption was decreased from 7.50% to 7.20% and the assumed inflation rate was decreased from 2.75% to 2.60%. With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15% from the prior year's assumption.

**CARBON COUNTY**  
**Supplementary Information**

**CARBON COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017**

	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	
<u>ASSETS</u>											
Cash and cash equivalents	\$ 487,044	\$ 50,427	\$ 138,781	\$ 112,266	\$ 599,487	\$ 33,272	\$ 321,629	\$ 119,819	\$ 49,977		\$ 1,912,702
Restricted - cash and cash equivalents										\$ 2,445,557	2,445,557
Taxes receivable					28,068						28,068
Receivables - other	44,182	410	1,352				9,267	32,890			88,101
Total assets	<u>\$ 531,226</u>	<u>\$ 50,837</u>	<u>\$ 140,133</u>	<u>\$ 112,266</u>	<u>\$ 627,555</u>	<u>\$ 33,272</u>	<u>\$ 330,896</u>	<u>\$ 152,709</u>	<u>\$ 49,977</u>	<u>\$ 2,445,557</u>	<u>\$ 4,474,428</u>
<u>LIABILITIES AND FUND BALANCES</u>											
LIABILITIES:											
Accounts payable	\$ 28,191	\$ 25,847	\$ 7,580			\$ 340	\$ 2,210	\$ 53,380	\$ 48,020		\$ 165,568
Accrued liabilities	2,798	13,135	10,297			1,458	14,596	18,719			61,003
Accrued payroll	1,013	3,799	4,789			1,169		5,604			16,374
Total liabilities	<u>\$ 32,002</u>	<u>\$ 42,781</u>	<u>\$ 22,666</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 2,967</u>	<u>\$ 16,806</u>	<u>\$ 77,703</u>	<u>\$ 48,020</u>	<u>\$ ...</u>	<u>\$ 242,945</u>
FUND BALANCES:											
Unreserved, reported in:											
Special revenue fund		\$ 8,056	\$ 117,467	\$ 112,266	\$ 627,555	\$ 30,305	\$ 314,090	\$ 75,006	\$ 1,957		\$ 1,286,702
Economic development - restaurant tax	\$ 499,224										499,224
Permanent - tax stability										\$ 2,445,557	2,445,557
Total fund balances	<u>\$ 499,224</u>	<u>\$ 8,056</u>	<u>\$ 117,467</u>	<u>\$ 112,266</u>	<u>\$ 627,555</u>	<u>\$ 30,305</u>	<u>\$ 314,090</u>	<u>\$ 75,006</u>	<u>\$ 1,957</u>	<u>\$ 2,445,557</u>	<u>\$ 4,231,483</u>
Total liabilities and fund equity	<u>\$ 531,226</u>	<u>\$ 50,837</u>	<u>\$ 140,133</u>	<u>\$ 112,266</u>	<u>\$ 627,555</u>	<u>\$ 33,272</u>	<u>\$ 330,896</u>	<u>\$ 152,709</u>	<u>\$ 49,977</u>	<u>\$ 2,445,557</u>	<u>\$ 4,474,428</u>

**CARBON COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	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	\$ 250,455				\$ 28,068						\$ 278,523
Intergovernmental revenue	235,626						\$ 47,644	\$ 144,869	\$ 210,416		638,555
Charges for services		\$ 43,792	\$ 239,385	\$ 83,879			13,474	86,677	165,654		632,861
Contributions						\$ 1,500	2,070				3,570
Miscellaneous									1,448		1,448
Interest income				511						\$ 29,002	29,513
Total revenues	\$ 486,081	\$ 43,792	\$ 239,385	\$ 84,390	\$ 28,068	\$ 1,500	\$ 63,188	\$ 231,546	\$ 377,518	\$ 29,002	\$ 1,584,470
EXPENDITURES:											
Public safety				\$ 104,358							\$ 104,358
Highways and public improvements									\$ 489,324		489,324
Parks, recreation and public property		\$ 816,651	\$ 591,901								1,408,552
Public health							\$ 316,036	\$ 810,170			1,126,206
Conservation and economic development	\$ 354,769					\$ 192,057					546,826
Total expenditures	\$ 354,769	\$ 816,651	\$ 591,901	\$ 104,358	\$ ...	\$ 192,057	\$ 316,036	\$ 810,170	\$ 489,324	\$ ...	\$ 3,675,266
Excess of revenues over (under) expenditures	\$ 131,312	\$ (772,859)	\$ (352,516)	\$ (19,968)	\$ 28,068	\$ (190,557)	\$ (252,848)	\$ (578,624)	\$ (111,806)	\$ 29,002	\$ (2,090,796)
Other financing sources (uses):											
Transfers in(out)	\$ (150,000)	\$ 392,400	\$ 266,695			\$ 165,820	\$ 280,000	\$ 524,352	\$ 60,000		\$ 1,539,267
Total other financing sources (uses)	\$ (150,000)	\$ 392,400	\$ 266,695	\$ ...	\$ ...	\$ 165,820	\$ 280,000	\$ 524,352	\$ 60,000	\$ ...	\$ 1,539,267
Excess of revenues and other sources over (under) expenditures and other uses	\$ (18,688)	\$ (380,459)	\$ (85,821)	\$ (19,968)	\$ 28,068	\$ (24,737)	\$ 27,152	\$ (54,272)	\$ (51,806)	\$ 29,002	\$ (551,529)
Fund Balances - Beginning 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
Fund Balances - End of year	\$ 499,224	\$ 8,056	\$ 117,467	\$ 112,266	\$ 627,555	\$ 30,305	\$ 314,090	\$ 75,006	\$ 1,957	\$ 2,445,557	\$ 4,231,483

