

Carbon County
Basic Financial Statements
with
Independent Auditor's Report
Year Ended December 31, 2022

**CARBON COUNTY
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YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

County Commissioners
Carbon County
Price, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carbon County, Utah, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Carbon County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Carbon County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carbon County's basic financial statements. The combining and individual nonmajor fund financial statements, the schedule of receipts and disbursements – treasurer's collection account, the statement on current taxes levied, collected, and treasurer's relief and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of receipts and disbursements – treasurer's collection account, the statement on current taxes levied, collected, and treasurer's relief and the schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, statement on current taxes levied, collected, treasurer's relief, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carbon County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in Carbon County's internal control over financial reporting and compliance.

Larson & Company, PC

Spanish Fork, Utah
August 25, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

This discussion of Carbon County's (the County) financial performance provides an overview of the County's financial activities for the year ending December 31, 2022. This report is in conjunction with the County's financial statements.

Financial Highlights

- The County's total net position (the amount by which assets and deferred outflows of resources exceed liabilities and deferred inflows of resources) as of December 31, 2022 was \$149 million. Net position increased by \$5,623,043.
- Taxes comprise a significant source of revenue for the County. Various external factors resulted in an increase in property tax collections. Operating grants and contributions decreased primarily due to a one-time federal funding in the prior year. Charges for services increased from an increase in rent from the courthouse.
- The County paid down its debt by \$3.5 million during 2022.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Carbon County's basic financial statements. The basic financial statements are comprised of three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Immediately following the notes to the basic financial statements, the required supplementary information contains narrative about the County's proportionate share of the net position liability for benefits provided through pension plans administered by Utah Retirement Systems and contributions to those plans. Thereafter, the supplementary information contains additional fund data, such as combining statements and individual fund budgetary schedules. The supplementary information also includes a property tax collection and disbursement schedule.

Government-wide financial statements: The *government-wide financial statements* provide a view of the County finances as a whole, similar to a nongovernmental or for-profit entity. They consist of the statement of net position and the statement of activities.

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

Both of the government-wide financial statements distinguish functions of 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 conservation and economic development.

The government-wide financial statements also contain *business-type activities*, in which the County leases courthouse buildings to the State of Utah.

The government-wide financial statements include not only Carbon County itself (known as the primary government), but also two legally separate special service districts (component units) one for recreation and transportation and one for flood protection and water supply in Scofield Reservoir. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

Fund Financial Statements. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. This segregation is also used to ensure and demonstrate compliance with finance-related legal requirements. The County utilizes three types of funds: governmental funds, proprietary funds, and fiduciary funds. Refer to the table of contents for the location of fund financial statements.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, these fund financial statements are prepared using modified accrual accounting methods which measure cash and other financial assets readily convertible to cash and their balances available for use at year-end. As a result, these statements provide a short-term perspective of the County's general government operations and the basic services provided and may assist in determining the availability of financial resources that could be used in the near future to finance the County's programs.

Reconciliation between the long-term perspective of the government-wide financial statements and the short-term perspective of the fund financial statements are provided as noted in the table of contents of this report.

The County has identified four of its thirteen governmental funds to be major governmental funds requiring separate reporting: General Fund, Municipal Services Fund, Capital Projects Fund, and Building Authority Fund. The remaining governmental funds are non-major funds and are included in the combining statements as noted in the table of contents of this report. The County is required to adopt an annual budget showing appropriations for all governmental funds. To demonstrate legal compliance, statements comparing budget-to-actual numbers for the General Fund and major special revenue funds are included in the basic financial statements.

Proprietary funds account for the same functions and utilize the same accounting methods reported as business-type activities in the government-wide financial statements. Full accrual accounting methods are used and provide both long and short-term financial information. The County uses an enterprise fund, one type of proprietary fund, to account for its one business-type activity: the County Court Complex. This fund accounts for the rent and maintenance of the district courthouses.

Fiduciary funds account for resources held by the County for the benefit of other governmental entities within the County. The County has a fiduciary responsibility to ensure that these resources are used for their intended beneficiaries and purposes. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds cannot be used to finance County programs. The County's fiduciary responsibilities are reported separately in a statement of fiduciary net position. These statements are prepared using full accrual accounting methods similar to those used in preparing proprietary fund statements. The County reports four agency funds, the most significant being the Treasurer's Tax Collection Custodial Fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Carbon County.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As was previously noted, increases or decreases in net position, when viewed over a period of time, may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The County's total net position, assets in excess of liabilities, totaled \$148,695,471.

The largest segment of the County's net position (80 percent) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure), less any related outstanding debt used to acquire those assets. 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.

An additional portion of Carbon County's net position (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$26,348,108) may be used to meet the government's ongoing obligations to citizens and creditors.

Carbon County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 34,101,360	\$ 23,759,180	\$ 2,189,167	\$ 2,266,269.0	\$ 36,290,527	\$ 26,025,449
Capital assets	137,935,340	142,716,680	13,487,487	13,897,826	151,422,827	156,614,506
Total assets	172,036,700	166,475,860	15,676,654	16,164,095	187,713,354	182,639,955
Total deferred outflows of resources	2,283,350	1,994,761	-	-	288,589	-
Other liabilities	3,225,158	2,219,122	76,522	74,738	3,301,680	2,293,860
Long-term liabilities outstanding	21,309,407	24,291,126	11,528,028	12,058,125	32,837,435	36,349,251
Total liabilities	24,534,565	26,510,248	11,604,550	12,132,863	36,139,115	38,643,111
Total deferred inflows of resources	5,162,118	2,919,177	-	-	5,162,118	-
Net position:						
Net investment in capital assets	117,232,984	120,224,040	1,959,459	1,839,701	119,192,443	122,063,741
Restricted	3,154,920	2,954,114	-	-	3,154,920	2,954,114
Unrestricted	24,235,463	15,863,042	2,112,645	2,191,531	26,348,108	18,054,573
Total net position	<u>\$ 144,623,367</u>	<u>139,041,196</u>	<u>\$ 4,072,104</u>	<u>\$ 4,031,232</u>	<u>\$ 148,695,471</u>	<u>\$ 143,072,428</u>

At the end of the current fiscal year, Carbon County is able to report positive balances in all three categories of net position for the government as a whole.

Total net position of Carbon County increased by \$5,623,043 during 2022. Net position reported in connection with business-type activities increased \$40,872 and net position related to governmental activities increased by \$5,582,171.

CARBON COUNTY
Managements Discussion and Analysis
December 31, 2022

Total revenues for Carbon County's governmental activities increased \$5,986,060 from 2021 to 2022 (\$26,823,979 to \$32,810,039). Total expenses for governmental activities decreased \$1,585,861 from 2021 to 2022 (\$28,601,902 to 27,016,041). The following schedule of changes in net position presents these changes.

Carbon County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 5,359,279	\$ 4,491,059	\$ 901,113	\$ 1,803,730	\$ 6,260,392	\$ 6,294,789
Operating grants and contributions	9,301,801	10,691,864	-	-	9,301,801	10,691,864
Capital grants and contributions	495,190	-	-	-	\$ 495,190	\$ -
General revenues:						
Property taxes	11,948,616	8,035,197	-	-	11,948,616	8,035,197
Sales taxes	4,125,038	3,948,342	-	-	4,125,038	3,948,342
Transient room taxes	488,025	395,215	-	-	488,025	395,215
Investment earnings	71,293	76,586	-	-	71,293	76,586
Gain(loss) on sale of assets	1,020,797	(814,284)	-	-	1,020,797	(814,284)
Total revenues	32,810,039	26,823,979	901,113	1,803,730	33,711,152	28,627,709
Expenses:						
General government	8,711,782	9,379,602	-	-	8,711,782	9,379,602
Public safety	7,491,270	8,347,612	-	-	7,491,270	8,347,612
Public health	1,560,191	1,498,656	-	-	1,560,191	1,498,656
Highways and public improvements	6,849,496	6,889,669	-	-	6,849,496	6,889,669
Parks and recreation	1,501,754	1,413,697	-	-	1,501,754	1,413,697
Conservation and economic development	665,830	863,976	-	-	665,830	863,976
Interest on long-term debt	235,717	208,690	-	-	235,717	208,690
County court complex	-	-	860,241	627,310	860,241	627,310
Total expenses	27,016,041	28,601,902	860,241	627,310	27,876,282	29,229,212
Contribution to other governmental units	(211,827)	(246,870)	-	-	(211,827)	(246,870)
Increase in net assets before transfers	5,793,998	(1,777,923)	40,872	1,176,420	5,834,870	(601,503)
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	5,582,171	(2,024,793)	40,872	1,176,420	5,623,043	(848,373)
Net position - beginning	139,041,196	141,065,989	4,031,232	2,854,812	143,072,428	143,920,801
Net position - ending	\$ 144,623,367	\$ 139,041,196	\$ 4,072,104	\$ 4,031,232	\$ 148,695,471	\$ 143,072,428

Governmental Funds Financial Analysis

As was previously noted, the County's governmental funds provide a short-term perspective of the County's general government operations and the financial resources available in the near future to finance the County's programs. Differences between available financial resources and the short-term obligations of general government operations are reported as fund balances. Fund balances are designated as either reserved or unreserved. Reserved fund balances indicate amounts of the fund balance set aside for specific purposes or to meet specific requirements.

CARBON COUNTY
Managements Discussion and Analysis
December 31, 2022

As of December 31, 2022, the County's governmental funds, which include the general fund, all special revenue funds, debt service funds and capital projects funds, report a combined fund balance of \$25,794,371. This combined balance represents an increase of \$6,622,192 from last year's ending fund balances.

The general fund is the main operating fund of the County. All governmental-type activities not accounted for in a special revenue fund, debt service fund, enterprise fund or capital project fund are accounted for in the general fund. Accounting for activities in funds other than the general fund may be required by state regulations or local ordinances; or, the County may simply desire to isolate the revenues and expenditures associated with a particular activity for matching purposes. The general fund balance increased \$5,287,808 during the fiscal year ending December 31, 2022. (\$10,075,798 to \$15,363,606)

As was previously noted, the County maintains one enterprise funds (the County Court Complex) to account for its business-type activities. The separate enterprise fund statement provides the same information, with more detail, as the information provided for business-type activities in the government-wide financial statements. During the current year, the County Court Complex fund realized a net gain of \$40,872. Most revenues in this fund result from charges for rent and maintenance.

General Fund Budgetary Highlights

The County amended their original budget to increase revenues, expenditures, and transfers in.

Capital Assets and Debt Administration

Carbon County's investment in capital assets for its governmental and business type activities as of December 31, 2022 amounts to \$151,422,826 (net of accumulated depreciation). This investment in capital assets includes land, rights of way, water stock, buildings, improvements other than buildings, equipment, and infrastructure. The total decrease in Carbon County's capital assets (net of depreciation) for the current year was \$5,191,680.

Carbon County's Capital Assets (net of depreciation)

	<u>Government Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 1,722,187	\$ 1,401,918	\$ 198,000	\$ 198,000	\$ 1,920,187	\$ 1,599,918
Rights of way	1,401,918	46,553,473	-	-	1,401,918	46,553,473
Water Stock	146,000	26,451,192	-	-	146,000	26,451,192
Construction in progress	-	3,068,582	-	-	-	3,068,582
Buildings and improvements	72,998,234	63,373,328	13,218,421	13,625,313	86,216,655	76,998,641
Equipment	2,089,628	146,000	71,066	74,513	2,160,694	220,513
Infrastructure (roads)	59,577,373	1,722,187	-	-	59,577,373	1,722,187
Total	<u>\$ 137,935,339</u>	<u>\$ 142,716,680</u>	<u>\$ 13,487,487</u>	<u>\$ 13,897,826</u>	<u>\$ 151,422,826</u>	<u>\$ 156,614,506</u>

Carbon County's Long-Term Debt

As presented in the following schedule, the total long-term debt of Carbon County on December 31, 2022 was \$32,837,435. This amount includes revenue bonds, compensated absences, and the net pension liability. This represents a decrease of \$3,511,816 over the previous year. The amount due on revenue bonds decreased by \$2,320,381 during the year. This decrease is due to regular payments. The liability for accrued compensated absences increased by \$39,777. The liability for the net pension liability decreased by \$1,151,658.

