NEW ISSUE **Ratings:** Moody's "Aaa" (State of Utah Guaranty; underlying "A1")
See "STATE OF UTAH GUARANTY" and "MISCELLANEOUS—Bond Ratings" herein.

In the opinion of Farnsworth Johnson PLLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from taxes imposed by the Utah Individual Income Tax Act. In the further opinion of Bond Counsel, interest on the 2020 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2020 Bonds. See "TAX MATTERS" herein.

CARBON SCHOOL DISTRICT

$33,740,000

Board of Education of

Carbon County School District, Utah

General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2020

The $33,740,000 General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2020 are issuable by the Board of Education of Carbon County School District, Utah, as fully–registered bonds and, when initially issued, will be in book–entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2020 Bonds.

Principal of and interest on the 2020 Bonds (interest payable June 15 and December 15 of each year, commencing December 15, 2020) are payable by Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially DTC. See "THE 2020 BONDS—Book–Entry System" herein.

The 2020 Bonds are subject to optional redemption prior to maturity. See "THE 2020 BONDS—Redemption Provisions" herein.

The 2020 Bonds will be general obligations of the Board payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all taxable property in Carbon County School District, Utah, fully sufficient to pay the 2020 Bonds as to both principal and interest.

Payment of the principal of and interest on the 2020 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the

State of Utah

under the provisions of the Utah school district bond guaranty. See "STATE OF UTAH GUARANTY" herein.

Dated: Date of Delivery[1] **Due:** June 15, as shown on inside front cover

See the inside front cover for the maturity schedule of the 2020 Bonds

The 2020 Bonds were awarded pursuant to competitive bidding received by means of the *PARITY*® electronic bid submission system on January 22, 2020 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated as of the date of the PRELIMINARY OFFICIAL STATEMENT) to Robert W. Baird & Co., Inc., Milwaukee, Wisconsin at a "true interest rate" of 2.08%.

Zions Public Finance, Inc., Salt Lake City, Utah, acted as Municipal Advisor.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated January 22, 2020, and the information contained herein speaks only as of that date.

[1] The anticipated date of delivery is Wednesday, February 5, 2020.

Carbon County School District, Utah

$33,740,000

General Obligation School Building Bonds
(Utah School District Bond Guaranty Program), Series 2020

Dated: Date of Delivery[1] **Due: June 15, as shown below**

Due June 15	CUSIP® 140897	Principal Amount	Interest Rate	Yield/ Price
2021…………	GD5	$ 135,000	2.00 %	0.86%
2022…………	GE3	1,190,000	5.00	0.87
2023…………	GF0	1,250,000	5.00	0.90
2024…………	GG8	1,310,000	5.00	0.93
2025…………	GH6	1,375,000	5.00	0.94
2026…………	GJ2	1,445,000	5.00	1.00
2027…………	GK9	1,520,000	5.00	1.08
2028…………	GL7	1,595,000	5.00	1.17
2029…………	GM5	1,675,000	5.00	1.25
2030…………	GN3	1,760,000	5.00	1.32[c]
2031…………	GP8	1,845,000	3.00	1.70[c]
2032…………	GQ6	1,900,000	2.00	100.00
2033…………	GR4	1,940,000	2.00	2.05
2034…………	GS2	1,980,000	2.00	2.15
2035…………	GT0	2,020,000	2.25	100.00
2036…………	GU7	2,065,000	2.25	2.30
2037…………	GV5	2,110,000	2.25	2.35
2038…………	GW3	2,155,000	2.375	2.40
2039…………	GX1	2,210,000	2.375	2.45
2040…………	GY9	2,260,000	2.50	100.00

[1] The anticipated date of delivery is Wednesday, February 5, 2020.

® CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ.

[c] Priced to par call on December 15, 2029.

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2020 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by any of: the Board of Education of Carbon County School District, Utah (the "Board"); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah, (as Paying Agent); the State of Utah; the successful bidder(s); or any other entity. The information contained herein has been obtained from the Board, The Depository Trust Company, New York, New York, the State of Utah, and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2020 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the Board, since the date hereof.

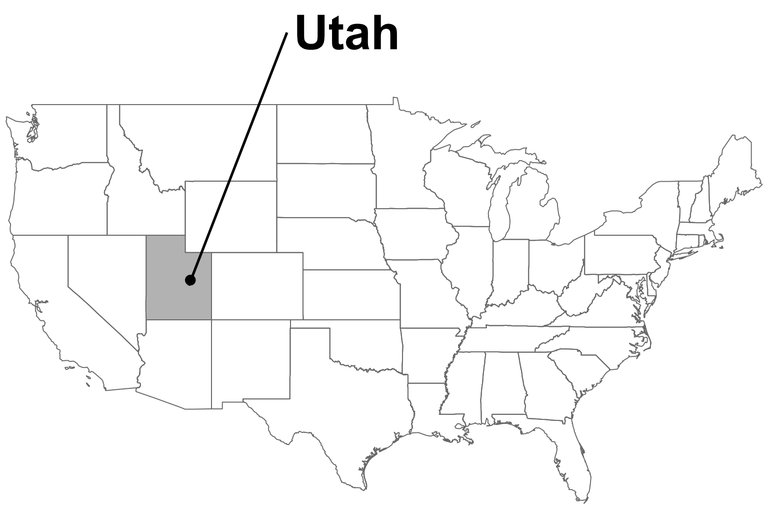
The 2020 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

The yields/prices at which the 2020 Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the successful bidder(s) may allow concessions or discounts from the initial offering prices of the 2020 Bonds to dealers and others. With any offering of the 2020 Bonds, the successful bidder(s) may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2020 Bonds. Such transactions may include overallotments in connection with the purchase of 2020 Bonds to stabilize their market price and to cover the successful bidder's short positions. Such transactions, if commenced, may be discontinued at any time.