**CARBON COUNTY**  
**COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS**  
**DECEMBER 31, 2017**

	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	\$ 1,089,030	\$ 893,134	\$ 59,941	\$ 201,683	\$ 4,602,147	\$ 6,845,935
Accounts receivable	208,718	129,033	5,753			343,504
Total assets	<u>\$ 1,297,748</u>	<u>\$ 1,022,167</u>	<u>\$ 65,694</u>	<u>\$ 201,683</u>	<u>\$ 4,602,147</u>	<u>\$ 7,189,439</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 74,598	\$ 430,974	\$ 40,085			\$ 545,657
Precinct fees, bail and bonds payable			25,609			25,609
Due to taxing units					\$ 4,602,147	4,602,147
Miscellaneous reimbursements				\$ 201,683		201,683
Due to other agencies	1,223,150	591,193				1,814,343
Total liabilities	<u>\$ 1,297,748</u>	<u>\$ 1,022,167</u>	<u>\$ 65,694</u>	<u>\$ 201,683</u>	<u>\$ 4,602,147</u>	<u>\$ 7,189,439</u>

**CARBON COUNTY**  
**SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF**  
**DECEMBER 31, 2017**

TAX UNITS	ADJUSTED TAXABLE VALUE	TAX RATE	TOTAL TAXES LEVIED	TREASURER'S RELIEF					PERCENT	OTHER COLLECTIONS		DELINQUENCIES TAXES PENALTY AND INTEREST
				UNPAID TAXES	ABATEMENTS	OTHER ADJUSTMENTS	TOTAL RELIEF	NET TAXES COLLECTED		FEES IN LIEU	MISCELLANEOUS	
COUNTY FUNDS:												
General fund	\$ 1,718,092,998	0.003200	\$ 5,724,543	\$ 305,200	\$ 80,052		\$ 385,252	\$ 5,339,291	93.27%	\$ 320,056	\$ 57,274	\$ 226,820
Municipal services	1,064,934,568	0.000289	306,603	12,832	4,218		17,050	289,553	94.44%	19,903	3,563	9,376
Assessing and collecting	1,718,092,998	0.000010	17,289	908	239		1,147	16,142	93.37%	1,178	9,982	2,952
Local and collecting	1,718,092,998	0.000543	931,299	49,360	12,956		62,316	868,983	93.31%	56,537	2,906	31,400
Total County Funds			\$ 6,979,734	\$ 368,300	\$ 97,465	\$ ...	\$ 465,765	\$ 6,513,969		\$ 397,674	\$ 73,725	\$ 270,548
SCHOOL DISTRICT:												
Carbon												
Grouped budgets	\$ 1,718,092,998	0.006362	\$ 10,905,477	\$ 578,256	\$ 151,801		\$ 730,057	\$ 10,175,420	93.31%	\$ 670,576	\$ 117,970	\$ 451,746
Basic school levy	1,718,092,998	0.001568	2,705,564	142,519	37,413		179,932	2,525,632	93.35%	165,273	29,075	111,339
CITIES AND TOWNS:												
Price City	\$ 419,283,487	0.002091	\$ 876,221	\$ 63,930	\$ 12,869		\$ 76,799	\$ 799,422	91.24%	\$ 47,115	\$ 4,138	\$ 53,051
Helper City	84,114,738	0.003051	256,775	19,805	4,827		24,632	232,143	90.41%	16,095	5,629	16,677
East Carbon/Sunnyside City	81,260,586	0.007401	602,181	36,375	5,402		41,777	560,404	93.06%	5,675	9,243	32,203
Wellington City	59,611,170	0.002793	162,406	11,812	2,150		13,962	148,444	91.40%	7,754	1,230	5,984
Scofield Town	8,888,449	0.001174	10,415	486	33		519	9,896	95.02%	84	30	236
Total Cities and Towns			\$ 1,907,998	\$ 132,408	\$ 25,281	\$ ...	\$ 157,689	\$ 1,750,309		\$ 76,723	\$ 20,270	\$ 108,151
OTHER DISTRICTS:												
Price River Water Improvement	\$ 1,080,161,911	0.000795	\$ 858,314	\$ 45,069	\$ 11,578		\$ 56,647	\$ 801,667	93.40%	\$ 83,750	\$ 8,307	\$ 37,858
Carbon Water Conservancy	1,718,092,998	0.000158	271,025	14,362	3,770		18,132	252,893	93.31%	16,490	2,906	10,274
Total Other Districts			\$ 1,129,339	\$ 59,431	\$ 15,348	\$ ...	\$ 74,779	\$ 1,054,560		\$ 100,240	\$ 11,213	\$ 48,132
GRAND TOTAL			\$ 23,628,112	\$ 1,280,914	\$ 327,308	\$ ...	\$ 1,608,222	\$ 22,019,890		\$ 1,410,486	\$ 252,253	\$ 989,916