Carbon County's Outstanding Debt

	Government Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue Bonds	\$ 20,702,356	\$ 22,492,640	\$ 11,528,028	\$ 12,058,125	\$ 32,230,384	\$ 34,550,765
Compensated Absences	607,051	646,828	-	-	607,051	646,828
Net pension liability	-	1,151,658	-	-	-	1,151,658
Total	<u>\$ 21,309,407</u>	<u>\$ 24,291,126</u>	<u>\$ 11,528,028</u>	<u>\$ 12,058,125</u>	<u>\$ 32,837,435</u>	<u>\$ 36,349,251</u>

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

Economic Factors and Next Year's Budgets and Rates

The taxable value of property, on which the tax rate is applied, in Carbon County, changed from a total of \$1,942,430,107 in 2021 to a total of \$2,347,191,290 in 2022, an increase of \$404,761,183.

Carbon County's property tax rate decreased from a rate of 0.003623 in 2021 to 0.003122 in 2022.

All of these factors were considered in preparing Carbon County's budget for the 2022 year.

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 Seth Marsing, the Carbon County Clerk-Auditor, 751 East 100 North, Price, Utah 84501.

BASIC FINANCIAL STATEMENTS

CARBON COUNTY
Statement of Net Position
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
ASSETS AND DEFERRED OUTFLOWS				
OF RESOURCES:				
ASSETS:				
Cash and investments	\$ 25,294,755	\$ 1,830,582	\$ 27,125,337	\$ 4,851,964
Restricted cash and investments	2,157,274	358,585	2,515,859	-
Receivables (net of allowance for doubtful accounts):				
Property taxes	1,972,146	-	1,972,146	-
Accounts	1,293,510	-	1,293,510	511,712
Special assessments	620,660	-	620,660	-
Capital Assets Not Being Depreciated:				
Land	1,722,187	198,000	1,920,187	-
Rights of way	1,401,918	-	1,401,918	-
Water Stock	146,000	-	146,000	-
Capital Assets (Net of Accumulated Deprecation):				
Buildings and improvements	72,998,234	13,064,082	86,062,316	3,114,267
Equipment	2,089,628	225,405	2,315,033	-
Infrastructure (roads and bridges)	59,577,373	-	59,577,373	-
Net pension asset	2,763,015		2,763,015	-
Total Assets	172,036,700	15,676,654	187,713,354	8,477,943
Deferred outflows of resources - pensions	2,283,350	-	2,283,350	-
Total assets and deferred outflows of resources	\$ 174,320,050	\$ 15,676,654	\$ 189,996,704	\$ 8,477,943
LIABILITIES AND DEFERRED INFLOWS				
OF RESOURCES:				
LIABILITIES:				
Accounts payable	\$ 2,719,601	\$ 7,879	\$ 2,727,480	\$ 7,711
Accrued salaries and benefits	401,643	-	401,643	-
Accrued interest	103,914	68,643	172,557	-
Noncurrent Liabilities:				
Due within one year	1,834,282	534,000	2,368,282	-
Due in more than one year	18,868,074	10,994,028	29,862,102	88,000
Compensated absences	607,051	-	607,051	-
Net pension liability	-	-	-	-
Total Liabilities	24,534,565	11,604,550	36,139,115	95,711
Deferred inflows of resources - pensions	5,162,118	-	5,162,118	-
Total liabilities and deferred inflows of resources	29,696,683	11,604,550	41,301,233	95,711
NET POSITION				
Net investment in capital assets	117,232,984	1,959,459	119,192,443	3,026,267
Restricted for:				
Public Health	573,828	-	573,828	-
Conservation and economic development	1,905,510	-	1,905,510	-
Debt service	675,582	-	675,582	-
Unrestricted	24,235,463	2,112,645	26,348,108	5,355,965
Total net position	\$ 144,623,367	\$ 4,072,104	\$ 148,695,471	\$ 8,382,232

CARBON COUNTY

Statement of Activities

For the Year Ended December 31, 2022

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 8,711,782	\$ 1,734,643	\$ -	\$ -	\$ (6,977,139)	\$ -	\$ (6,977,139)	\$ -
Public safety	7,491,270	1,042,826	-	-	(6,448,445)	-	(6,448,445)	-
Public health	1,560,191	-	266,694	-	(1,293,497)	-	(1,293,497)	-
Highways and public improvements	6,849,496	-	1,936,619	-	(4,912,877)	-	(4,912,877)	-
Parks and recreation	1,501,754	2,538,788	-	-	1,037,034	-	1,037,034	-
Conservation and economic development	665,830	43,023	7,098,488	495,190	6,970,871	-	6,970,871	-
Interest on long-term debt	235,717	-	-	-	(235,717)	-	(235,717)	-
Total Governmental Activities	27,016,041	5,359,279	9,301,801	495,190	(11,859,771)	-	(11,859,771)	-
Business-type activities:								
County court complex	860,241	901,113	-	-	-	40,872	40,872	-
Total Business-type Activities	860,241	901,113	-	-	-	40,872	40,872	-
Total Primary Government	\$ 27,876,282	\$ 6,260,392	\$ 9,301,801		(11,859,771)	40,872	(11,818,899)	-
Component Units:								
Scofield Reservoir SSD	\$ 100,225	\$ 96,267	\$ -	\$ -				(3,958)
Carbon County Recreation & Transportation SSD	1,345,737	-	-	-				(1,345,737)
Total Component Units	\$ 1,445,962	\$ 96,267	\$ -	\$ -				(1,349,695)
General Revenues:								
Taxes					16,561,679	-	16,561,679	-
Earnings on investments					71,293	-	71,293	79,439
Gain (loss) on sale of assets					1,020,797	-	1,020,797	1,500
Contributions to other governments					(211,827)	-	(211,827)	-
Total General Revenues					17,441,942	-	17,441,942	3,151,319
Change in Net Position					5,582,171	40,872	5,623,043	1,801,624
Net Position - Beginning					139,041,196	4,031,232	143,072,428	6,580,608
Net Position - Ending					\$ 144,623,367	\$ 4,072,104	\$ 148,695,471	\$ 8,382,232

CARBON COUNTY

Balance Sheet – Governmental Funds

December 31, 2022

	Major Funds				Nonmajor	Total
	General	Municipal	Capital	Building	Governmental	Governmental
	Fund	Services	Projects	Authority	Funds	Funds
ASSETS						
Cash and investments	\$ 16,891,913	\$ 6,885,183	\$ 292,910	512,473	\$ 712,276	\$ 25,294,755
Restricted cash and investments	-	-	-	-	2,157,274	2,157,274
Receivables:						
Property taxes	1,119,509	682,561	-	-	170,076	1,972,146
Accounts	472,324	314,607	341,766.00	164,813	-	1,293,510
Special assessments	-	-	-	620,660	-	620,660
Due from other funds	16,424	-	-	-	-	16,424
Total Assets	<u>\$ 18,500,170</u>	<u>\$ 7,882,351</u>	<u>\$ 634,676</u>	<u>\$ 1,297,946</u>	<u>\$ 3,039,626</u>	<u>\$ 31,354,769</u>
LIABILITIES:						
Accounts and contracts payable	\$ 672,613	\$ 413,630	\$ 523,907	\$ -	\$ 62,231	\$ 1,672,381
Accrued salaries and benefits	298,926	67,826	-	-	34,891	401,643
Due to other funds	-	-	-	-	16,424	16,424
Unearned revenue	1,045,516	-	-	1,704	-	1,047,220
Total Liabilities	<u>2,017,055</u>	<u>481,456</u>	<u>523,907</u>	<u>1,704</u>	<u>113,546</u>	<u>3,137,668</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable property tax revenue	1,119,509	682,561	-	-	-	1,802,070
Unavailable special assessment revenue	-	-	-	620,660	-	620,660
Total Deferred Inflows of Resources	<u>1,119,509</u>	<u>682,561</u>	<u>-</u>	<u>620,660</u>	<u>-</u>	<u>2,422,730</u>
FUND BALANCES:						
Restricted for:						
Public health	-	-	-	-	573,828	573,828
Conservation and economic development	-	-	-	-	1,905,510	1,905,510
Debt service	-	-	-	675,582	-	675,582
Committed to:						
Economic stabilization	2,277,784	-	-	-	-	2,277,784
Capital improvements	-	-	110,769	-	-	110,769
Assigned to:						
Other purposes	-	6,718,334	-	-	446,742	7,165,076
Unassigned	13,085,822	-	-	-	-	13,085,822
Total Fund Balances	<u>15,363,606</u>	<u>6,718,334</u>	<u>110,769</u>	<u>675,582</u>	<u>2,926,080</u>	<u>25,794,371</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,500,170</u>	<u>\$ 7,882,351</u>	<u>\$ 634,676</u>	<u>\$ 1,297,946</u>	<u>\$ 3,039,626</u>	<u>\$ 31,354,769</u>

CARBON COUNTY**Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities**December 31, 2022

Total fund balances - governmental fund types:	<u>\$ 25,794,371</u>
Amount reported in the governmental activities on the statement of net position are different because:	
Capital Assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds.	137,935,340
Some of the County's property taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds,	2,422,730
Net pension assets and liabilities are not financial resources and, therefore, are not reported in the funds.	2,763,015
Deferred outflows and inflows of resources, are an addition or consumption of net position that applies to future periods, and is not shown in the fund statements.	(2,878,768)
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	<u>(21,413,321)</u>
Net position of governmental activities	<u><u>\$ 144,623,367</u></u>

CARBON COUNTY

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2022

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Municipal Services	Capital Projects	Building Authority		
REVENUES						
Taxes						
Property taxes	\$ 8,608,768	\$ 3,337,999	\$ -	\$ -	\$ -	\$ 11,946,767
Sales taxes	1,481,521	2,287,957	-	-	355,560	4,125,038
Transient room taxes					488,025	488,025
Licenses and permits	43,263	459,174	-	-	-	502,437
Grants and Contributions	5,397,280	1,936,619	495,190	1,054,210	913,692	9,796,991
Charges for services	2,074,046	39,899	-	-	198,526	2,312,471
Fines and forfeitures	393,254	-	-	-	-	393,254
Special Assessments	-	-	-	71,293	-	71,293
Royalties	267,190	-	-	-	-	267,190
Interest, rents, and other	1,022,821	99,762	-	456,729	304,615	1,883,927
Total Revenues	19,288,143	8,161,410	495,190	1,582,232	2,260,418	31,787,393
EXPENDITURES						
Current:						
General government	6,643,005	115,470	-	-	4,530	6,763,005
Public safety	4,876,002	2,967,153	-	-	-	7,843,155
Public health	234,063	-	-	-	1,068,252	1,302,315
Highways and public improvements	602,856	3,934,904	-	-	428,593	4,966,353
Parks and recreation	245,470	4,000	-	-	1,117,852	1,367,322
Conservation and economic development	60,743	-	-	-	646,723	707,466
Capital outlay	-	-	801,533	235,555	-	1,037,088
Debt service:						
Principal retirement	-	-	-	1,826,992	-	1,826,992
Interest	-	-	-	199,009	-	199,009
Total Expenditures	12,662,139	7,021,527	801,533	2,261,556	3,265,950	26,012,705
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,626,004	1,139,883	(306,343)	(679,324)	(1,005,532)	5,774,688
Other financing sources (uses)						
Proceeds from sale of capital assets	1,059,331	-	-	-	-	1,059,331
Transfers in	-	-	-	415,000	1,970,700	2,385,700
Transfers out	(2,185,700)	-	-	-	(200,000)	(2,385,700)
Contributions to other governmental units	(211,827)	-	-	-	-	(211,827)
Total Other Financing Sources and Uses	(1,338,196)	-	-	415,000	1,770,700	847,504
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	5,287,808	1,139,883	(306,343)	(264,324)	765,168	6,622,192
Fund Balances - Beginning	10,075,798	5,578,451	417,112	939,906	2,160,912	19,172,179
Fund Balances - Ending	\$ 15,363,606	\$ 6,718,334	\$ 110,769	\$ 675,582	\$ 2,926,080	\$ 25,794,371