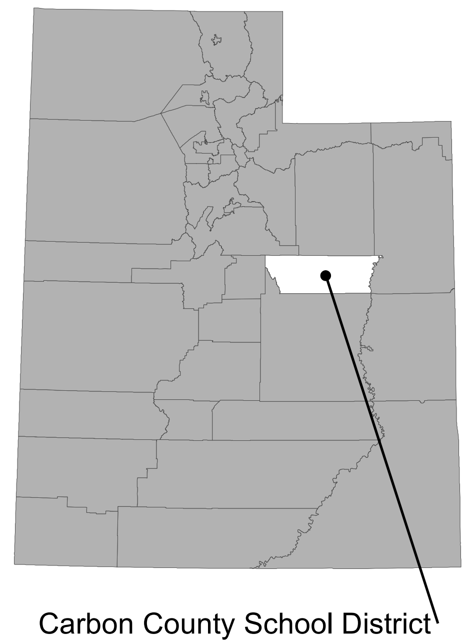
Forward–Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT may constitute "forward–looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as "plan," "project," "forecast," "expect," "estimate," "budget" or other similar words. ***The achievement of certain results or other expectations contained in such forward–looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward–looking statements. The Board does not plan to issue any updates or revisions to those forward–looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.***

The CUSIP® (Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and the Board does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to being changed after the issuance of the 2020 Bonds because of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2020 Bonds.

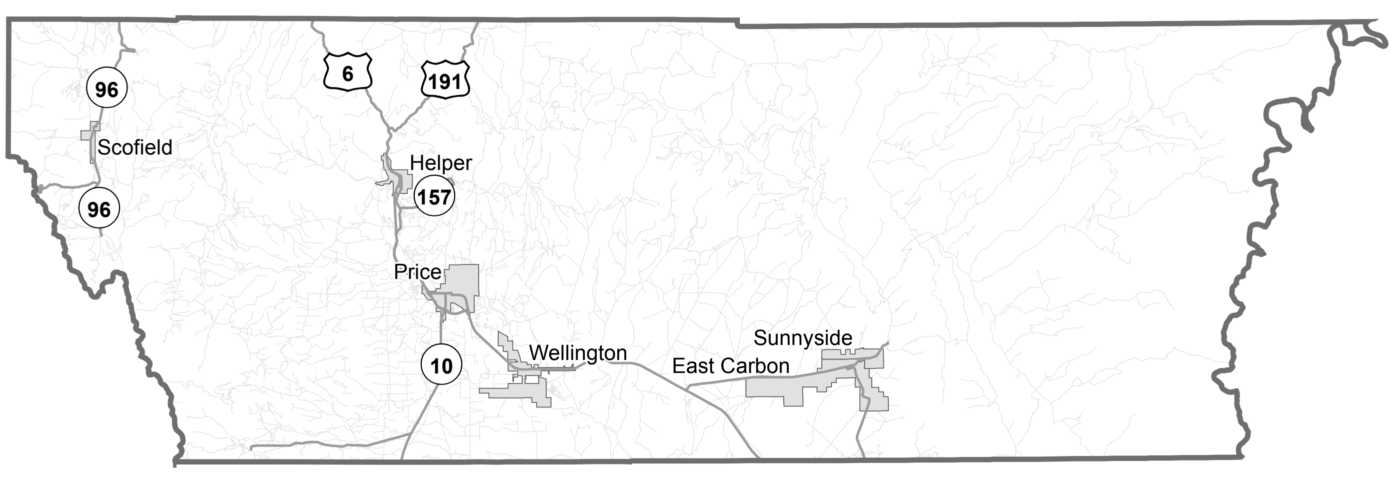
The content from websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided relating to the offering of the 2020 Bonds and is not a part of this OFFICIAL STATEMENT.



Utah School Districts



Carbon County School District



OFFICIAL STATEMENT RELATED TO

$33,740,000

Board of Education of
Carbon County School District, Utah

General Obligation School Building Bonds
(Utah School District Bond Guaranty Program), Series 2020

INTRODUCTION

This introduction is only a brief description of the 2020 Bonds, as hereinafter defined, the security and source of payment for the 2020 Bonds and certain information regarding the Board of Education (the "Board") of Carbon County School District, Utah (the "District"). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT, including the appendices. Investors are urged to make a full review of the entire OFFICIAL STATEMENT.

See the following appendices that are attached hereto and incorporated herein by reference: "APPENDIX A—FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019;" "APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL;" "APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING;" and "APPENDIX D—BOOK–ENTRY SYSTEM."