**CARBON COUNTY**  
**SOUTHEAST UTAH HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>GENERAL HEALTH</b>	<b>IMMUNIZATIONS BASIC/NON VFC</b>	<b>WIC</b>	<b>MCH BLOCK</b>	<b>FLU</b>
Revenues:					
State Reimbursement	\$ 153,579	\$ 159,503	\$ 356,371	\$ 67,736	\$ 65,958
General Health	22,711				
County	301,790				
School Nurses					
Miscellaneous	4,770				
Occupancy allocation	1,046	515	2,735	161	97
Grants and other government resources					
Total Revenues	<u>\$ 483,896</u>	<u>\$ 160,018</u>	<u>\$ 359,106</u>	<u>\$ 67,897</u>	<u>\$ 66,055</u>
Expenditures:					
Salaries	\$ 59,515	\$ 31,218	\$ 163,823	\$ 7,949	\$ 8,612
Fringe Benefits	92,701	30,346	162,106	8,040	8,531
Consultants	2,150	654	4,740	129	86
Patient care				201	
Pharmacy	10,162	82,789		300	43,767
Supplies - Medical	3,208	3,823	469	1,376	
Travel	6,459	309	5,305	210	75
Dues - Periodicals	1,121	445	2,278	23	11
Education - Training	919	66	776	19	3
Capital Purchases					
Utilities	1,777	920	4,889	235	235
Maintenance - Repairs	2,852	2,227	6,859	368	313
Insurance	1,908	814	5,093	246	116
Data Processing	2,098	2,127	3,284	118	1,199
Postage	501	202	1,110	36	73
Printing - Binding	73	199	346	10	4
Supplies - Office	6,562	667	4,048	1,962	158
Laboratory	842				
Telephone	1,846	668	7,449	171	184
Other	17,628	358	1,996	93	61
Debt payment	22,336				
State match					
Rent	657	10	42	1	5
Advertising	1,478	2,089	1,205	40	6
Mini Grants					
Total Expenditures	<u>\$ 236,793</u>	<u>\$ 159,931</u>	<u>\$ 375,818</u>	<u>\$ 21,527</u>	<u>\$ 63,439</u>
Net Revenues/(Expenditures)	<u>\$ 247,103</u>	<u>\$ 87</u>	<u>\$ (16,712)</u>	<u>\$ 46,370</u>	<u>\$ 2,616</u>

**CARBON COUNTY**  
**SOUTHEAST UTAH HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b><u>TOBACCO PREVENTION</u></b>	<b><u>INDOOR CLEAN AIR</u></b>	<b><u>FARMERS MARKET</u></b>	<b><u>DOMESTIC EBOLA</u></b>	<b><u>MINIMUM PERFORMANCE VITAL STATISTICS</u></b>	<b><u>EBOLA SUPPLEMENTAL</u></b>
Revenues:						
State Reimbursement	\$ 116,412	\$ 2,350	\$ 18,861	\$ 2,757	\$ 59,737	\$ 5,434
General Health						
County						
School Nurses						
Miscellaneous						
Occupancy allocation	703	19	87	10	217	24
Grants and other government resources						
Total Revenues	<u>\$ 117,115</u>	<u>\$ 2,369</u>	<u>\$ 18,948</u>	<u>\$ 2,767</u>	<u>\$ 59,954</u>	<u>\$ 5,458</u>
Expenditures:						
Salaries	\$ 39,661	\$ 1,154	\$ 5,029	\$ 523	\$ 12,048	\$ 1,361
Fringe Benefits	39,848	1,121	4,697	387	12,158	1,344
Consultants	900	52	173		269	29
Patient Care						
Pharmacy						
Supplies - Medical						
Travel	3,531	13	60	2	109	43
Dues - Periodicals	774	4	167	7	177	22
Education - Training	244	4	12		26	3
Capital Purchases			6,670			
Utilities	1,254	35	165	17	383	44
Maintenance - Repairs	1,738	48	234	19	532	57
Insurance	1,352	15		8	395	58
Data Processing	803	19	88	15	252	41
Postage	291	9	40	3	84	8
Printing - Binding	4,709		3		16	1
Supplies - Office	6,289	12	2,482	1,679	7,510	2,388
Laboratory						
Telephone	1,346	25	129	93	278	150
Other	483	16	60	4	156	16
Debt payment						
State match						
Rent	10		2		3	
Advertising	9,584	7	117	10	78	20
Mini Grants	1,100					
Total Expenditures	<u>\$ 113,917</u>	<u>\$ 2,534</u>	<u>\$ 20,128</u>	<u>\$ 2,767</u>	<u>\$ 34,474</u>	<u>\$ 5,585</u>
Net Revenues/(Expenditures)	<u>\$ 3,198</u>	<u>\$ (165)</u>	<u>\$ (1,180)</u>	<u>\$ -</u>	<u>\$ 25,480</u>	<u>\$ (127)</u>