CARBON COUNTY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2022

Net changes in fund balances - total governmental funds		<u>\$ 6,622,192</u>
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Expenditures for capital assets, net	1,208,475	
Less: Current year depreciation	<u>(5,951,281)</u>	(4,742,806)
Governmental funds do not record the gain or loss on sale of governmental fixed assets. However, in the statement of activities these are shown under general revenues		
Proceeds from sale of capital assets	(1,059,331)	
Loss on sale of capital assets	<u>1,020,797</u>	(38,534)
Certain revenues (property taxes and special assessments) that are collected several months after the County's fiscal year end are not considered as available revenues in the governmental funds and are, instead counted as deferred inflows of resources. They are however recorded as revenues in the statement of activities in the year for which they are levied.		
		1,849
In the statement of activities, certain operating expenses, such as compensated absences, are measured by the amounts earned during the year. In the governmental fund, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.		
		39,777
The Statement of Activities shows pension benefits and pension expenses from the change in post employment benefits plans that are not shown in the fund statements.		
		1,909,409
Debt proceeds provide current resources to governmental funds, but debt obligations increase long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Proceeds from the issuance of debt	-	
Principal payments on long-term debt	<u>1,790,284</u>	<u>1,790,284</u>
Change in net position of governmental activities		<u>\$ 5,582,171</u>

CARBON COUNTY**Statement of Net Position – Proprietary Funds**

December 31, 2022

	County Court Complex
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Current Assets:	
Cash and cash equivalents	\$ 1,830,582
Restricted cash and cash equivalents	358,585
Total Current Assets	<u>2,189,167</u>
Non-Current Assets	
Land	198,000
Buildings	16,128,658
Other	225,405
Accumulated depreciation	(3,064,576)
Total Noncurrent Assets	<u>13,487,487</u>
Total Assets	<u>15,676,654</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	
Current Liabilities:	
Accounts payable	7,879
Accrued interest	68,643
Current portion of long-term debt	534,000
Total Current Liabilities	<u>610,522</u>
Noncurrent Liabilities:	
Bonds payable	10,994,028
Total Noncurrent Liabilities	<u>10,994,028</u>
Total Liabilities	<u>11,604,550</u>
NET POSITION	
Net Investment in Capital Assets	1,959,459
Unrestricted	2,112,645
Total Net Position	<u><u>\$ 4,072,104</u></u>

CARBON COUNTY**Statement of Revenues, Expenses, and Changes in Net Position****Proprietary Funds**For the Year Ended December 31, 2022

	<u>Court County Complex</u>
Operating Revenues:	
Rental Income	<u>901,113</u>
Total Operating Revenues	<u>901,113</u>
Operating Expenses:	
General Government	31,568
Utilities	57,913
Repairs and maintenance	41,799
Interest	314,496
Depreciation	<u>414,465</u>
Total Operating Expenses	<u>860,241</u>
Operating Income / change in net position	<u>40,872</u>
 Total net position - beginning	 <u>4,031,232</u>
Total net position - ending	<u>\$ 4,072,104</u>

CARBON COUNTY**Statement of Cash Flows****Proprietary Funds**

For the Year Ended December 31, 2022

	County Court Complex
Cash Flows From Operating Activities	
Receipts for rent	\$ 901,113
Payments to suppliers	(447,560)
Net cash provided (used) by operating activities	<u>453,553</u>
Cash Flows From Capital and Related Financing Activities	
Change in due to/due from other funds	
Principal paid on capital debt	(530,655)
Net cash provided (used) by capital and related financing activities	<u>(530,655)</u>
Net increase (decrease) in cash and cash equivalents	(77,102)
Cash and cash equivalents, July 1	<u>2,266,269</u>
Cash and cash equivalents, June 30	<u><u>\$ 2,189,167</u></u>
Cash reported on the statement of net position:	
Cash and cash equivalents	\$ 1,830,582
Restricted cash and cash equivalents	358,585
	<u><u>\$ 2,189,167</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	\$ 40,872
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	414,465
Increase (decrease) in accrued liabilities	(1,784)
Total adjustments	<u>412,681</u>
Net cash provided (used) by operating activities	<u><u>\$ 453,553</u></u>

CARBON COUNTY**Combining Statement of Net Position
Discretely Presented Component Units
December 31, 2022**

	Scofield Reservoir SSD	Carbon County Recreation & Transportation SSD	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS:			
Cash and investments	\$ 303,663	\$ 4,548,301	\$ 4,851,964
Due from other governments	-	511,712	511,712
Capital assets, net of accumulated depreciation	367,509	2,746,758	3,114,267
Total Assets	<u>671,172</u>	<u>7,806,771</u>	<u>8,477,943</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 671,172</u>	<u>\$ 7,806,771</u>	<u>\$ 8,477,943</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
LIABILITIES:			
Accounts payable	\$ 4,332	\$ 3,379	\$ 7,711
Bonds payable	88,000	-	88,000
Total Liabilities	<u>92,332</u>	<u>3,379</u>	<u>95,711</u>
Total Liabilities and Deferred Inflows of Resources	<u>92,332</u>	<u>3,379</u>	<u>95,711</u>
NET POSITION			
Net investment in capital assets	279,509	2,746,758	3,026,267
Unrestricted/Unassigned	299,331	5,056,634	5,355,965
Total Net Position	<u>\$ 578,840</u>	<u>\$ 7,803,392</u>	<u>\$ 8,382,232</u>

CARBON COUNTY
Combining Statement of Activities
Discretely Presented Component Units
For the Year Ended December 31, 2022

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component Units:				
Scofield Reservoir SSD	\$ 100,225	\$ 96,267	\$ -	\$ -
Carbon County Recreation & Transportation SSD	1,345,737			
	<u>1,345,737</u>			<u>\$ (1,345,737)</u>
Total Component Units	<u>\$ 1,445,962</u>	<u>\$ 96,267</u>	<u>\$ -</u>	<u>\$ -</u>
General Revenues:				
Earnings on investments				-
Interest				79,439
Net gain on disposal of assets				
Lease revenue				1,500
Payment in-lieu of taxes				144,033
Mineral lease revenue				<u>2,926,347</u>
Total General Revenues				<u>3,151,319</u>
Change in Net Position				1,801,624
Net Position - Beginning				<u>6,580,608</u>
Net Position - Ending				<u>\$ 8,382,232</u>

CARBON COUNTY**Statement of Fiduciary Net Position****Fiduciary Funds**December 31, 2022

ASSETS

Cash and investments	\$	8,535,415
Receivables:		
Taxes receivable		<u>42,212</u>
Total Assets		<u><u>8,577,627</u></u>

LIABILITIES

Due to other governments and individuals	<u>8,535,415</u>
Total Liabilities	<u><u>8,535,415</u></u>

NET POSITIION

Restricted for:	
Other governments and individuals	<u>42,212</u>
Total Net Position	<u><u>\$ 8,577,627</u></u>

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

1.A. FINANCIAL REPORTING ENTITY

Carbon County is a political subdivision of the State of Utah governed by an elected board with three County Commissioners. These financial statements present all fund types and account groups of the County and its component units.

The County has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with the primary government. According to the most recent guidance under GASB, a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

As required by generally accepted accounting principles, these financial statements present Carbon County (the primary government) and its component units. The County's component units are reported as *blended* and *discretely presented component units*. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the County. Discretely presented component units are legally separate organizations that benefit the primary government's constituents and for which the County is financially accountable. The boards of the discretely presented component units are appointed by the County Commission. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County.

The County's financial reporting entity comprises the following:

Primary Government: Carbon County

Blended Component Units:

- Municipal Building Authority of Carbon County (MBA) – The MBA is a blended component unit because the governing body is substantially the same as the County, and the County is responsible for the MBA's debt. The MBA is reported as a special revenue fund of the County.

Discretely Presented Component Units:

- Scofield Reservoir Special Service District (SRSSD) – the SRSSD is a local government which provides waste disposal services to the residents at Scofield Reservoir. SRSSD is classified as a discretely presented component unit because the SRSSD board is appointed by the County. The District's financial statements

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

were not audited, however, we have performed limited procedures on balances reported by the District. Following the requirements of the Utah State Auditor the District submitted a financial survey to the Utah State Auditor's Office. A copy of the report can be obtained at the Carbon County Auditor's office in Price, Utah, or on the Utah State Auditors website.

- Carbon County Recreation & Transportation Special Service District (R&T)—R&T is a local government which provides recreation, transportation, garbage, fire protection, dispatch, and animal control services to residents of the County. The Carbon County Recreation & Transportation Special Service District Local Building Authority is a local government providing funding, owning, leasing, and operating facilities and is part of the R&T reporting entity. The R&T was audited by other independent auditors and their report dated June 24, 2022 has been previously issued under separate cover. A copy of the report can be obtained at the Carbon County Auditor's office in Price, Utah, or on the Utah State Auditors website.

1.B. BASIS OF PRESENTATION

Government-wide Financial Statements:

The government-wide statements include the Statement of Net Position and Statement of Activities, which display information about the primary government (the County) and its component units. They include all funds of the reporting entity except for fiduciary funds. Eliminations have been made to minimize the double-accounting of internal activities. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenue for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the County and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds. The principal source of revenue for this fund is property taxes.

Special Revenue Fund

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes. The County has two major special revenue fund: Municipal Services Fund and Building Authority Fund.

Capital Project Fund

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets with transfers made from the General Fund.

The County's nonmajor governmental funds include other special revenue funds. The nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditure for specified purposes.

Proprietary Funds

Enterprise Fund

Enterprise funds account for operations that are financed and operated in a manner similar to private business where the intent of the governing body is that costs of providing services to the public on a continued basis be financed or recovered through user charges. Carbon County maintains one major enterprise fund, which is the County Court Complex, used to account for real property rental agreements.

Fiduciary Funds (Not included in government-wide statements)

Custodial Fund

In 2020, the County adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. The new standard establishes standards of accounting and financial reporting for fiduciary activities, including custodial activities. Custodial funds are used to account for assets held by the County as a custodian for other governments, private organization, or individuals. Custodial funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Custodial funds include the collection of property and other taxes for other governments, monies received on behalf of individuals involved in the criminal justice process, and monies held for other organizations and individuals.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Major and Non-major Funds

The funds are further classified as major or non-major as follows:

Major:

General Fund
Capital Projects Fund

Municipal Services Fund
Building Authority Fund

Nonmajor:

Castle Country Travel Bureau
Carbon Leisure Services
Carbon County RDA
Council on Aging
Airport

Fair Grounds
Emergency Telephone
Carbon County Future
Nutrition

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available, means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1.D. ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, “cash, including time deposits” includes all demand, savings accounts, and certificates of deposits of the County. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Investments of the promissory note trustee accounts are not considered cash equivalents.

The County categorizes the fair value measurements of its investments based on the hierarchy established by general accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant other unobservable inputs. The County does not have any investments that are measured using Level 2 or 3 inputs. Additional cash and investment disclosures are presented in Notes 2.B. and 3.A.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, and grants. Business-type activities report emergency services and landfill charges and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received.

Capital Assets

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Capital assets include land, rights of way, buildings and improvements, equipment, infrastructure (roads), and construction in progress. The capitalization threshold is defined to be assets that cost \$5,000 or more. The County capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and/or efficiency of roads. Assets purchased or constructed are generally recorded at cost. If precise cost is not available (as is the case within certain infrastructure), the capital asset is recorded at estimated acquisition cost. Donated capital assets, interest expense incurred relating to governmental activities is not capitalized.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets that are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	20-50 years	20-50 years
Improvements other than buildings	15-40 years	15-40 years
Equipment	5-15 years	5-15 years
Infrastructure (roads)	40-50 years	40-50 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets

Restricted assets include cash and investments of the proprietary fund that are legally restricted as to their use.