When used herein the terms "Fiscal Year[s] 20YY" or "Fiscal Year[s] End[ed][ing] June 30, 20YY" shall refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding calendar year. The terms "Calendar Year[s] 20YY" or "Tax Year[s] 20YY" shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Resolution, as hereinafter defined.

Public Sale/Electronic Bid

The 2020 Bonds were awarded pursuant to competitive bidding received by means of the PARITY® electronic bid submission system on January 22, 2020 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated as of the date of the PRELIMINARY OFFICIAL STATEMENT) to Robert W. Baird & Co., Inc., Milwaukee, Wisconsin at a "true interest rate" of 2.08%.

Carbon County School District, Utah

The District, established around 1904, shares common boundaries with Carbon County, Utah (the "County"). Located in southeastern Utah, the County is bordered on the west by the Wasatch Mountains and on the east by the Green River. The County encompasses 1,479 square miles of land and had approximately 20,269 residents in 2018 according to the U.S. Census Bureau. See location map above. See "CARBON COUNTY SCHOOL DISTRICT, UTAH" below.

The 2020 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information about the issuance and sale by the Board of its $33,740,000 General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2020 (the "2020 Bond" or "2020 Bonds"), initially issued in book–entry form only.

Security

The 2020 Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all taxable property in the District, fully sufficient to pay the 2020 Bonds as to both principal and interest. See "SECURITY AND SOURCES OF PAYMENT" and "FINANCIAL INFORMATION REGARDING CARBON COUNTY SCHOOL DISTRICT, UTAH—Ad Valorem Tax Levy And Collection" below.

Payment of the principal of and interest on the 2020 Bonds when due is guaranteed by the full faith and credit and unlimited taxing power of the State under the provisions of the Utah school district bond guaranty, Title 53G, Chapter 4, Part 8 (the "Guaranty Act"), Utah Code Annotated 1953, as amended (the "Utah Code"). See "STATE OF UTAH GUARANTY" below.

Authorization For And Purpose Of The 2020 Bonds

Authorization. The 2020 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14 (the "Local Government Bonding Act"), Utah Code; the Registered Public Obligations Act, Title 15, Chapter 7, Utah Code; and the applicable provisions of Title 53G of the Utah Code, (ii) the resolution of the Board adopted on December 11, 2019 (the "Resolution"), which provides for the issuance of the 2020 Bonds, and (iii) other applicable provisions of law.

The 2020 Bonds were authorized at a special bond election held for that purpose on November 5, 2019 (the "2019 Bond Election"). The proposition submitted to the voters of the District was as follows:

> Shall the Board of Education of Carbon County School District, Utah, be authorized to issue General Obligation Bonds in a principal amount not to exceed Thirty–Six Million Dollars ($36,000,000) for the purpose of paying all or a portion of the costs to acquire land; acquiring, constructing, furnishing and equipping new school facilities; improving or rebuilding existing facilities; and the authorization and issuance of the Bonds due and payable with a term not to exceed twenty–one (21) years from the date or dates of issuance of the Bonds?

At the 2019 Bond Election there were 2,311 votes cast in favor of the issuance of bonds and 2,017 votes cast against the issuance of bonds, for a total vote count of 4,328, with approximately 53% in favor of the issuance of bonds.

The 2020 Bonds will be the first and final block of bonds to be issued from the 2019 Bond Election.

Purpose. The 2020 Bonds are being issued to fund various acquisition, construction, furnishing and equipping of projects as set forth in the 2019 Bond Election proposition and to pay certain costs of issuance. See "THE 2020 BONDS—Sources And Uses Of Funds" below.

Redemption Provisions

The 2020 Bonds are subject to optional redemption prior to maturity. See "THE 2020 BONDS—Redemption Provisions" below.

Registration, Denominations, Manner Of Payment

The 2020 Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2020 Bonds. Purchases of 2020 Bonds will be made in book–entry form only, in the principal amount of $5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC's Direct Participants (as defined herein). Beneficial Owners (as defined herein) of the 2020 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2020 Bonds. "Direct Participants," "Indirect Participants" and "Beneficial Owners" are defined under "APPENDIX D—BOOK–ENTRY SYSTEM."

Principal of and interest on the 2020 Bonds (interest payable June 15 and December 15 of each year, commencing December 15, 2020) are payable by Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah, ("Zions Bancorporation"), as paying agent (the "Paying Agent") for the 2020 Bonds, to the registered owners of the 2020 Bonds. So long as Cede & Co. is the registered owner of the 2020 Bonds, DTC will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2020 Bonds, as described in "APPENDIX D—BOOK–ENTRY SYSTEM."

So long as DTC or its nominee is the registered owner of the 2020 Bonds, neither the Board nor the Paying Agent will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2020 Bonds. Under these same circumstances, references herein and in the Resolution to the "Bondowners" or "Registered Owners" of the 2020 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2020 Bonds.

Tax–Exempt Status Of The 2020 Bonds

In the opinion of Farnsworth Johnson PLLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from taxes imposed by the Utah Individual Income Tax Act. In the further opinion of Bond Counsel, interest on the 2020 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the 2020 Bonds.

See "TAX MATTERS" below for a more complete discussion.

Professional Services

In connection with the issuance of the 2020 Bonds, the following have served the Board in the capacity indicated.