**CARBON COUNTY**  
**SOUTHEAST UTAH HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>IMMUNIZATIONS - OUTREACH/ IMMUNIZATIONS</b>	<b>EPICC</b>	<b>BE WISE</b>	<b>STD AND HIV</b>	<b>ENVIRON- MENTAL HEALTH CHS</b>	<b>PHEP PREPAREDNESS</b>
Revenues:						
State Reimbursement	\$ 66,527	\$ 70,384	\$ 12,708	\$ 2,678	\$ 13,038	\$ 213,106
General Health					96,776	
County						
School Nurses						
Miscellaneous						
Occupancy allocation	602	383	69	29	1,021	\$ 1,186
Grants and other government resources						
Total Revenues	<u>\$ 67,129</u>	<u>\$ 70,767</u>	<u>\$ 12,777</u>	<u>\$ 2,707</u>	<u>\$ 110,835</u>	<u>\$ 214,292</u>
Expenditures:						
Salaries	\$ 35,988	\$ 23,546	\$ 4,679	\$ 2,023	\$ 56,195	\$ 68,716
Fringe Benefits	35,938	23,603	4,565	1,975	55,322	67,564
Consultants	862	651	58	30	1,251	1,547
Patient Care				75		
Pharmacy						
Supplies - Medical				4		
Travel	380	6,592	285	18	5,283	10,569
Dues - Periodicals	466	423	96	21	728	1,119
Education - Training	68	408	8	3	529	2,968
Capital Purchases						
Utilities	1,111	732	137	57	1,774	2,166
Maintenance - Repairs	3,191	1,029	199	74	2,468	2,895
Insurance	1,119	715	220	33	2,378	1,177
Data Processing	4,268	441	112	38	1,233	9,261
Postage	254	254	34	16	419	493
Printing - Binding	211	1,692	8	2	90	109
Supplies - Office	1,271	5,905	88	25	1,328	15,300
Laboratory						
Telephone	1,127	538	100	39	1,298	11,937
Other	435	620	58	19	775	1,563
Debt payment						
State match						
Rent	8	7			15	864
Advertising	643	1,152	18	7	417	8,442
Mini Grants		500				
Total Expenditures	<u>\$ 87,340</u>	<u>\$ 68,808</u>	<u>\$ 10,665</u>	<u>\$ 4,459</u>	<u>\$ 131,503</u>	<u>\$ 206,690</u>
Net Revenues/(Expenditures)	<u>\$ (20,211)</u>	<u>\$ 1,959</u>	<u>\$ 2,112</u>	<u>\$ (1,752)</u>	<u>\$ (20,668)</u>	<u>\$ 7,602</u>

**CARBON COUNTY**  
**SOUTHEAST UTAH HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>COMPREHENSIVE TOBACCO AND CESSATION</b>	<b>CHEC</b>	<b>TB CONTROL</b>	<b>ALL COUNTIES SCHOOL NURSE</b>	<b>NEWBORN CARE</b>
Revenues:					
State Reimbursement	\$ 36,411	\$ 24,463	\$ 2,993		\$ 35,656
General Health County					
School Nurses				\$ 145,386	
Miscellaneous	300				
Occupancy allocation	191	174	65	1,107	198
Grants and other government resources					
Total Revenues	<u>\$ 36,902</u>	<u>\$ 24,637</u>	<u>\$ 3,058</u>	<u>\$ 146,493</u>	<u>\$ 35,854</u>
Expenditures:					
Salaries	\$ 10,154	\$ 9,603	\$ 3,787	\$ 64,908	\$ 11,312
Fringe Benefits	9,956	9,439	3,665	63,142	10,964
Consultants	219	240	75	1,328	295
Patient Care					
Pharmacy					
Supplies - Medical		161			
Travel	1,414	87	32	2,427	108
Dues - Periodicals	113	129	50	791	97
Education - Training	29	22	10	635	1,547
Capital Purchases					
Utilities	314	304	110	1,893	328
Maintenance - Repairs	422	422	152	2,673	462
Insurance	320	401	146	2,342	460
Data Processing	235	748	71	1,264	557
Postage	84	70	29	420	87
Printing - Binding	1,151	15	5	113	16
Supplies - Office	2,657	1,998	38	1,265	1,441
Laboratory					
Telephone	223	226	80	2,068	236
Other	129	124	42	819	645
Debt payment					
State match					
Rent		3		13	3
Advertising	8,273	68	26	291	55
Mini Grants	1,600				
Total Expenditures	<u>\$ 37,293</u>	<u>\$ 24,060</u>	<u>\$ 8,318</u>	<u>\$ 146,392</u>	<u>\$ 28,613</u>
Net Revenues/(Expenditures)	<u>\$ (391)</u>	<u>\$ 577</u>	<u>\$ (5,260)</u>	<u>\$ 101</u>	<u>\$ 7,241</u>