Long-term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The County accrues the cost for accumulated vacation days. When an employee terminates or retires, the County pays that employee 100% of his or her accrued vacation leave and accrued compensatory time up to 192 hours of unused vacation and 40 hours of compensatory time. When an employee retires, in addition to the vacation and compensatory payout, the County also pays that employee 25% of his or her accrued sick leave. Accrued vacation, compensatory, and sick leave are recorded in the government-wide financial statements as a liability. The liability for compensated absences includes salary-related benefits, where applicable. Also, the liability recorded for sick leave is based on the sick leave attributable to current employees eligible to retire and those employees projected to retire in the future.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only when due.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to the liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Statements

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned, or Unassigned. Proprietary funds report fund balance using the same method as the Government-wide Statements.

- a. Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- b. Restricted fund balance classification includes those funds restricted by enabling legislation. Also reported if (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through provisions or enabling legislation.
- c. Committed fund balance classification includes those funds that can only be used for specific purposes pursuant to constraints imposed by resolution of the County Commission.
- d. Assigned fund balance classification includes amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are intended to be used for specific purposes.
- e. Unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

1.E. REVENUES, EXPENDITURES, AND EXPENSES

The modified accrual basis of accounting is followed by the governmental funds, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, which is defined as when the revenues are both measurable (when the amount of the transaction can be determined) and available (if collectible within the current period or soon enough thereafter to pay liabilities of the current period).

Property taxes, sales taxes, fines and forfeitures, interest income, and various intergovernmental revenues comprise the significant revenues susceptible to accrual. Accrued sales taxes relate solely to amounts held by agents for the County to be remitted within sixty days. Other accrued revenues represent measurable amounts related to current or prior periods that will be received within sixty days. Grant revenues already received may be deferred to the extent the earnings process is considered incomplete. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Expenditures, other than principal and interest on long-term debt and employee annual leave, are recorded when the related fund liability is incurred.

Property Tax Calendar:

- January 1 Lien Date – All property appraised based on situs and status as of this date (real and personal)
- March 1 Calendar year taxing entities must inform the County of the date, time and place of the budget hearing for the next fiscal year for inclusion with tax notice.
- June 22 County Auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the County auditor is to compute taxes and the county treasurer is to mail tax notices.
- July 22 County Auditor to prepare and mail Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners or in the event that Notices of Valuation and Tax Changes are not required, the County auditor is to compute taxes and the county treasurer is to mail tax notices.
- September 1 State Tax Commission approves tax rate
- November 1 County Auditor is to deliver the equalized assessment roll to the County Treasurer with affidavit.
- November 1 County Auditor to charge the County Treasurer to account for all taxes levied
- November 1 County Treasurer to mail tax notices. Tax notices for calendar year entities include notice of budget hearings.
- November 30 Taxes on real property become delinquent.

The accrual basis of accounting is utilized by the proprietary funds and non-expendable-trust funds. The measurement focus of these funds emphasizes the determination of net income. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds—By Character: Current (further classified by function)

Proprietary Fund—By Operating and Non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

1.F. PENSIONS

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

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the County and its component units are subject to various federal, state, and local laws and contractual regulations. An analysis of the County's compliance with significant laws and regulations and demonstration of its stewardship over County resources follows.

2.A. FUND ACCOUNTING REQUIREMENTS

The County complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the County include the following:

<u>Fund</u>	<u>Required By</u>
General Fund	State Law

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

Carbon County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in either cash or investments and allocated to each fund based on month-end deposit and investment balances.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

The County follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of County funds in a "qualified depository." A "qualified depository" is defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Utah Money Management Act also defines the types of securities allowed as appropriate temporary investments for the County and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

Statutes authorize the County to invest in negotiable or non-negotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poor's bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined by the Act; and the Utah Public Treasurers' Investment Fund.

The Utah Public Treasurers' Investment Fund (UPTIF) is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. UPTIF is not registered with the SEC as an investment company. The UPTIF is authorized and regulated by the Utah Money Management Act. The Act establishes the Money Management Council, which oversees the activities of the State Treasurer and the UPTIF and details the types of investments that are authorized. UPTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the UPTIF are allocated to participants on the ratio of the participant's average daily balance. The fair value of the UPTIF investment pool is approximately equal to the value of pool shares.

Certain assets are restricted by provisions of the revenue bond resolutions. The resolutions also describe how these restricted assets may be deposited and invested. Restricted cash may only be deposited in state or national banks meeting certain minimum net worth requirements or invested in securities representing direct obligations of or obligations guaranteed by the U.S. government, agencies of the U.S. government, any state within the territorial United States of America, repurchase agreements or interest-bearing time deposits with state or national banks meeting certain minimum net worth requirements, or certain other investments.

2.C. REVENUE RESTRICTIONS

The County has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include. For the year ended December 31, 2022, the County complied, in all material respects, with these revenue restrictions.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

2.D. DEBT RESTRICTIONS AND COVENANTS

General Obligation Debt

No debt in excess of total revenue for the current year shall be created by any county unless the proposition to create such debt shall have been submitted to a vote of qualified electors. Counties shall not contract for debt to an amount exceeding four percent of the fair market value of taxable property in their jurisdictions.

2.E. FUND EQUITY RESTRICTIONS

Reservations or restrictions of equity represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of equity represent tentative management plans that are subject to change.

2.F. BUDGETARY BASIS OF ACCOUNTING

Budgetary procedures for the County have been established by Utah State Statute in the Fiscal Procedures Act for Utah Counties (the Act). The basis of accounting applied to each fund budget is the same basis as the related fund's financial statements. In accordance with the Act, all appropriations lapse at the end of the budget year. Accordingly, no encumbrances are recorded. At its option, the County may permit its expenditure accounts to remain open for a period of 30 days after the close of its fiscal year for the payment of approved invoices for goods received or services rendered prior to the close of the fiscal year.

Annual budgets are prepared and adopted in accordance with Utah State law by the County Commission on or before December 31 for the following fiscal year, beginning January 1. Budgets may be increased by resolution of the County Commission at any time during the year, provided a public hearing has been held regarding any proposed increase. Budgets are adopted at sub-department levels. However, budget amendments are required only when excess expenditures occur at the departmental level. The County prepares a budget for each fund including the operation of the enterprise funds.

Under Utah Code, the County's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, including revisions, except as allowed by the Code for certain events.

While the County is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual presented for the general fund and the special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

3.A. CASH AND INVESTMENTS

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of December 31, 2022:

- The Public Treasurers' Investment Fund (PTIF) is valued at the County's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).

Deposits and investments

Cash and investment pool – It is the County's policy to follow the requirements of the State Money Management Act (*Utah Code*, Title 51, Chapter 7)(the Act) in handling its depository and investment transactions. The Act created a State Money Management Commission (the Commission), 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 nonmajor funds and internal service 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 nonfiduciary cash and investments is also reflected on the government-wide statement of net position. The fiduciary funds' portion is found on the statement of fiduciary net position. Income from the investment of the pooled cash and investments is allocated based on each fund's average daily balance in the pool. In addition, cash is separately held by several funds.

Deposits with Financial Institutions – The act requires the depositing of public funds only in "qualified depository" or a "permitted depository". A "qualified depository" is a Utah depository institution which complies with capital ratios and public deposit limits established by rule of the Commission and which has been certified by the State Commissioner of Financial Institutions for deposit of public funds. A "permitted depository" is an out-of-state financial institution that meets quality criteria established by rule of the Commission. All County deposits are held in qualified depositories.

Custodial Credit Risk of Deposits – In the case of deposits, custodial 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 deposit policy for custodial risk is to comply with the Act. At December 31, 2022, the County's bank balance was \$8,881,008 with \$8,631,008 of that amount being exposed to custodial credit risk because it was uninsured and not collateralized. Utah state law does not require uninsured deposits to be collateralized.

Investments – The act also defines the types of securities allowed as appropriate investments for the County and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories, certified dealers, or directly with the issuer of the securities. The Act authorizes the County to invest in the State of Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, banker's acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the state of Utah. All County investments comply with the Act.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

At December 31, 2022, the County had all of their investments in the PTIF. The PTIF is a voluntary governmental external investment pool available to state and local government public treasurers in Utah. The PTIF is sponsored by the Utah State Treasurer to improve investment efficiency and yield. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state. Participants in the PTIF share proportionally in the income, costs, gains, and losses from investment activities. The degree of risk of the PRIF depends upon the underlying portfolio, which consists of debt securities held by the state or in the state's name by the state's custodial banks, including investment-grade corporate bonds and notes, money market mutual funds, first-tier commercial paper, and certificates of deposit. The majority of the PTIF's corporate bonds and notes are variable rate securities, which reset every three months to the prevailing market interest rates. The PTIF is not rated. The PTIF has no debt securities with more than 5% of its total investments in a single issuer. The reported value of the pool is the same as the fair value of the pool shares.

Interest Rate Risk of Investments – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investments. The County's policy for managing interest rate risk is to comply with the Act. Section 11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on investments in commercial paper and bankers' acceptances to 270 days or less and investments in fixed rate negotiable deposits and fixed rate corporate obligations to 365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk of Debt Securities – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County follows the Act as its policy for reducing exposure to investment credit risk. At December 31, 2022, the County's investment in the PTIF was not rated.

Custodial Credit Risk of Investment – For an investment, custodial credit risk that, in the event of a failure of the counter party, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The County complies with the custody requirements of the Act and rules of the Commission. 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-only records of the issuer of the security in the name of the public entity. The County's investment securities are held in a qualified depository held by the Commissioner of Financial Institutions as adhering to the rules of the Commission or in the book-entry records of the issuer of the security.

Concentrations of Credit Risk of Investments – Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The County's policy for reducing this risk of loss is to comply with the rules of the Commission. Rule 17 of the Commission limits investments in a single issuer or commercial paper and corporate obligations to between 5% and 10% depending upon the dollar amount held in the portfolio. The Commission limitations do not apply to securities issued by the U.S. government and its agencies. The County Complies with the concentration limits of Rule 17.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Total Cash and Investments – Total cash and investments at December 31, 2022 consist of the following with a reconciliation to total cash and investments reported in the financial statements:

Investments	\$ 30,158,478
Cash Deposits	8,012,717
	5,416
Total cash and investments	<u>\$ 38,176,611</u>
Cash and investments	\$ 27,125,337
Restricted cash and cash equivalents	2,515,859
Cash and investments--government-wide statement of net position	<u>\$ 29,641,196</u>
Cash and investments--statement of fiduciary net position	\$ 8,535,415
Total cash and investments	<u>\$ 38,176,611</u>

3.B. RESTRICTED ASSETS

The amounts reported as restricted assets are for debt service, economic development, and health in governmental funds and no restricted assets in the proprietary funds.

3.C. TAXES RECEIVABLE – GENERAL FUND

Carbon County assesses and collects taxes for the taxing units of the County. The County then remits such monies to the taxing units according to the tax rates set by each taxing unit. The amounts held by the Treasurer at the year-end were considered collected by the County Funds and are shown as cash in the County accounts.