Attorneys for the Board	*Bond Counsel*
Fabian VanCott	Farnsworth Johnson, PLLC
215 S State St Ste 1200	180 N. University Ave. Ste. 260
Salt Lake City UT 84111–2323	Provo, UT 84601
801.531.8900 | f 801.596.2814	801.932.0317
jandrews@fabianlvancott.com	brandon@farnsworthjohnson.com

Bond Registrar and Paying Agent
Zions Bancorporation, National Association
One S. Main St. 12th Fl.
Salt Lake City, UT 84133–1109
801.844.7517 | f 855.547.5428
carrie.sandoval@zionsbancorp.com

Municipal Advisor
Zions Public Finance, Inc.
One S. Main, St. 18th Fl.
Salt Lake City, UT 84133–1109
801.844.7373 | f 801.844.4484
alex.buxton@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery

The 2020 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of legality of the 2020 Bonds by Farnsworth Johnson, PLLC, Bond Counsel to the Board, and certain other conditions. Certain legal matters will be passed on for the Board by Fabian VanCott, Salt Lake City, Utah. It is expected that the 2020 Bonds, in book–entry form only, will be available for delivery in Salt Lake City, Utah for deposit with Zions Bancorporation, a "fast agent" of DTC, on or about Wednesday, February 5, 2020.

Continuing Disclosure Undertaking

The Board will enter a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2020 Bonds. For a detailed discussion of this disclosure undertaking, previous undertakings and timing of submissions see "CONTINUING DISCLOSURE UNDERTAKING" below and "APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING."

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Board, the District, the 2020 Bonds, and the Resolution are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Resolution are qualified in their entirety by reference to such document and references herein to the 2020 Bonds are qualified in their entirety by reference to the form thereof included in the Resolution. The "basic documentation" which includes the Resolution, the closing documents and other documentation, authorizing the issuance of the 2020 Bonds and establishing the rights and responsibilities of the Board and other parties to the transaction, may be obtained from the "contact persons" as indicated below.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the "Municipal Advisor") to the Board:

Alex Buxton, Vice President, alex.buxton@zionsbancorp.com
Cara Bertot, Vice President, cara.bertot@zionsbancorp.com
Zions Public Finance, Inc.
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Board concerning the 2020 Bonds is:

Darin Lancaster, Business Administrator, dlancaster@carbonschools.org
Carbon County School District
251 W 400 N
Price UT 84501
435.637.1732 | f 435.637.9417

As of the date of this OFFICIAL STATEMENT, the chief contact person for the State concerning the State guaranty for the 2020 Bonds is:

David Damschen, Utah State Treasurer, ddamschen@utah.gov
Utah State Treasurer's Office
350 N State St Ste C–180
(PO Box 142315)
Salt Lake City UT 84114–2315
801.538.1042 | f 801.538.1465

SECURITY AND SOURCES OF PAYMENT

The 2020 Bonds will be general obligations of the Board, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the District, fully sufficient to pay the 2020 Bonds as to both principal and interest.

See "FINANCIAL INFORMATION REGARDING CARBON COUNTY SCHOOL DISTRICT, UTAH—Property Tax Matters" and "STATE OF UTAH SCHOOL FINANCE" below.

Payment of the principal of and interest on the 2020 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State under the provisions of the Guaranty Act. See "STATE OF UTAH GUARANTY" below.

STATE OF UTAH GUARANTY

Guaranty Provisions

Payment of the principal of and interest on the 2020 Bonds when due is guaranteed by the full faith and credit and unlimited ad valorem taxing power of the State under the provisions of the Guaranty Act. The Guaranty Act establishes the default avoidance program (the "Program" or the "Utah School District Bond Guaranty Program"). The State's guaranty is contained in Section 53G–4–802 (2)(a) of the Guaranty Act, which provides as follows:

> The full faith and credit and unlimited taxing power of the state is pledged to guarantee full and timely payment of the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, bonds as such payments shall become due (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration).

In addition, the Guaranty Act provides that the State pledges to and agrees with the holders of bonds guaranteed under the Guaranty Act that the State will not alter, impair, or limit the rights vested by the Program with respect to said bonds until said bonds, together with applicable interest, are fully paid and discharged. However, this pledge does not preclude an alteration, impairment, or limitation if adequate provision is made by law for the protection of the holders of the bonds.

The Guaranty Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any bonds guaranteed under the Guaranty Act and (ii) bonds which are guaranteed by the State for which payment of principal and interest is provided by the deposit of direct obligations of the United States government under the provisions of the Refunding Bond Act, Title 11, Chapter 27, Utah Code, will no longer be secured by the State's guaranty subsequent to such provision for payment. This is likely to occur only if such bonds are refunded in advance of their maturity. In such an event, such bonds would then be secured solely by the obligations pledged for their payment and not by the State's guaranty.