**CARBON COUNTY**  
**SOUTHEAST UTAH HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>PRENATAL</b>	<b>HDSP</b>	<b>DIABETES</b>	<b>HEALTHCARE ASSOCIATED INFECTIONS</b>	<b>ASPR MRC</b>	<b>ASPR HPP</b>
Revenues:						
State Reimbursement	\$ 7,883	\$ 9,547	\$ 16,052	\$ 4,296	\$ 6,315	\$ 80,569
General Health County						
School Nurses						
Miscellaneous						
Occupancy allocation	88	68	74	20	61	469
Grants and other government resources						
Total Revenues	<u>\$ 7,971</u>	<u>\$ 9,615</u>	<u>\$ 16,126</u>	<u>\$ 4,316</u>	<u>\$ 6,376</u>	<u>\$ 81,038</u>
Expenditures:						
Salaries	\$ 5,278	\$ 4,063	\$ 5,555	\$ 1,438	\$ 2,530	\$ 28,277
Fringe Benefits	4,998	4,040	2,860	1,000	2,345	28,604
Consultants	102	109	98	69	25	611
Patient Care						
Pharmacy						
Supplies - Medical						
Travel	42	143	3,733	204	724	2,964
Dues - Periodicals	64	88	68	6	17	300
Education - Training	7	8	1,893	4	107	638
Capital Purchases						
Utilities	156	130	140	37	87	883
Maintenance - Repairs	216	175	183	49	96	1,209
Insurance	155	95	180		115	600
Data Processing	404	79	79		94	632
Postage	33	27	30	7	6	262
Printing - Binding	6	5	440		3	28
Supplies - Office	98	254	144	1,363	28	3,460
Laboratory						
Telephone	111	91	96	27	59	6,979
Other	62	40	2	25	18	2,919
Debt payment						
State match						
Rent	1				225	423
Advertising	32	24	356	12	66	170
Mini Grants						
Total Expenditures	<u>\$ 11,765</u>	<u>\$ 9,371</u>	<u>\$ 15,857</u>	<u>\$ 4,241</u>	<u>\$ 6,545</u>	<u>\$ 78,959</u>
Net Revenues/(Expenditures)	<u>\$ (3,794)</u>	<u>\$ 244</u>	<u>\$ 269</u>	<u>\$ 75</u>	<u>\$ (169)</u>	<u>\$ 2,079</u>

**SCHEDULE 11**  
**(Continued)**

**CARBON COUNTY**  
**SOUTHEAST UTAH HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>CSHCN CARE COORDINATION</b>	<b>VAPEFRONT</b>	<b>ZIKA PREPAREDNESS</b>	<b>COMMUNITY/ BASIC INJURY MCH &amp; LHD</b>	<b>POISON CONTROL</b>
Revenues:					
State Reimbursement	\$ 23,895	\$ 1,280	\$ 6,295	\$ 39,293	\$ 2,500
General Health					
County					
School Nurses					
Miscellaneous					
Occupancy allocation	26	5	54	253	8
Grants and other government resources					
Total Revenues	<u>\$ 23,921</u>	<u>\$ 1,285</u>	<u>\$ 6,349</u>	<u>\$ 39,546</u>	<u>\$ 2,508</u>
Expenditures:					
Salaries	\$ 1,919	\$ 315	\$ 2,911	\$ 13,968	\$ 425
Fringe Benefits	1,789	301	2,845	14,025	435
Consultants	14	5	91	336	3
Patient Care					
Pharmacy					
Supplies - Medical					
Travel	46	5	32	7,337	3
Dues - Periodicals			17	323	2
Education - Training			8	228	2
Capital Purchases					
Utilities	49	10	92	445	12
Maintenance - Repairs	57	20	123	612	17
Insurance		110	116	217	
Data Processing	70	9	71	278	3
Postage	21	3	15	106	3
Printing - Binding		2	700	61	
Supplies - Office	19		1,033	1,082	8
Laboratory					
Telephone	15	8	268	323	9
Other	17	4	39	189	4
Debt payment					
State match					
Rent				454	
Advertising	4		38	403	2
Mini Grants				300	
Total Expenditures	<u>\$ 4,020</u>	<u>\$ 792</u>	<u>\$ 8,399</u>	<u>\$ 40,687</u>	<u>\$ 928</u>
Net Revenues/(Expenditures)	<u>\$ 19,901</u>	<u>\$ 493</u>	<u>\$ (2,050)</u>	<u>\$ (1,141)</u>	<u>\$ 1,580</u>