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CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

3.D. CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals/ Transfers	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 1,722,187	\$ -			\$ 1,722,187
Rights of way	1,401,918	-	-		1,401,918
Water stock	146,000	-	-		146,000
Construction in progress	3,068,582		(3,068,582)	-	-
Total Assets Not Being Depreciated	<u>6,338,687</u>	<u>-</u>	<u>(3,068,582)</u>	<u>-</u>	<u>3,270,105</u>
Capital Assets Being Depreciated					
Buildings	69,087,279	-	-	-	69,087,279
Improvements other than buildings	43,925,278	3,092,082	(65,061)	(34,670)	46,917,629
Equipment	19,524,923	503,097	(263,681)	233,867	19,998,206
Infrastructure (roads & bridges)	164,587,743	-	-	-	164,587,743
Total Assets Being Depreciated	<u>297,125,223</u>	<u>3,595,179</u>	<u>(328,742)</u>	<u>199,197</u>	<u>300,590,857</u>
Less Accumulated Depreciation					
Buildings	22,533,806	1,871,993	-	(541)	24,405,258
Improvements other than buildings	17,474,086	1,205,352	(45,119)	(32,903)	18,601,416
Equipment	18,115,750	487,153	(245,088)	(449,236)	17,908,578
Infrastructure (roads & bridges)	102,623,588	2,386,782	-	-	105,010,370
Total Accumulated Depreciation	<u>160,747,230</u>	<u>5,951,281</u>	<u>(290,208)</u>	<u>(482,680)</u>	<u>165,925,623</u>
Total Capital Assets					
Being Depreciated, Net	<u>136,377,993</u>	<u>(2,356,102)</u>	<u>(38,534)</u>	<u>681,877</u>	<u>134,665,234</u>
Governmental Activities					
Capital Assets, Net	<u>\$ 142,716,680</u>	<u>\$ (2,356,102)</u>	<u>\$ (3,107,116)</u>	<u>\$ 681,877</u>	<u>\$ 137,935,339</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 198,000	\$ -	\$ -	\$ -	\$ 198,000
Total Assets Not Being Depreciated	<u>198,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,000</u>
Capital Assets Being Depreciated					
Buildings	16,128,658	-	-	-	16,128,658
Equipment	225,405	-	-	-	225,405
Total Capital Assets Being Depreciated	<u>16,354,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,354,063</u>
Less Accumulated Depreciation					
Buildings	2,503,345	406,892	-	-	2,910,237
Equipment	150,892	3,447	-	-	154,339
Total Accumulated Depreciation	<u>2,654,237</u>	<u>410,339</u>	<u>-</u>	<u>-</u>	<u>3,064,576</u>
Total Capital Assets					
Being Depreciated, Net	<u>13,699,826</u>	<u>(410,339)</u>	<u>-</u>	<u>-</u>	<u>13,289,487</u>
Business-Type Activities					
Capital Assets, Net	<u>\$ 13,897,826</u>	<u>\$ (410,339)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,487,487</u>

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Depreciation expense was charged to governmental and business-type activities as follows:

Governmental activities:	
General government	\$ 2,856,616
Public Safety	178,538
Public Health	357,076
Highways and public improvements	2,320,999
Parks and recreation	232,099
Conservation and economic development	5,952
Total depreciation -- governmental activities	<u>\$ 5,951,281</u>

Business-type activities	
County court complex	<u>\$ 410,339</u>

3.E. ACCOUNTS PAYABLE

Payables in the general fund, non-major governmental funds and the enterprise funds are composed of short-term payables to vendors.

3.F. LONG-TERM DEBT

The following is a summary of transactions affecting long-term liabilities for the year ended December 31, 2022:

Type of Debt	Balance January 01, 2022	Additions	Deductions	Balance December 31, 2022	Due Within One Year
Governmental Activities					
Bonds	\$ 22,492,640	\$ -	\$ (1,790,284)	\$ 20,702,356	\$ 1,834,282
Compensated absences	646,828	-	(39,777)	607,051	455,288
Net pension liability	1,151,658	-	(1,151,658)	-	-
Total Governmental Long-Term Debt	<u>\$ 1,798,486</u>	<u>\$ -</u>	<u>\$ (1,191,435)</u>	<u>\$ 2,989,921</u>	<u>\$ 2,289,570</u>
Business-type					
Bonds	\$ 12,058,125	\$ -	\$ (530,000)	\$ 11,528,125	\$ 534,000
Total Business-type Long-Term Debt	<u>\$ 12,058,125</u>	<u>\$ -</u>	<u>\$ (530,000)</u>	<u>\$ 11,528,125</u>	<u>\$ 534,000</u>

The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities. Bonds are secured with respective revenue streams, buildings or equipment.

Compensated absences are generally liquidated by the fund to which the employee is assigned. The net pension liability is liquidated by the fund where participating retirees worked, primarily the General Fund.

Debt service requirements of bonds – debt service requirements of bonds (long-term debt) at December 31, 2022 are as follows:

Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 1,834,282	\$ 209,602	\$ 2,043,884	534,000	288,247	\$ 822,247
2024	1,850,687	195,098	2,045,785	546,000	281,120	827,120
2025	1,865,211	180,246	2,045,457	558,000	271,746	829,746
2026	1,881,858	165,073	2,046,931	572,000	194,903	766,903
2027	1,787,633	149,542	1,937,175	5,000	194,903	199,903
2028-2032	4,867,248	542,519	5,409,767	3,673,000	1,019,160	4,692,160
2033-2037	2,822,000	361,881	3,183,881	3,100,000	644,160	3,744,160
2038-2042	2,842,000	214,600	3,056,600	2,540,000	192,625	2,732,625
2043-2047	735,000	64,094	799,094	-	-	-
2048-2052	216,437	16,225	232,662	-	-	-
	<u>\$ 20,702,356</u>	<u>\$ 2,098,879</u>	<u>\$ 22,801,235</u>	<u>\$ 11,528,000</u>	<u>\$ 3,086,866</u>	<u>\$ 14,614,866</u>

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Revenue Bonds – Revenue bonds are issued by the Municipal Building Authority of Carbon County (MBA), a blended component unit of the County. These bonds are not considered general obligations of the County but are special limited obligations payable from the revenues derived from the assets acquired or constructed with bond proceeds or other County appropriations.

Bond covenants require a reserve fund to be funded to reach a final amount of \$2.3 million to be used only for the payment of principal and interest on the revenue bonds. The county maintains and classifies these reserves as restricted cash accounts in the respective funds.

Bonds issues at December 31, 2022, consisted of the following:

Series	Purpose	Original Amount	Remaining Interest Rates to Maturity	Final Maturity Date	Current Outstanding Balance
Governmental activities:					
2001A	Independent Living Center	\$ 399,190	0.0%	2026	\$ 63,190
2001B	Fairgrounds Exhibit	120,000	0.0%	2022	-
2006A	Carbonville Road	275,000	0.0%	2027	65,000
2006B	Emergency Services	2,166,000	0.0%	2027	546,000
2006C	Road Shop	1,525,000	0.0%	2032	610,000
2006D	North Springs Shooting Range	1,290,000	0.0%	2027	315,000
2006E	Fairgrounds Exhibit Building	998,000	0.0%	2027	248,000
2006F	DNR Building	2,957,506	0.0%	2027	632,506
2007	Consumers Road	3,000,000	0.0%	2028	900,000
2008A	Carbonville & Other Road Improvements	1,000,000	0.0%	2034	480,000
2008B	Sheriff Intake & Public Safety Annex	573,000	0.0%	2029	196,000
2008C	Salt & Equipment Shed	460,000	0.0%	2028	138,000
2010	Children's Justice Center	427,000	0.0%	2040	259,000
2011A	Fairgrounds Improvements	1,312,000	0.0%	2041	828,000
2011B	9 Mile Canyon	1,250,000	0.0%	2026	336,000
2012	Animal Shelter	1,000,000	0.0%	2042	670,000
2013A	Carbon County Admin Building	5,745,000	0.0%	2043	4,017,000
2013B	Carbon County Admin Building	5,728,000	2.5%	2043	4,430,000
2014	9 Mile Canyon Road Phase 2 & Salt Shed	6,980,000	1.5%	2031	3,947,000
2019	Hilltop Road Assessments	1,000,000	3.5%	2028	620,660
2021	Municipal Building Authority Series 2021	1,434,000	2.5%	2051	1,401,000
Total governmental activities:					<u>\$ 20,702,356</u>
Business-type activities					
2016B	7th District Court	\$ 6,900,000	2.5%	2041	\$ 6,900,000
2016C	7th District Court	7,245,000	1.5% - 2.6%	2030	4,628,000
Total business-type activities					<u>\$ 11,528,000</u>

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

Governmental and Business-type Activities – Compensated Absences Payable:

Compensated absences represent accrued vacation and sick pay which is vested and would be paid upon termination or retirement of County employees. Since this accrued liability is not expected to be liquidated with expendable available financial resources, the liability is not reported in the governmental funds. However, it is reported on the Statement of Net Position and the change in the balance over/under the prior year is reported as additional expense on the Statement of Activities.

3.H. INTERFUND TRANSACTIONS AND BALANCES

Operating Transfers

	Transfers in	Transfers out
General Fund	\$ -	\$ 2,185,700
Municipal Services	-	-
Capital Projects	-	-
Building Authority	415,000	-
Nonmajor funds	1,970,700	200,000
Grand Total	<u>\$ 2,385,700</u>	<u>\$ 2,385,700</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 4. OTHER NOTES

4A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

This information is for the primary government only. For detailed information on the applicable component units see their issued financial statements.

General Information about the Pension Plan

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

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

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.

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The System's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website www.urs.gov.

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

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percentage per year of service	COLA**
Noncontributory System	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years, any age 60* 10 years, age 62* 4 years, age 65	1.50% per year to June 30, 2020 2.0% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied.

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

Contribution Rate Summary - As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with and additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2022, are as follows:

	Employee	Employer	Employer 401(k)
Contributory System:			
11-Local Governmental Division Tier 1	6.00	13.96	N/A
111-Local Governmental Division Tier 2	N/A	16.01	0.18
Noncontributory System			
15-Local Government Division Tier 1	N/A	17.97	N/A
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid Public Safety	2.59	26.99	N/A
Noncontributory			
75 Other Div A with 4% COLA	N/A	35.71	N/A
Tier 2 DC Only			
211- Local Government	N/A	6.19	10.00
222- Public Safety	N/A	12.99	14.00

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

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

For fiscal year ended December 31, 2022, the employer contributions to the systems were as follows;

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 401,551	N/A
Public Safety System	503,468	-
Tier 2 Public Employees System	361,871	-
Tier 2 Public Safety and Firefighter	260,742	23,481
Tier 2 DC Only System	28,150	N/A
Tier 2 DC Public Safety and Firefighter System	14,290	N/A
Total Contributions	\$ 1,570,072	\$23,481

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

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

At December 31, 2022, we reported a net pension asset of \$2,763,014 and a net pension liability of \$0.

	(Measurement Date): December 31, 2021			Proportionate Share December 31, 2020	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ 1,838,885	\$ -	0.3210844	0.3364914	-0.0154070%
Contributory System	-	-	0	0.2840702	-0.2840702
Public Safety System	863,077	-	1.0627163	1.1197962	-0.0570799
Firefighters System	-	-	- %	- %	- %
Judges Retirement System	-	-	- %	- %	- %
Governors & Legislators Plan	-	-	- %	- %	- %
Tier 2 Public Employees System	44,073	-	0.1041334	0.1166744	-0.0125410%
Tier 2 Public Safety and Fire Fighter System	16,979	-	0.3359427	0.3631767	-0.0272340%
Total Net Pension Asset / Liability	\$ 2,763,014	\$ -			

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability 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, 2022. We recognized pension expense of (\$338,891).

At December 31, 2022, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	384,051	24,282
Net difference between projected and actual earnings on pension plan investments	-	4969474
Changes in proportion and differences between contributions and proportionate share of contributions	27,204	159,896
Contributions subsequent to the measurement date	1,570,072	-
Total	\$ 2,283,349	\$ 5,162,119

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

\$1,570,072 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2022	\$ (954,790)
2023	(1,539,671)
2024	(1,206,378)
2025	(816,378)
2026	10,680
Thereafter	57,696

Actuarial assumptions: The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all period included in the measurement:

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

Mortality rates were developed from actual experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

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

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

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

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

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

Discount rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

	1% Decrease 5.85%	Discount Rate 6.85%	1% Increase 7.85%
System			
Noncontributory System	\$ 988,824	\$ (1,838,885)	\$ (4,198,056)
Public Safety System	2,128,632	(863,077)	(3,292,552)
Tier 2 Public Employees System	262,597	(44,073)	(279,532)
Tier 2 Public Safety and Firefighter	136,217	(16,979)	(138,596)
Total	\$ 3,516,270	\$ (2,763,014)	\$ (7,908,736)

***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 participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

CARBON COUNTY

Notes to the Basic Financial Statements

For the Year Ended December 31, 2022

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

401(k) Plan	2022	2021	2020
Employer Contributions	\$ 75,947	\$ 71,306	\$ 61,793
Employee Contributions	\$ 151,373	\$ 137,045	\$ 136,010

457 Plan			
Employer Contributions	\$ 33	\$ -	\$ -
Employee Contributions	\$ 18,289	\$ 24,933	\$ 25,490

Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 30,239	\$ 29,153	\$ 24,150

4.B. RISK MANAGEMENT

Property and General Liability Insurance – The County carries an all-risk commercial property policy with various deductibles for property and general losses. There were no settlements in excess of insurance coverage in any of the three prior years.