Guaranty Procedures

Under the Guaranty Act, the Business Administrator of the Board (the "Business Administrator") is required to transfer moneys sufficient for scheduled debt service payments on the 2020 Bonds to the Paying Agent at least 15 days before any principal or interest payment date for the 2020 Bonds. If the Business Administrator is unable to transfer the scheduled debt service payment to the Paying Agent at least 15 days before the payment date, the Business Administrator must immediately notify the Paying Agent and the Utah State Treasurer (the "State Treasurer") by (i) telephone and (ii) in writing sent by (a) facsimile transmission and (b) first–class United States mail. In addition, if the Paying Agent has not received the scheduled debt service payment at least 15 days prior to the scheduled debt service payment date for the 2020 Bonds, then the Paying Agent must at least 10 days before the scheduled debt service payment notify the State Treasurer of that failure (i) by telephone and (ii) in writing sent by (a) facsimile transmission and (b) first–class United States mail. The Guaranty Act further provides that if sufficient moneys to pay the scheduled debt service payment have not been transferred to the Paying Agent, then the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the Paying Agent to make the scheduled debt service payment. Payment by the State of a debt service payment on the 2020 Bonds discharges the obligation of the Board to the bondholders for that payment, to the extent of the State's payment, and transfers the Board's obligation for that payment to the State.

In the event the State is called upon to make payment of principal of or interest on the 2020 Bonds on behalf of the Board, the State will use cash on hand (or from other legally available moneys) to make the payment. Under the Guaranty Act, the State Treasurer is required to immediately intercept any payments from the Uniform School Fund or from any other source of operating moneys provided by the State to the Board. The intercepted payments will be used to reimburse the State until all obligations of the Board to the State, including interest and penalties, are paid in full. The State does not currently expect to have to advance moneys to the Board pursuant to its guaranty. If, however, at the time the State is required to make a debt service payment under its guaranty on behalf of the Board, sufficient moneys are not on hand and available for that purpose, then the Guaranty Act provides that the State may seek a short–term loan from the Permanent School Fund sufficient to make the required payment (the Permanent School Fund is not required to make such a loan) or issue short–term State debt in the form of general obligation notes as provided in the Guaranty Act. The provisions of the Guaranty Act relating to short–term debt provide that such debt will carry the full faith and credit of the State and will be issued with a maturity of not more than 18 months so that the State could, if necessary, obtain liquidity financing on short notice. Under the State Constitution, debt incurred for this purpose does not count toward the constitutional debt limit of the State.

As of the date of this OFFICIAL STATEMENT, the State has guaranteed the following (statistics include this issuer but not this bond issue) under the Guaranty Act:

Number of school districts (out of 41 school districts in the State)	40
Number of total bond issues	358
Aggregate total principal amount outstanding	$3,670,280,000

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The approximate aggregate total annual principal and interest payments (interest payments include anticipated federal interest subsidies on "Build America Bonds" and "Qualified School Construction Bonds") due on bonds guaranteed by the State under the Program during Fiscal Years 2020 through 2025, inclusive, is as follows (currently, the Program's annual principal and interest payments extend to Fiscal Year 2040):

Fiscal Year 2020	$470,167,748
Fiscal Year 2021	430,878,709
Fiscal Year 2022	385,228,659
Fiscal Year 2023	354,769,652
Fiscal Year 2024	343,317,798
Fiscal Year 2025	331,512,711

(Source: Municipal Advisor.)

Purpose Of The Guaranty

The Guaranty Act is for the protection of the bondholders. Ultimate liability for the payment of the 2020 Bonds remains with the Board. Accordingly, the Guaranty Act contains provisions, including interception of State aid to the Board, possible action to compel levy of a tax sufficient to reimburse the State for any payments made to bondholders pursuant to its guaranty and various oversight provisions to assure that the Board, and not the State, will ultimately be responsible for debt service on the 2020 Bonds.

The Guaranty Act also charges the State Superintendent of Public Instruction with the responsibility to monitor and evaluate the fiscal solvency of each school board under the Program. He or she must immediately report to the Governor and the State Treasurer any circumstances suggesting that a school district will be unable to timely meet its debt service obligations and recommend a course of remedial action.

No Call On State Guaranty

According to the State Treasurer's office, since the Guaranty Act's inception in January 1997, the State has not been called upon to pay the principal of and interest on any bonds guaranteed under the Guaranty Act.

State Of Utah–Financial And Operating Information

The comprehensive annual financial report of the State for Fiscal Year 2019 (the "State CAFR"), its most recent official statements and current continuing disclosure information for its general obligation (CUSIP® 917542) and lease revenue (CUSIP® 917547) bond debt are currently on file with EMMA (emma.msrb.org), herein defined. The financial and operating information with respect to the State contained in the State CAFR, such official statements and continuing disclosure information, and the Master Agreement, as hereinafter defined, are hereby included by reference in this OFFICIAL STATEMENT; provided, however, the Board has not reviewed or approved and taken the responsibility for such financial and operating information incorporated herein by reference.

As of the date of this OFFICIAL STATEMENT, the outstanding general obligation bonds of the State are rated "AAA" by Fitch Ratings ("Fitch"), "Aaa" by Moody's Investors Service, Inc. ("Moody's"), and "AAA" by S&P Global Ratings ("S&P").

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking For 2020 Bonds

The Board will enter into a Continuing Disclosure Undertaking (the "Disclosure Undertaking") for the benefit of the Beneficial Owners of the 2020 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system ("EMMA") pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the proposed form of Disclosure Undertaking in "APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING."