**CARBON COUNTY**  
**SOUTHEAST UTAH HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>UCCP/CDC SCREENING</u>	<u>HPP SUPPLEMENTAL</u>	<u>TOCACCO BUY</u>	<u>WNV &amp; AIRBORN VIRUS</u>	<u>INCIDENT RESPONSE</u>
Revenues:					
State Reimbursement	\$ 8,900	\$ 5,922	\$ 10,904	\$ 24,955	\$ 4,106
General Health County					
School Nurses					
Miscellaneous					
Occupancy allocation	104	18	33	56	38
Grants and other government resources					
Total Revenues	<u>\$ 9,004</u>	<u>\$ 5,940</u>	<u>\$ 10,937</u>	<u>\$ 25,011</u>	<u>\$ 4,144</u>
Expenditures:					
Salaries	\$ 6,357	\$ 1,870	\$ 2,567	\$ 3,620	\$ 2,647
Fringe Benefits	6,410	1,763	2,700	4,547	2,583
Consultants	87	25	100	93	2,727
Patient Care					
Pharmacy					
Supplies - Medical			2,650		
Travel	258	517	670	89	187
Dues - Periodicals	104	11	9	219	6
Education - Training	10	2	9	7	3
Capital Purchases		56			
Utilities	187		78	120	79
Maintenance - Repairs	291	63	108	169	906
Insurance	181		2	59	
Data Processing	126	14	38	108	36
Postage	34	15	12	25	19
Printing - Binding	7	3		2	2
Supplies - Office	192	1,437	44	2,761	2,229
Laboratory					
Telephone	138	47	54	132	58
Other	83	11	39	41	18
Debt payment					
State match					
Rent	2				
Advertising	733		12	44	
Mini Grants					
Total Expenditures	<u>\$ 15,200</u>	<u>\$ 5,834</u>	<u>\$ 9,092</u>	<u>\$ 12,036</u>	<u>\$ 11,500</u>
Net Revenues/(Expenditures)	<u>\$ (6,196)</u>	<u>\$ 106</u>	<u>\$ 1,845</u>	<u>\$ 12,975</u>	<u>\$ (7,356)</u>

**CARBON COUNTY**  
**SOUTHEAST UTAH HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>CHEC PHYSICALS</b>	<b>PRESCRIPTION DRUG OVERDOSE PREVENTION</b>	<b>CASE MANAGEMENT</b>	<b>ENVIRONMENTAL HEALTH DEQ</b>	<b>HIGHWAY SAFETY</b>	<b>TOTAL</b>
Revenues:						
State Reimbursement	\$ 42,187	\$ 59,333	\$ 38,627	\$ 88,250	\$ 18,000	\$ 1,985,771
General Health				36,204		155,691
County						301,790
School Nurses						145,386
Miscellaneous						5,070
Occupancy allocation	311	365	297	1,305	95	14,387
Grants and other government resources						
Total Revenues	\$ 42,498	\$ 59,698	\$ 38,924	\$ 125,759	\$ 18,095	\$ 2,608,095
Expenditures:						
Salaries	\$ 18,766	\$ 19,981	\$ 16,265	\$ 70,513	\$ 5,421	\$ 836,490
Fringe Benefits	18,261	20,206	16,143	71,436	5,750	860,453
Consultants	346	262	374	1,810	181	23,206
Patient Care						276
Pharmacy						137,018
Supplies - Medical						11,691
Travel	157	4,158	155	3,999	2,499	71,233
Dues - Periodicals	232	193	166	782	319	11,988
Education - Training	39	866	31	381	2,839	15,381
Capital Purchases						6,726
Utilities	550	627	514	2,239	188	25,503
Maintenance - Repairs	765	866	733	3,190	253	39,335
Insurance	729	202	802	2,227	25	25,131
Data Processing	377	409	380	1,406	142	33,027
Postage	121	108	108	554	45	6,071
Printing - Binding	27	391	27	666	410	11,553
Supplies - Office	209	1,811	1,532	10,940	1,430	95,147
Laboratory						842
Telephone	390	424	374	1,611	142	41,567
Other	212	190	225	942	53	31,233
Debt payment						22,336
State match						-
Rent	4	4	4	17	3	2,780
Advertising	115	7,146	109	367	346	44,005
Mini Grants						3,500
Total Expenditures	\$ 41,300	\$ 57,844	\$ 37,942	\$ 173,080	\$ 20,046	\$ 2,356,492
Net Revenues/(Expenditures)	\$ 1,198	\$ 1,854	\$ 982	\$ (47,321)	\$ (1,951)	\$ 251,603

# SMUIN, RICH & MARSING

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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 State Compliance  
Requirements and Internal Controls over Compliance

### Report on Compliance with State compliance Requirements

We have audited Carbon County's compliance with the applicable 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, 2017.

State compliance requirements were tested for the year ended December 31, 2017 in the following areas:

Cash Management  
Restricted Taxes and Related Revenues  
Budgetary Compliance  
Fund Balance Limitations  
Justice Courts

Treasurer's Bond  
Open and Public Meetings Act  
Schedule of Taxes Charged,  
Collected and Disbursed  
Utah Retirement System

### Management's Responsibility

Management is responsible for compliance with the 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 for each state compliance requirements. However, our audit does not provide a legal determination of the County's compliance with those requirement.

## **Opinion on General State Compliance requirements**

In our opinion, Carbon County complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2017.

## **Other Matters**

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the State of Utah Legal Compliance Audit Guide and which is described in the accompanying schedule of findings and questioned costs as item 2017-1. Our opinion on compliance is not modified with respect to this matter.

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

## **Report on Internal Control Over Compliance**

Management of 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 state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the State Compliance Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness 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 state compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

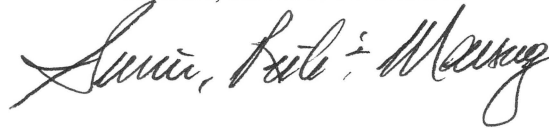
We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying schedule of findings and questioned costs as item 2017-1.