4.C. COMMITMENTS AND CONTINGENCIES

Litigation and Legal Compliance – At certain times, claims and lawsuits are pending in which the County is involved. The County's counsel and insurance carriers estimate that the County's potential obligation resulting from such claims or litigation would not materially affect the financial statements of the County.

At December 31, 2022, the Airport fund was in a negative fund balance position.

4.E. COMPONENT UNITS

Summary of Financial Information – The County has discretely presented component units. The summarized financial information as of and for the year ended December 31, 2022 is shown on the face of the financials immediately preceding the notes to the financial statements.

4.F. SUBSEQUENT EVENTS

Management has evaluated events and transactions which occurred through the date of the audit report, which is the date the financial statements were available to be issued.

4.G. ROUNDING CONVENTION

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without manually balancing each column, the sum of displayed amounts in a column may not equal the total displayed in that column or separate schedules. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

CARBON COUNTY

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

General Fund

For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Over(Under)
	Original	Final	Actual Amounts	
REVENUES				
Taxes				
Property taxes	\$ 7,627,000	\$ 7,627,000	\$ 8,608,768	\$ 981,768
Sales taxes	1,093,000	1,093,000	1,481,521	\$ 388,521
Licenses and permits	46,000	46,000	43,263	(2,737)
Grants and contributions	5,046,500	5,046,500	5,397,280	350,780
Charges for services	1,698,750	1,698,750	2,074,046	375,296
Fines and forfeitures	410,000	410,000	393,254	(16,746)
Royalties	50,000	50,000	267,190	217,190
Interest, rents, and other	2,474,000	1,632,500	1,022,821	(609,679)
Total Revenues	<u>\$ 18,445,250</u>	<u>\$ 17,603,750</u>	<u>\$ 19,288,143</u>	<u>\$ 1,684,393</u>
EXPENDITURES				
General government	\$ 8,257,400	\$ 8,343,900	\$ 6,643,005	\$ (1,700,895)
Public safety	5,202,750	5,292,750	4,876,002	(416,748)
Public health	332,100	332,100	234,063	(98,037)
Highways and public improvements	647,300	667,200	602,856	(64,344)
Parks and recreation	254,500	256,100	245,470	(10,630)
Conservation and ecomic development	63,700	63,700	60,743	(2,957)
Total Expenditures	<u>\$ 14,757,750</u>	<u>\$ 14,955,750</u>	<u>\$ 12,662,139</u>	<u>\$ (2,293,611)</u>
Excess Revenues Over (Under)				
Expenditures	<u>\$ 3,687,500</u>	<u>\$ 2,648,000</u>	<u>\$ 6,626,004</u>	<u>\$ 3,978,004</u>
Other financing sources (uses)				
Transfers in/(out)	\$ (2,082,000)	\$ (2,441,000)	\$ (2,185,700)	\$ 255,300
Proceeds from sale of assets			1,059,331	1,059,331
Contributions to other government entities	(758,000)	(872,650)	(211,827)	660,823
Total Other Financing Sources and Uses	<u>\$ (2,840,000)</u>	<u>\$ (3,313,650)</u>	<u>\$ (1,338,196)</u>	<u>\$ 1,975,454</u>
Excess of Revenues and Other Sources				
Over (under) expenditures and other uses	\$ 847,500	\$ (665,650)	\$ 5,287,808	\$ 5,953,458
Fund Balances - Beginning			10,075,798	
Fund Balances - Ending			<u>\$ 15,363,606</u>	

CARBON COUNTY**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual****Municipal Services Fund**

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 3,153,000	\$ 3,267,000	\$ 3,337,999	\$ 70,999
Sales taxes	1,775,000	1,775,000	2,287,957	512,957
Licenses and permits	219,000	219,000	459,174	240,174
Grants and contributions	1,670,500	1,670,500	1,936,619	266,119
Charges for services	30,000	30,000	39,899	9,899
Interest, rents, and other	134,000	134,000	99,762	(34,238)
Total Revenues	<u>\$ 6,981,500</u>	<u>\$ 7,095,500</u>	<u>\$ 8,161,410</u>	<u>\$ 1,065,910</u>
EXPENDITURES				
General government	\$ 112,500	\$ 116,000	\$ 115,470	\$ (530)
Public safety	3,605,150	3,715,650	2,967,153	(748,497)
Highway and public improvements	3,829,000	3,829,000	3,934,904	105,904
Parks and recreation	4,000	4,000	4,000	-
Total Expenditures	<u>\$ 7,550,650</u>	<u>\$ 7,664,650</u>	<u>\$ 7,021,527</u>	<u>\$ (643,123)</u>
Excess Revenues Over (Under)				
Expenditures	<u>\$ (569,150)</u>	<u>\$ (569,150)</u>	<u>\$ 1,139,883</u>	<u>\$ 1,709,033</u>
Other financing sources (uses)				
Transfers in	<u>\$ 671,150</u>	<u>\$ 671,150</u>	<u>\$ -</u>	<u>\$ (671,150)</u>
Total Other Financing Sources and Uses	<u>\$ 671,150</u>	<u>\$ 671,150</u>	<u>\$ -</u>	<u>\$ (671,150)</u>
Excess of Revenues and Other Sources				
Over (under) expenditures and other uses	\$ 102,000	\$ 102,000	\$ 1,139,883	\$ 1,037,883
Fund Balances - Beginning			5,578,451	
Fund Balances - Ending			<u>\$ 6,718,334</u>	

CARBON COUNTY**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual****Capital Projects Fund**

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
REVENUES				
Interest, rents, and other	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital Outlay	1,115,000	1,115,000	801,533	(313,467)
Excess Revenues Over (Under)				
Expenditures	<u>\$ (1,115,000)</u>	<u>\$ (1,115,000)</u>	<u>\$ (801,533)</u>	<u>\$ 313,467</u>
Other financing sources (uses)				
Transfers in	\$ 215,000	\$ 215,000	\$ -	\$ (215,000)
Transfers out	-	-	-	-
Contributions to other government entities	-	-	-	-
Total Other Financing Sources and Uses	<u>\$ 215,000</u>	<u>\$ 215,000</u>	<u>\$ -</u>	<u>\$ (215,000)</u>
Excess of Revenues and Other Sources				
Over (under) expenditures and other uses	\$ (900,000)	\$ (900,000)	\$ (801,533)	\$ 98,467
Fund Balances - Beginning			417,112	
Fund Balances - Ending			<u>\$ (384,421)</u>	

CARBON COUNTY**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual****Building Authority Fund**

For the Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
REVENUES				
Grants and contributions	\$ 1,617,500	\$ 1,617,500	\$ 1,054,210	\$ (563,290)
Special assessments	115,000	115,000	71,293	(43,707)
Interest, rents, and other	462,000	462,000	456,729	(5,271)
Total Revenues	<u>\$ 2,194,500</u>	<u>\$ 2,194,500</u>	<u>\$ 1,582,232</u>	<u>\$ (612,268)</u>
EXPENDITURES				
Debt service:				
Principal retirement	1,770,500	1,770,500	1,826,992	56,492
Interest	239,000	239,000	199,009	(39,991)
Total Expenditures	<u>\$ 2,009,500</u>	<u>\$ 2,009,500</u>	<u>\$ 2,026,001</u>	<u>\$ 16,501</u>
Excess Revenues Over (Under)				
Expenditures	<u>\$ 185,000</u>	<u>\$ 185,000</u>	<u>\$ (443,769)</u>	<u>\$ (628,769)</u>
Other financing sources (uses)				
Transfers in	415,000	415,000	415,000	-
Transfers out	0	0	0	-
Contributions to other government entities	0	0	0	-
Total Other Financing Sources and Uses	<u>\$ 415,000</u>	<u>\$ 415,000</u>	<u>\$ 415,000</u>	<u>-</u>
Excess of Revenues and Other Sources				
Over (under) expenditures and other uses	\$ 600,000	\$ 600,000	\$ (28,769)	\$ (628,769)
Fund Balances - Beginning			4,008,488	
Fund Balances - Ending			<u>\$ 3,979,719</u>	

CARBON COUNTY

Schedule of the Proportionate Share of the Net Pension Liability

Utah Retirement Systems

December 31, 2022

Last 8 Fiscal Years*

		Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)	2021	0.3210844%	0.0%	1.0627163%	0.1041334%	0.3359427%
	2020	0.3364914%	0.2840702%	1.1197962%	0.1166744%	0.3631767%
	2019	0.3544254%	0.2683996%	1.1266816%	0.1220598%	0.3792502%
	2018	0.3909340%	0.2582532%	1.1780900%	0.1198440%	0.4205372%
	2017	0.4531626%	0.5462064%	1.2973734%	0.1433307%	0.4459210%
	2016	0.4590733%	0.5684649%	1.2926335%	0.1443787%	0.3882328%
	2015	0.4866865%	0.5325152%	0.5325152%	0.1402243%	0.3470058%
	2014	0.5005300%	0.6765446%	1.1642284%	0.1147323%	0.2549850%
Proportionate share of the net pension liability (asset)	2021	\$ (1,838,885)	\$ -	\$ (863,077)	\$ (44,073)	\$ (16,979)
	2020	\$ 172,601	\$ (50,912)	\$ 929,701	\$ 16,781	\$ 32,575
	2019	\$ 1,335,783	\$ 17,590	\$ 1,809,020	\$ 27,452	\$ 35,674
	2018	\$ 2,787,730	\$ 104,800	\$ 3,030,737	\$ 51,387	\$ 10,537
	2017	\$ 1,985,441	\$ 44,447	\$ 2,035,135	\$ 12,738	\$ (5,144)
	2016	\$ 2,947,812	\$ 186,520	\$ 2,623,110	\$ 16,105	\$ (3,370)
	2015	\$ 2,753,909	\$ 374,281	\$ 374,281	\$ (306)	\$ (5,070)
	2014	\$ 2,173,419	\$ 195,145	\$ 1,464,114	\$ (3,477)	\$ (3,772)
Covered Employee Payroll	2021	\$ 2,526,931	\$ -	\$ 1,370,338	\$ 1,933,947	\$ 803,365
	2020	\$ 2,687,223	\$ 46,859	\$ 1,472,639	\$ 1,865,001	\$ 721,753
	2019	\$ 2,931,538	\$ 48,096	\$ 1,524,251	\$ 1,696,580	\$ 625,144
	2018	\$ 3,197,516	\$ 48,337	\$ 1,591,154	\$ 1,400,888	\$ 562,821
	2017	\$ 3,671,089	\$ 110,834	\$ 1,798,176	\$ 1,403,718	\$ 469,346
	2016	\$ 3,784,293	\$ 136,396	\$ 1,802,630	\$ 1,184,023	\$ 320,766
	2015	\$ 3,975,087	\$ 226,898	\$ 226,898	\$ 906,014	\$ 206,537
	2014	\$ 4,197,266	\$ 361,871	\$ 1,738,824	\$ 562,914	\$ 105,496
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2021	-72.77%	0.00%	-62.98%	-2.28%	-2.11%
	2020	6.42%	-108.65%	63.13%	0.90%	4.51%
	2019	45.57%	36.57%	118.68%	1.62%	5.71%
	2018	90.03%	216.81%	190.47%	3.67%	1.87%
	2017	54.08%	40.10%	113.18%	0.91%	-1.10%
	2016	77.90%	136.75%	145.52%	1.36%	-1.05%
	2015	69.33%	164.96%	164.96%	-0.03%	-2.45%
	2014	51.78%	53.93%	84.20%	-0.62%	-3.58%
Plan fiduciary net position as a percentage of the total pension liability.	2021	108.7%	0.0%	104.2%	103.8%	102.8%
	2020	99.2%	103.9%	95.5%	98.3%	93.1%
	2019	93.7%	98.6%	90.9%	96.5%	89.6%
	2018	87.0%	91.2%	84.7%	90.8%	95.6%
	2017	91.9%	98.2%	90.2%	97.4%	103.0%
	2016	87.3%	92.9%	86.5%	95.1%	103.6%
	2015	87.8%	85.7%	87.1%	100.2%	100.7%
	2014	90.2%	94.0%	90.5%	103.5%	120.5%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. This schedule will need to be built prospectively. The schedule above is only for the prior 8 years.