The Board represents that during the five years prior to the date of this OFFICIAL STATEMENT, the Board has not failed to comply in all material respects with its prior undertakings pursuant to the Rule.

Based on prior disclosure undertakings the Board submits its annual financial report for each Fiscal Year Ending June 30 (the "Financial Report") and other operating and financial information on or before January 16 (200 days from the end of the Fiscal Year). The Board will submit the Fiscal Year 2020 Financial Report and other required operating and financial information for the 2020 Bonds on or before January 16, 2021, and annually thereafter on or before each January 16.

A failure by the Board to comply with the Disclosure Undertaking will not constitute a default under the Resolution and Beneficial Owners of the 2020 Bonds are limited to the remedies described in the Disclosure Undertaking. See "APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING." A failure by the Board to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2020 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2020 Bonds and their market price.

The Board is responsible for continuing disclosure under the Rule for all other matters relating to the 2020 Bonds.

State of Utah Continuing Disclosure

The State has entered into a Master Continuing Disclosure Agreement (2019) (the "Master Agreement") for the benefit of the Beneficial Owners of bonds guaranteed by the State pursuant to the Guaranty Act, including the 2020 Bonds. See "STATE OF UTAH GUARANTY" above. In the Master Agreement, the State has undertaken to send certain information annually and to provide notice of certain events to the MSRB through EMMA pursuant to the Rule, but solely as to its responsibilities under its guaranty. See "STATE OF UTAH GUARANTY—State Of Utah–Financial And Operating Information" above. For a copy of the Master Agreement, see treasurer.utah.gov/investor-information/school-bond-guarantee-program. Based on prior disclosure undertakings, the State submits its Fiscal Year Ending June 30 State CAFR and other operating and financial information on or before January 15 (on or before 199 days from the end of the Fiscal Year). The State has agreed to submit the State CAFR and other operating and financial information on or before January 15, 2020 (and annually thereafter on or before each January 15). See emma.msrb.org/StateofUtahhomepage.

In its most recent official statement for its general obligation bonds (CUSIP® 917542), which is on file with EMMA (emma.msrb.org), the State identified certain instances in which it failed to file a material event notice and to provide certain operating information under other continuing disclosure undertakings. Such disclosure with respect to the State's failures comply with its previous undertakings. Such official statement is hereby included by reference in this OFFICIAL STATEMENT; provided, however, the Board has not reviewed, approved or taken the responsibility for such disclosure incorporated herein by reference.

THE 2020 BONDS

General

The 2020 Bonds will be dated the date of their original issuance and delivery[1] (the "Dated Date") and will mature on June 15 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT. The 2020 Bonds will bear interest from their Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2020 Bonds is payable semiannually on each June 15 and December 15, commencing December 15, 2020. Interest on the 2020 Bonds will be computed based on a 360–day year comprised of 12, 30–day months.

Zions Bancorporation is the Bond Registrar (the initial "Bond Registrar") and Paying Agent for the 2020 Bonds under the Resolution.

The 2020 Bonds will be issued as fully–registered bonds, initially in book–entry form, in the denomination of $5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

The 2020 Bonds are being issued within the constitutional debt limit imposed on boards of education of school districts in the State. See "DEBT STRUCTURE OF CARBON COUNTY SCHOOL DISTRICT, UTAH—General Obligation Legal Debt Limit And Additional Debt Incurring Capacity" below.

Redemption Provisions

Optional Redemption. The 2020 Bonds maturing on or after June 15, 2030, are subject to redemption prior to maturity in whole or in part at the option of the Board on December 15, 2029, or on any date thereafter, from such maturities or parts thereof as may be selected by the Board, and at random within each maturity if less than the full amount of any maturity is to be redeemed, upon not less than 30 nor more than 45 days' prior written notice, at a redemption price of 100% of the principal amount of the 2020 Bonds to be redeemed, plus accrued interest thereon to the redemption date.

Selection for Redemption. If less than all 2020 Bonds of any maturity are to be redeemed, the 2020 Bonds or portion of 2020 Bonds of such maturity to be redeemed will be selected at random by the Bond Registrar in such manner as the Bond Registrar in its discretion may deem fair and appropriate. The portion of any registered 2020 Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or a whole multiple thereof, and in selecting portions of such 2020 Bonds for redemption, the Bond Registrar will treat each such 2020 Bond as representing that number of 2020 Bonds of $5,000 denomination that is obtained by dividing the principal amount of such 2020 Bond by $5,000.

Notice of Redemption. Notice of redemption will be given by the Bond Registrar by registered or certified mail, not less than 30 nor more than 45 days prior to the redemption date, to the owner, as of the Record Date, as defined under "THE 2020 BONDS—Registration And Transfer; Record Date" below, of each 2020 Bond that is subject to redemption, at the address of such owner as it appears on the registration books of the Board kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption will state the Record Date, the principal amount, the redemption date, the place of redemption, the redemption price

[1] The anticipated date of delivery is Wednesday, February 5, 2020.

and, if less than all of the 2020 Bonds are to be redeemed, the distinctive numbers of the 2020 Bonds or portions of 2020 Bonds to be redeemed, and will also state that the interest on the 2020 Bonds in such notice designated for redemption will cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the 2020 Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date.

Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such 2020 Bonds to be redeemed and that if such moneys have not been so received the notice will be of no force or effect and the Board will not be required to redeem such 2020 Bonds. If such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Bond Registrar will within a reasonable time thereafter give notice, in the way the notice of redemption was given, that such moneys were not so received.

Any notice of redemption mailed as provided in the Resolution will be conclusively presumed to have been duly given, whether the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any 2020 Bond will not affect the validity of the proceedings for redemption with respect to any other 2020 Bond.

In addition to the foregoing notice, further notice of such redemption will be given by the Bond Registrar by posting to EMMA as provided in the Resolution.

For so long as a book–entry system is in effect with respect to the 2020 Bonds, the Bond Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2020 Bonds. See "THE 2020 BONDS—Book–Entry System" below.

Registration And Transfer; Record Date

Registration and Transfer. In the event the book–entry system is discontinued, any 2020 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner's duly authorized attorney, upon surrender of such 2020 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any 2020 Bond is surrendered for transfer, the Bond Registrar will authenticate and deliver a new fully registered 2020 Bond or 2020 Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the Board, for a like aggregate principal amount.

The 2020 Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of fully registered 2020 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the 2020 Bonds, the Bond Registrar must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2020 Bonds.

Record Date. The term "Record Date" means the day that is 15 days immediately preceding each interest payment date. The Bond Registrar will not be required to transfer or exchange any 2020 Bond (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the notice of redemption has been given by the Bond Registrar.

The Board, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2020 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for receiving payment of, or because, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

Book–Entry System

DTC will act as securities depository for the 2020 Bonds. The 2020 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2020 Bond certificate will be issued for each maturity of the 2020 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "APPENDIX D—BOOK–ENTRY SYSTEM" for a more detailed discussion of the book–entry system and DTC.

In the event the book–entry system is discontinued, interest on the 2020 Bonds will be payable by check or draft of the Paying Agent, mailed to the registered owners thereof at the addresses shown on the registration books of the Board kept for that purpose by the Bond Registrar. The principal of all 2020 Bonds will be payable at the principal office of the Paying Agent.

Sources And Uses Of Funds

The proceeds from the sale of the 2020 Bonds are estimated to be applied as set forth below:

Sources:	
Par amount of 2020 Bonds	$33,740,000.00
Original issue premium	3,432,605.70
Total	$37,172,605.70
Uses:	
Deposit to Construction Account	$36,525,000.00
Successful bidder's discount	330,390.92
Costs of Issuance (1)	191,852.33
Original issue discount	125,362.45
Total	$37,172,605.70

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Bond Registrar and Paying Agent fees, rounding amounts and other miscellaneous costs of issuance.

(Source: Municipal Advisor.)

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Debt Service On The 2020 Bonds

Payment Date	The 2020 Bonds Principal	Interest	Period Total	Fiscal Total
December 15, 2020	$ 0.00	$ 973,060.94	$ 973,060.94	
June 15, 2021	135,000.00	565,003.13	700,003.13	$1,673,064.07
December 15, 2021	0.00	563,653.13	563,653.13	
June 15, 2022	1,190,000.00	563,653.13	1,753,653.13	2,317,306.26
December 15, 2022	0.00	533,903.13	533,903.13	
June 15, 2023	1,250,000.00	533,903.13	1,783,903.13	2,317,806.26
December 15, 2023	0.00	502,653.13	502,653.13	
June 15, 2024	1,310,000.00	502,653.13	1,812,653.13	2,315,306.26
December 15, 2024	0.00	469,903.13	469,903.13	
June 15, 2025	1,375,000.00	469,903.13	1,844,903.13	2,314,806.26
December 15, 2025	0.00	435,528.13	435,528.13	
June 15, 2026	1,445,000.00	435,528.13	1,880,528.13	2,316,056.26
December 15, 2026	0.00	399,403.13	399,403.13	
June 15, 2027	1,520,000.00	399,403.13	1,919,403.13	2,318,806.26
December 15, 2027	0.00	361,403.13	361,403.13	
June 15, 2028	1,595,000.00	361,403.13	1,956,403.13	2,317,806.26
December 15, 2028	0.00	321,528.13	321,528.13	
June 15, 2029	1,675,000.00	321,528.13	1,996,528.13	2,318,056.26
December 15, 2029	0.00	279,653.13	279,653.13	
June 15, 2030	1,760,000.00	279,653.13	2,039,653.13	2,319,306.26
December 15, 2030	0.00	235,653.13	235,653.13	
June 15, 2031	1,845,000.00	235,653.13	2,080,653.13	2,316,306.26
December 15, 2031	0.00	207,978.13	207,978.13	
June 15, 2032	1,900,000.00	207,978.13	2,107,978.13	2,315,956.26
December 15, 2032	0.00	188,978.13	188,978.13	
June 15, 2033	1,940,000.00	188,978.13	2,128,978.13	2,317,956.26
December 15, 2033	0.00	169,578.13	169,578.13	
June 15, 2034	1,980,000.00	169,578.13	2,149,578.13	2,319,156.26
December 15, 2034	0.00	149,778.13	149,778.13	
June 15, 2035	2,020,000.00	149,778.13	2,169,778.13	2,319,556.26
December 15, 2035	0.00	127,053.13	127,053.13	
June 15, 2036	2,065,000.00	127,053.13	2,192,053.13	2,319,106.26
December 15, 2036	0.00	103,821.88	103,821.88	
June 15, 2037	2,110,000.00	103,821.88	2,213,821.88	2,317,643.76
December 15, 2037	0.00	80,084.38	80,084.38	
June 15, 2038	2,155,000.00	80,084.38	2,235,084.38	2,315,168.76
December 15, 2038	0.00	54,493.75	54,493.75	
June 15, 2039	2,210,000.00	54,493.75	2,264,493.75	2,318,987.50
December 15, 2039	0.00	28,250.00	28,250.00	
June 15, 2040	2,260,000.00	28,250.00	2,288,250.00	2,316,500.00
Totals	$33,740,000.00	$11,964,657.99	$45,704,657.99	