## 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 cursive script that reads "Smuin, Rich & Marsing".

Price, Utah

July 16, 2018

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UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

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, 2017, 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 16, 2018.

## **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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. See finding 2017-1.

### **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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which is described in the schedule of findings and questioned costs as item 2017-1.

### **County's Response to the Finding**

The County's response to the finding identified in our audit is described in the schedule of findings and questioned costs. The County's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

SMUIN, RICH & MARSING

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

Price, Utah

July 16, 2018

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

Board of County Commissioners  
Carbon County  
Price, Utah 84501

RE: Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control over  
Compliance Required by 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, 2017. 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, 2017.

## Report on Internal Control Over Compliance

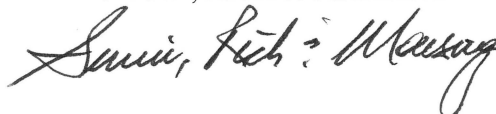
Management of Carbon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the 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 16, 2018

**CARBON COUNTY/SEUDHD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unmodified opinion on the basic financial statements of Carbon County.
2. There was one significant deficiency 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 unmodified 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
Emergency Watershed Protection	10.923

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Carbon County was not determined to be a low-risk auditee.

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT**

**FINDING 2017-1 SIGNIFICANT TRANSACTION ADJUSTMENTS – CASH  
ACCOUNT BALANCES, ACCOUNTS RECEIVABLE, ACCOUNTS  
PAYABLE**

**Criteria:**

The County is required to provide financial statement information for the audit that is substantially complete and is not materially misstated.

**Statement of Condition:**

While reviewing the cash account balances, account receivable and accounts payable balance sheet accounts, we determined that significant adjustments were required to properly reflect

accurate balances in these accounts. We determined there were transactions not recorded properly as cash transactions, as additional accounts receivable or as additional accounts payable.

**Statement of Condition (continued):**

Some of the cash transactions dealt with either not recording receipts accurately, double entry of transactions or not at all. The additional accounts receivable were mainly dealing with contractual arrangements (capital projects) along with the additional accounts payable.

**Cause of Condition:**

County personnel failed to reconcile, on a timely basis, the cash account balances. The County also failed to properly identify additional accounts receivable and payables dealing with construction projects and capital expenditures.

**Effect or Possible Effect of Condition:**

The County's financial information, used to make their financial decisions, needs to be based on accurate and timely information. Without proper recording of cash receipts, accounts receivable, and accounts payable, financial information will not be presented accurately and decisions would be made based on inaccurate information.

**Recommendation:**

We recommend that County personnel create procedures and processes that will ensure the accurate and timely recording of all transactions on a monthly basis. This should include the monthly reconciliation of all bank accounts and ensure that all accounts receivable and accounts payable transactions have been entered into the accounting software program. Those charged with governance need to review and follow up, on a regular basis, to determine if procedures are being followed. This requires that those who have the responsibility of recording transactions, understand their responsibilities and proper recording of activity. Additional training might be a necessity.

**County's Response:**

*Following the recommendation of the State Auditor's Office, the County has separated its' cash accounts to facilitate a more timely reconciliation process. With the personnel changes made in 2018, the County will budget additional resources to the Treasurer's office to assist with the timely reconciliation of accounts.*

**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, 2017**

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, 2017	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2017
<b>U.S. DEPARTMENT OF AGRICULTURE</b>							
Direct Program:							
Forrest Reserve	10.670	N/A	\$ 956		\$ 956	\$ 956	
USDA - NRC Emergency Watershed Protection	10.923	*	5,724,073		1,154,728	1,154,728	
Pass Through State Department:							
WIC Administration and Nutrition (Note 2)	10.557	*	432,861		255,922	255,922	
WIC Administration and Nutrition (Note 2)	10.557	*	345,101		100,450	100,450	
WIC Food Vouchers (Note 2)	10.557	*	417,037		417,037	417,037	
WIF Food Vouchers (Note 2)	10.557	*	132,578		132,578	132,578	
Pass Through Southeastern Utah Association of Governments:							
USDA Cash in Lieu	10.550	N/A	45,570		43,909	43,909	
Total U.S. Department of Agriculture			\$ 7,098,176	\$ ...	\$ 2,105,580	\$ 2,105,580	\$ ...
<b>U.S. DEPARTMENT OF JUSTICE</b>							
Direct Program:							
Victims of Crime	16.575	16-VOCA-10	\$ 47,020		\$ 24,823	\$ 24,823	
Victims of Crime	16.575	15-VOCA-11	101,637		23,302	23,302	
Total U.S. Department of Justice			\$ 148,657	\$ ...	\$ 48,125	\$ 48,125	\$ ...
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>							
Direct Program:							
FAA - Airport Flight Inspection	20.106	3-49-0026-16	\$ 16,689		\$ 16,689	\$ 16,689	
Total U.S. Department of Transportation			\$ 16,689	\$ ...	\$ 16,689	\$ 16,689	\$ ...