CARBON COUNTY
Schedule of Contributions
Utah Retirement Systems
December 31, 2022
Last 8 Fiscal Years*

	As of fiscal Year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System						
	2015	\$ 726,887	\$ 726,887	\$ -	\$ 2,972,250	18.30%
	2016	691,340	691,340	-	3,785,655	18.26%
	2017	669,840	669,840	-	3,680,551	18.20%
	2018	578,813	578,813	-	3,196,658	18.11%
	2019	518,142	518,142	-	2,931,538	17.67%
	2020	479,511	479,511	-	2,686,732	17.85%
	2021	450,904	450,904	-	2,543,820	17.73%
	2022	401,551	401,551	-	2,300,931	17.45%
Contributory System						
	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%
	2018	6,990	6,990	-	48,337	14.46%
	2019	6,955	6,955	-	48,096	14.46%
	2020	6,776	6,776	-	46,859	14.46%
	2021	-	-	-	-	0.00%
	2022	-	-	-	-	0.00%
Public Safety System						
	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%
	2018	544,093	544,093	-	1,591,154	34.19%
	2019	520,074	520,074	-	1,524,251	34.12%
	2020	525,789	525,789	-	1,472,639	35.70%
	2021	489,348	489,348	-	1,370,338	35.71%
	2022	503,468	503,468	-	1,409,877	35.71%
Tier 2 Public Employees System*						
	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%
	2018	214,843	214,843	-	1,400,888	15.34%
	2019	264,692	264,692	-	1,696,580	15.60%
	2020	295,802	295,802	-	1,866,601	15.85%
	2021	308,209	308,209	-	1,935,145	15.93%
	2022	361,871	361,871	-	2,257,871	16.03%
Tier 2 Public Safety and Firefighter System						
	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%
	2018	135,418	135,418	-	564,195	24.00%
	2019	151,723	151,723	-	624,457	24.30%
	2020	185,159	185,159	-	721,753	25.65%
	2021	216,828	216,828	-	803,365	26.99%
	2022	260,742	260,742	-	967,548	26.95%
Tier 2 Public Employees DC Only System*						
	2015	\$ 14,292	\$ 14,292	\$ -	\$ 213,152	6.71%
	2016	14,262	14,262	-	213,176	6.69%
	2017	16,365	16,365	-	244,626	6.69%
	2018	12,369	12,369	-	168,743	7.33%
	2019	8,204	8,204	-	13,308	61.65%
	2020	14,871	14,871	-	117,767	12.63%
	2021	24,866	24,866	-	194,026	12.82%
	2022	28,150	28,150	-	248,464	11.33%
Tier 2 Public Safety and Firefighter DC Only System*						
	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%
	2018	12,369	12,369	-	95,220	12.99%
	2019	16,704	16,704	-	128,593	12.99%
	2020	12,535	12,535	-	96,493	12.99%
	2021	11,559	11,559	-	88,982	12.99%
	2022	14,290	14,290	-	110,010	12.99%

* 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. This will need to be built prospectively. The schedule above is only for the last eight years. Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative practices.

CARBON COUNTY

Notes to Required Supplementary Information

For the year ended December 31, 2022

Changes in Assumptions Related to Pensions

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

Budgetary Comparison Schedules

The budgetary Comparison Schedule present in this section of the report is for the County's General Fund, Municipal Services Fund, Capital Projects Fund, and Building Authority Fund.

Budgeting and Budgetary Control

Budgets for the General Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the County Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended December 31, 2022, the Emergency Telephone Fund materially exceeded budget appropriations.

SUPPLEMENTARY INFORMATION

CARBON COUNTY

Combining Balance Sheet for Non-major Governmental Funds

December 31, 2022

	Castle Country Travel Bureau	Fair Grounds	Carbon Leisure Services	Emergency Telephone	Carbon County RDA	Carbon County Future	Council on Aging	Nutrition	Airport	Total Non-major Governmental Funds
ASSETS										
Cash and investments	\$ 16,342	\$ 127,989	\$ 261,566	\$ 134,748	\$ -	\$ 442	\$ -	\$ 139,333	\$ 31,856	\$ 712,276
Restricted cash and investments	1,125,187	-	-	-	577,555	74,627	379,905	-	-	2,157,274
Accounts receivable	68,020	-	475	-	-	-	27,427	72,876	1,278	170,076
Total Assets	<u>\$ 1,209,549</u>	<u>\$ 127,989</u>	<u>\$ 262,041</u>	<u>\$ 134,748</u>	<u>\$ 577,555</u>	<u>\$ 75,069</u>	<u>\$ 407,332</u>	<u>\$ 212,209</u>	<u>\$ 33,134</u>	<u>\$ 3,039,626</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts and contracts payable	11,005	17,126	12,580	-	-	171	2,336	8,905	10,109	\$ 62,232
Accrued salaries and benefits	5,337	2,718	8,516	-	-	271	5,268	12,780	0	\$ 34,890
Due to other funds							13,175	3,249		16,424
Total Liabilities	<u>16,342</u>	<u>19,844</u>	<u>21,096</u>	<u>-</u>	<u>-</u>	<u>442</u>	<u>20,779</u>	<u>24,934</u>	<u>10,109</u>	<u>\$ 113,546</u>
Fund balances:										
Restricted for:										
Public Health	-	-	-	-	-	-	386,553	187,275	-	\$ 573,828
Conservation and economic development	1,193,207	-	-	-	577,555	74,627	-	-	-	1,845,389
Assigned	-	108,145	240,945	134,748	-	-	-	-	23,025	506,863
Total Fund Balances	<u>1,193,207</u>	<u>108,145</u>	<u>240,945</u>	<u>134,748</u>	<u>577,555</u>	<u>74,627</u>	<u>386,553</u>	<u>187,275</u>	<u>23,025</u>	<u>\$ 2,926,080</u>
Total Liabilities and Fund Balance	<u>\$ 1,209,549</u>	<u>\$ 127,989</u>	<u>\$ 262,041</u>	<u>\$ 134,748</u>	<u>\$ 577,555</u>	<u>\$ 75,069</u>	<u>\$ 407,332</u>	<u>\$ 212,209</u>	<u>\$ 33,134</u>	<u>\$ 3,039,626</u>

CARBON COUNTY

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-major Governmental Funds

For the Year Ended December 31, 2022

	Castle Country Travel Bureau	Fair Grounds	Carbon Leisure Services	Emergency Telephone	Carbon County RDA	Carbon County Future	Council on Aging	Nutrition	Airport	Total Non-major Governmental Funds
REVENUES										
Taxes										
Sales tax	\$ 352,656	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,904	\$ 355,560
Transient room taxes	488,025	-	-	-	-	-	-	-	-	488,025
Grants and contributions	18,696	121,920	-	-	-	255,252	69,607	192,547	255,670	913,692
Charges for services	-	56,958	141,568	-	-	-	-	-	-	198,526
Interest, rents, and other	51,222	-	-	141	-	-	12,657	154,419	86,176	304,615
Total Revenues	910,599	178,878	141,568	141	-	255,252	82,264	346,966	344,750	2,260,418
EXPENDITURES										
Current:										
General government	-	-	-	4,530.00	-	-	-	-	-	4,530
Public health	-	-	-	-	-	-	230,497	837,755	-	1,068,252
Highways and public improvements	-	-	-	-	-	-	-	-	428,593	428,593
Parks and recreation	-	652,489	465,363	-	-	-	-	-	-	1,117,852
Conservation and economic development	416,358	-	-	-	-	230,365	-	-	-	646,723
Total Expenditures	416,358	652,489	465,363	4,530	-	230,365	230,497	837,755	428,593	3,265,950
Excess Revenues Over (Under)										
Expenditures	494,241	(473,611)	(323,795)	(4,389)	-	24,887	(148,233)	(490,789)	(83,843)	(1,005,532)
Other financing sources (uses)										
Transfers in	-	600,000	341,900	-	-	-	179,600	634,700	214,500	1,970,700
Transfers out	(200,000)	-	-	-	-	-	-	-	-	(200,000)
Total Other Financing Sources and Uses	(200,000)	600,000	341,900	-	-	-	179,600	634,700	214,500	1,770,700
Excess of Revenues and Other Sources										
Over (under) expenditures and other uses	294,241	126,389	18,105	(4,389)	-	24,887	31,367	143,911	130,657	765,168
Fund Balances - Beginning	898,966	(18,244)	222,840	139,137	577,555	49,740	355,186	43,364	(107,632)	2,160,912
Fund Balances - Ending	\$ 1,193,207	\$ 108,145	\$ 240,945	\$ 134,748	\$ 577,555	\$ 74,627	\$ 386,553	\$ 187,275	\$ 23,025	\$ 2,926,080

CARBON COUNTY**Combining Statement of Fiduciary Net Position****Custodial Funds**

For the Year Ended December 31, 2022

	Treasurer's Tax Collection	Southeastern Utah Health	Four Corners Community Behavioral Health	District and Precinct Court	Total Custodial Funds
ASSETS					
Cash and investments	\$ 4,930,368	\$ 1,683,704	\$ 1,889,304	\$ 32,039	\$ 8,535,415
Receivables	-	-	34,403	7,809	42,212
Total Assets	<u>\$ 4,930,368</u>	<u>1,683,704</u>	<u>1,923,707</u>	<u>39,848</u>	<u>8,577,627</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other governments and individuals	\$ 4,930,368	\$ 1,683,704	\$ 1,889,304	\$ 32,039	\$ 8,535,415
Total Liabilities	<u>4,930,368</u>	<u>1,683,704</u>	<u>1,889,304</u>	<u>32,039</u>	<u>8,535,415</u>
Fund balances:					
Restricted for:					
Other governments and individuals	-	-	34,403	7,809	42,212
Total Fund Balances	<u>-</u>	<u>-</u>	<u>34,403</u>	<u>7,809</u>	<u>42,212</u>
Total Liabilities and Fund Balance	<u>\$ 4,930,368</u>	<u>\$ 1,683,704</u>	<u>\$ 1,923,707</u>	<u>\$ 39,848</u>	<u>\$ 8,577,627</u>