\* Major Programs



CARBON COUNTY/SEUDHD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass through State Department:							
TB Elimination	93.116	152700358	\$ 2,793		\$ 2,793	\$ 2,793	
PH Emergency Preparedness - Ebola supplemental	93.074	152700471	50,605		5,434	5,434	
PH Emergency Preparedness	93.069	162701091	207,976		115,714	115,714	
PH Emergency Preparedness	93.069	162700156	210,123		97,392	97,392	
Prescription Drug Overdose Prevention	93.136	172700014	64,484		59,333	59,333	
Immunizations	93.268	162700617	68,290		58,732	58,732	
PBG - Injury Prevention	93.758	162700963	15,604		10,101	10,101	
Hospital Preparedness Program - Ebola preparedness	93.817	162701091	33,883		5,922	5,922	
PHEP - Zika Response	93.817	172700086	8,812		6,295	6,295	
Comprehensive Tobacco/Operation Vapefront	93.305	162700079	80,752		37,691	37,691	
Child Health Evaluation and Care	93.778	162700982	16,875		13,428	13,428	
Child Health Evaluation and Care	93.778	162700282	16,875		6,893	6,893	
Cons. Education & Assistance	93.778	182700028	30,498		12,521	12,521	
Cons. Education & Assistance	93.778	162700523	30,498		6,793	6,793	
Sexually Transmitted Disease	93.977	152700278	2,066		2,066	2,066	
MCH Title V Block Grant VIPP MCH	93.758	162700147	98,949		59,239	59,239	
CSHCN Care Coordination	93.994	182700582	95,580		23,895	23,895	
Violence and Injury Prevention - MCH	93.994	162700323	21,308		12,872	12,872	
Violence and Injury Prevention - MCH	93.994	162700963	20,481		16,320	16,320	
West Nile Virus & Arbovirus	93.521	162700311	25,272		24,955	24,955	
Prion Disease Surveillance	93.521	162700402	972		972	972	
Meningococcal H Flu	93.521	162700940	1,264		1,264	1,264	
Medical Reserve Corp	93.889	162701091	8,000		6,315	6,315	
Healthcare Preparedness Program	93.889	162700156	78,700		47,157	47,157	
Healthcare Preparedness Program	93.889	162701091	86,901		33,412	33,412	
HIV Prevention, Counseling and Testing	93.940	152700288	660		612	612	
EPICC - Diabetes	93.757	162700147	39,600		16,052	16,052	
EPICC - HDSP	93.757	162700147	20,400		9,547	9,547	
EPICC - 1305 Diabetes and HDSP	93.945	162700147	8,557		8,557	8,557	
EPICC - Pano/School health	93.945	162700147	3,751		2,589	2,589	
Wise Woman	93.094	152700586	34,058		12,708	12,708	
CDC Cancer Screen	93.752	162700971	9,500		6,310	6,310	
Domestic Ebola Supplement	93.815	162700876	5,000		2,757	2,757	

\* Major Programs

CARBON COUNTY/SEUDHD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2017

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, 2017	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2017
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass through State Department:							
MCH - Title V Block Grant	93.994	162700352	\$ 65,000		\$ 16,250	\$ 16,250	
MCH - Title V Block Grant	93.994	162700352	68,648		51,486	51,486	
Pass Through Southeastern Utah Association of Governments:							
Support Services	93.044	N/A	37,875		26,266	26,266	
Support Services	93.044	N/A	37,875		15,877	15,877	
Title III, Nutrition	93.045	N/A	76,878		56,512	56,512	
Title III, Nutrition	93.045	N/A	76,878		33,743	33,743	
Social Services Block Grant - XX	93.667	AOG	7,704		7,704	7,704	
Sexual Violence Grant	93.558	AOG	32,200		17,555	17,555	
Total U.S. Department of Health and Human Services			\$ 1,802,145	\$ ...	\$ 952,034	\$ 952,034	\$ ...
U. S. DEPARTMENT OF HOMELAND SECURITY							
Direct Program:							
Home Land Security - SHSP/CCP	97.067	DEM-2014/2015-SHSP	\$ 225,494		\$ 96,087	\$ 96,087	
Pass through State Department:							
Emergency Management Program - EMPG 2016	97.042	EMPG-2016-DEM-022	2,500		2,500	2,500	
Emergency Management Program - EMPG 2017	27.042	EMPG-2017-DEM-022	44,500		44,500	44,500	
Pre-disaster Mitigation PDM Grant	97.047	PDMC-PL-08-UT-2015	22,500		4,856	4,856	
Total U.S. Department of Homeland Security			\$ 294,994	\$ ...	\$ 147,943	\$ 147,943	\$ ...
TOTAL FEDERAL ASSISTANCE			\$ 9,360,661	\$ ...	\$ 3,270,371	\$ 3,270,371	\$ ...

\* Major Programs

**CARBON COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AS OF DECEMBER 31, 2017**

**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, 2017**

Carbon County had no follow-up findings that need to be reported in the December 31, 2017 audit report. Carbon County has corrected any findings that may have been reported in prior audit reports.