CARBON COUNTY

Statement of Current Taxes Levied, Collected, and Treasurer's Relief

For the Year Ended December 31, 2022

1	2	3	4	5	6	7	8
ENTITY	YEAR-END REAL PROPERTY VALUE	YEAR-END CENTRALLY ASSESSED PROPERTY VALUE	YEAR-END PERSONAL PROPERTY VALUE	TOTAL ADJUSTED VALUE (2 + 3 + 4)	CURRENT YEAR REAL & CENTRALLY ASSESSED TAX RATE	PRIOR YEAR PERSONAL PROPERTY TAX RATE	REAL AND CENTRALLY ASSESSED PROPERTY TAXES TAXES CHARGED (6 x (2+3))
Carbon County Funds:							
General Operations	\$ 1,566,476,055	\$ 691,466,991	\$ 89,248,244	\$ 2,347,191,290	0.002549	0.002963	\$ 5,755,497
Health	1,566,476,055	678,443,994	89,248,244	\$ 2,334,168,293	0.000123	0.000143	276,125
Multicounty Assessing and Collecting	1,566,476,055	678,443,994	89,248,244	\$ 2,334,168,293	0.000015	0.000012	33,674
County Assessing and Collecting	1,566,476,055	678,443,994	89,248,244	\$ 2,334,168,293	0.000435	0.000505	976,540
Municipal Services Fund	692,312,921	678,443,994	34,302,779	\$ 1,405,059,694	0.002108	0.002325	2,889,556
Total County Funds							9,931,392
Other Taxing Entities:							
Carbon County School District - Discharge of Judgement	1,566,476,055	678,443,994	89,248,244	\$ 2,334,168,293	0.000000	0.000000	\$ -
Carbon County School District - Basic Levy	1,566,476,055	678,443,994	89,248,244	\$ 2,334,168,293	0.001652	0.001661	3,708,608
Carbon County School District - GO Bond Payments	1,566,476,055	678,443,994	89,248,244	2,334,168,293	0.000993	0.001315	2,229,206
Carbon County School District - Capital Local Levy	1,566,476,055	678,443,994	89,248,244	2,334,168,293	0.001478	0.001715	3,317,992
Carbon County School District - Voted Local Levy	1,566,476,055	678,443,994	89,248,244	2,334,168,293	0.000882	0.001024	1,980,019
Carbon County School District - Board Local Levy	1,566,476,055	678,443,994	89,248,244	2,334,168,293	0.002209	0.002575	4,959,028
Carbon County School District - Charter School Levy	1,566,476,055	678,443,994	89,248,244	2,334,168,293	0.000128	0.000137	287,350
East Carbon - Sunnyside	81,128,490	18,549,320	6,841,142	106,518,952	0.006629	0.007234	660,764
Helper City	108,995,695	25,975,823	5,141,002	140,112,520	0.002235	0.002651	301,661
Price City	588,529,692	16,959,561	37,009,687	642,498,940	0.001383	0.001813	837,392
Scofield Town	14,241,845	2,199,030	119,983	16,560,858	0.001457	0.001926	23,954
Wellington City	79,785,338	7,983,932	5,833,650	93,602,920	0.001961	0.002351	172,116
Carbon Water Conservancy District	1,566,476,005	678,443,994	89,248,244	2,334,168,243	0.000128	0.000147	287,350
Price River Water Improvement District - Tort Liability	1,285,302,685	251,872,629	65,937,833	1,603,113,147	0.000059	0.000071	90,693
Price River Water Improvement District - County Improvement District	1,285,302,685	251,872,629	65,937,833	1,603,113,147	0.000520	0.000626	799,331
Total Other Taxing Entities							19,655,464
GRAND TOTALS							<u>\$ 29,586,856</u>

(Continued on next page)

CARBON COUNTY

Statement of Current Taxes Levied, Collected, and Treasurer's Relief (continued)

For the Year Ended December 31, 2022

Continued from previous page

ENTITY	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
	PERSONAL PROPERTY TAXES CHARGED (4 x 7)	TAXES CHARGED (8 + 9)	UNPAID TAXES	ABATEMENTS	OTHER	TOTAL RELIEF	TAXES COLLECTED (14 - 18)	ANNUAL COLLECTION RATE	REALLOC PERS PROP	FEE-IN-LIEU REVENUE/ AGE BASED REVENUE	MISC. COLLECTIONS	DELINQUENT TAXES	DELINQUENT & INTEREST & PENALTIES	TAX INCOME PAID (Subtract)	REFUNDS (Subtract)	TOTAL DISTRIBUTION
Carbon County Funds:																
General Operations	\$ 264,443	\$ 6,019,939	\$ 563,120	\$ 82,526	\$ 14,433	660,079	\$ 5,359,860	89.04%	(4,105)	\$ 279,895	\$ 6,492	\$ 1,402,487	\$ 154,149	\$ -	\$ -	\$ 7,198,778
Health	12,762	288,888	27,173	3,982	696	31,851	257,037	88.97%	(202)	13,508	312	67,562	898	-	-	339,115
Multicounty Assessing and Collecting	1,071	34,745	3,317	486	85	3,888	30,857	88.81%	-	1,134	58	5,394	71	-	-	37,514
County Assessing and Collecting	45,070	1,021,611	96,100	14,083	2,463	112,646	908,965	88.97%	-	47,704	1,121	238,874	3,247	-	-	1,199,911
Municipal Services Fund	79,754	2,969,310	338,948	26,338	6,509	371,795	2,597,515	87.48%	-	169,030	435	773,403	6,188	-	127,022	3,419,549
Total County Funds	403,100	10,334,492	1,028,658	127,415	24,186	1,180,259	9,154,233	88.58%	(4,307)	511,271	8,418	2,487,720	164,553		127,022	12,194,866
Other Taxing Entities:																
Carbon County School District - Discharge of Judgement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	\$ -	\$ 13,972	\$ -	\$ -	\$ -	\$ -	\$ 13,972
Carbon County School District - Basic Levy	148,241	3,856,849	365,129	5,362	9,405	379,896	3,476,953	90.15%	44,636	156,903	6,084	768,067	10,346	-	-	4,462,989
Carbon County School District - GO Bond Payments	117,361	2,346,567	219,352	32,149	5,622	257,123	2,089,444	89.04%	(6,928)	111,797	205	549,624	7,149	-	-	2,751,291
Carbon County School District - Capital Local Levy	153,061	3,471,053	326,488	47,851	8,368	382,707	3,088,346	88.97%	(10,312)	166,400	305	818,070	10,641	-	-	4,073,450
Carbon County School District - Voted Local Levy	91,390	2,071,410	194,833	28,555	4,994	228,382	1,843,028	88.97%	(6,153)	99,300	182	488,185	6,350	-	-	2,430,892
Carbon County School District - Board Local Levy	229,814	5,188,843	487,965	71,518	12,507	571,990	4,616,853	88.98%	(15,412)	248,700	456	1,222,678	15,904	-	-	6,089,179
Carbon County School District - Charter School Levy	12,227	299,577	28,285	413	725	29,423	270,154	90.18%	1,944	12,941	359	66,714	946	-	-	353,058
East Carbon - Sunnyside	49,489	710,253	53,869	11,709	1,083	66,661	643,592	90.61%	1,762	2,424	15,187	171,592	1,773	-	9,474	826,856
Helper City	13,629	315,290	18,139	7,738	621	26,498	288,792	91.60%	(106)	9,777	6,051	93,469	901	-	-	398,884
Price City	67,099	904,490	52,011	16,603	2,539	71,153	833,337	92.13%	(1,784)	26,826	3,774	51,714	1,643	-	-	915,510
Scofield Town	231	24,185	1,307	101	116	1,524	22,661	93.70%	(63)	325	-	5,659	16	-	-	28,598
Wellington City	13,715	185,830	10,590	5,057	426	16,073	169,757	91.35%	(637)	6,521	1,624	27,275	1,720	-	741	205,519
Carbon Water Conservancy District	13,119	300,469	28,279	4,144	725	33,148	267,321	88.97%	-	13,886	338	69,473	945	-	-	351,963
Price River Water Improvement District - Tort Liability	4,682	95,375	4,717	1,802	213	6,732	88,643	92.94%	-	6,668	9	13600	230	-	29	109,121
Price River Water Improvement District - County Improvement District	41,277	840,608	41,578	15,881	1,878	59,337	781,271	92.94%	-	58,771	83	119,868	2,027	-	255	961,765
Total Other Taxing Entities	955,335	20,610,800	1,832,542	248,883	49,222	2,130,647	18,480,153	1271%	6,947	921,239	48,629	4,465,988	60,591	-	10,499	23,973,048
	\$ 1,358,436	\$ 30,945,292	\$ 2,861,200	\$ 376,298	\$ 73,408	\$ 3,310,906	\$27,634,386	1359%	\$ 2,640	\$ 1,432,510	\$ 57,047	\$ 6,953,708	\$ 225,144	\$ -	\$ 137,521	\$ 36,167,914

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

County Commissioners
Carbon County
Price, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County, Utah, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Carbon County's basic financial statements and have issued our report thereon dated August 25, 2023.

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 functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carbon County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Larson & Company
Spanish Fork, Utah
August 25, 2023

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

County Commissioners
Carbon County
Price, Utah

Report on Compliance with General State Compliance Requirements

We have audited Carbon County's compliance with applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on the County for the year ended December 31, 2022

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

Budgetary Compliance
Fund Balance
Justice Courts

Restricted Taxes and Related Revenues
Fraud Risk Assessment
Government Fees

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on General State Compliance Requirements

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

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our letter to management dated July XX, 2023.

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

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

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

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.

Larson & Company, PC
Certified Public Accountants

August 25, 2023

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

To the County Commission
Carbon County
Price, Utah

Report on Compliance for Each Major Federal Program

Opinion on Compliance for Each Major Federal Program

We have audited Carbon County, Utah's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022. Carbon County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards general accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Governments Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Carbon County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Carbon County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Carbon County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Larson & Company, PC

Spanish Fork, Utah

August 25, 2023

CARBON COUNTY

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2022

SUMMARY OF AUDIT RESULTS

1. The independent auditor's report expresses an unqualified opinion on the basic financial statements of Carbon County.
2. No reportable conditions related to the audit of the financial statements are reported in the Auditor's Report on Internal Controls and Compliance with Laws and Regulations.
3. No instances of noncompliance material to the financial statements of Carbon County were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award program is reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with Uniform Guidance.
5. The independent auditor's report on compliance for the major federal award programs for Carbon County, expresses an unqualified opinion.
6. The audit disclosed no audit findings that are required to be reported under 2 CFR section 200.516(a).
7. The programs tested as a major programs include:

Coronavirus State and Local Fiscal Recovery Funds – CFDA #21.027
8. The threshold for distinguishing Types A and B programs is \$750,000 of federal awards expended.
9. Carbon County was determined to be a low-risk auditee.

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CARBON COUNTY

Schedule of Findings and Questioned Costs (continued)

For the Year Ended December 31, 2022

FINANCIAL STATEMENT FINDINGS

No findings noted during current audit

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted during current audit

SUMMARY OF PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS

No findings noted during prior audit.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted during prior audit

CARBON COUNTY

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA	Direct or Pass-Through Grantors Contract	Expenditures
U.S. Department of Agriculture			
Direct			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to Counties	10.666		\$ 11,909
Total U.S. Department of Agriculture			11,909
U.S. Department of Justice			
Direct			
Crime Victim Assistance	16.575		81,222
Total U.S. Department of Justice			81,222
U.S. Department of Transportation			
Passed through Federal Aviation Administration			
Airport Improvement Program	20.106	3-49-0026-018-2019	300,922
Total U.S. Department of Transportation			300,922
U.S. Department of the Treasury			
Passed through State of Utah Department of Human Services:			
* Coronavirus State and Local Fiscal Recovery Funds	21.027		1,987,349
Total U.S. Department of Treasury			1,987,349
U.S. Environmental Protection Agency			
Passed through State of Utah Department of Environmental Quality			
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup			
Cooperative Agreements	66.818		206,426
Total U.S. Environmental Protection Agency			206,426
U.S. Department of Health and Human Services			
Passed through Southeastern Utah Association of Governments:			
Aging Cluster:			
Special Programs for the Aging - Title III, Part B - Grants FOR Supportive			
Services and Senior Centers	93.044		59,475
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045		134,135
Nutrition Services Incentive Program	93.053		50,996
Total Aging Cluster			244,606
Social Services Block Grant	93.667		13,617
Total U.S. Department of Health and Human Services			258,223
U.S. Department of Homeland Security			
Direct Program:			
Emergency Management Performance Grants	97.042		35,061
Total U.S. Department of Homeland Security			35,061
Total Expenditures of Federal Awards			\$ 2,881,112

* Denotes a major program

CARBON COUNTY

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2022

1. Reporting Entity

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

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). All awards are identified on the schedule as direct or indirect. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net asset or cash flows of the County.

3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The County has elected to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

4. Loans Outstanding

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

5. Non-Cash Assistance

The County received no non-cash during the period.