(Source: Municipal Advisor.)

CARBON COUNTY SCHOOL DISTRICT, UTAH

General

The District, established around 1904, shares common boundaries with the County. Located in southeastern Utah, the County is bordered on the west by the Wasatch Mountains and on the east by the Green River. The County incorporated in 1894 and encompasses 1,479 square miles of land and had approximately 20,269 residents in 2018 according to the U.S. Census Bureau.

Price City (the "City"), incorporated in 1911, covers an area of approximately four-square miles and is the county seat of the County. The City is located approximately 125 miles southeast of Salt Lake City. The City, known as the State's "Coal Capital," is the largest city in the County and is the distribution point for a large agricultural and commercial tributary area including the counties of Carbon, Emery, and parts of Uintah, Grand, San Juan, and Duchesne. The City had 8,232 residents according to the U.S. Census Bureau estimate. Other cities within the County include East Carbon City, Helper City, Scofield Town, Wellington City and Sunnyside City. The District's headquarters are located in the City.

The District operates nine schools located in the communities of Price City (one special, two elementary schools, one junior high school, and one high school); Helper City (one elementary and one junior high school); Sunnyside City (one elementary school); and Wellington City (one elementary school). The historical and estimated October 1 enrollment within the District is as follows:

The historical October 1 enrollment within the District is as follows:

October 1	Total	% Increase Over Prior Year
2019	3,472	(0.3)%
2018	3,484	3.6
2017	3,364	0.5
2016	3,348	(1.0)
2015	3,383	0.0
2014	3,384	0.4
2013	3,369	(1.9)
2012	3,435	0.4
2011	3,423	(1.0)
2010	3,458	(0.1)

(Source: The District.)

Charter Schools. The District has one operating charter school located within the boundaries of the District. The October 1, 2019 enrollment within this school is approximately 456 students. Students who attend charters schools in the District may live outside the boundaries of the District and the District cannot determine the number of charter school students who live outside the boundaries of the District.

Funding for charter schools comes directly from the State based on student attendance. Beginning in Fiscal Year 2017, the State imposed a tax rate levy for the funding of charter schools, including those charter schools within the District. Property tax revenues from the charter school tax rate levy is not received by the District but paid directly by the County to the State. Also, see "FINANCIAL INFORMATION REGARDING CARBON COUNTY SCHOOL DISTRICT, UTAH—Historical Tax Rates Of The District" below.

Form Of Government

Board of Education. The determination of policies for the management of the District is the responsibility of the Board, the members of which are elected by the qualified electors within the District. The District is divided into five representative precincts, and a member of the Board is elected from each precinct. Members serve four–year terms, which are staggered to provide continuity.

The Board is empowered, among other things, to: (i) implement core curriculum; (ii) administer tests which measure the progress of each student, and create plans to improve the student's progress; (iii) implement training programs for school administrators; (iv) purchase, sell and improve school sites, buildings and equipment; (v) construct and furnish school buildings; (vi) establish, locate and maintain elementary, secondary and applied technology schools; (vii) maintain school libraries; (viii) make and enforce all necessary rules and regulations for the control and management of the public schools in the District; (ix) adopt bylaws and rules for its own procedure; and (x) appoint a superintendent of schools, business administrator, and such officers or employees as are deemed necessary for the promotion of the interests of the schools.

Superintendent. The Superintendent of Schools (the "Superintendent") is appointed by the Board and is responsible for the actual administration of the schools in the District. The powers and duties of the Superintendent are prescribed by the Board. Pursuant to State law, the Superintendent is required to prepare and submit to the Board an annual budget itemizing anticipated revenues and expenditures for the next school year. The Superintendent is appointed for a two–year term and until a successor is appointed.

Business Administrator. The Business Administrator is appointed by the Board and reports to the Superintendent. The duties of the Business Administrator, among others, are to (i) attend all meetings of the Board and keep a journal of the proceedings, (ii) countersign all warrants drawn upon the District treasury, (iii) keep an account and prepare and publish an annual statement of moneys received by the District and amounts paid out of the treasury, and (iv) have custody of the records and papers of the Board. The Business Administrator is the custodian of all moneys belonging to the District and is required to prepare and submit to the Board a monthly report of the receipts and disbursements of the Business Administrator's office. The Business Administrator is appointed for a two–year term and until a successor is appointed.

Current members of the Board, the Superintendent, the Business Administrator, and other administrators and their respective terms in office are as follows:

Office	Person	Years in Position	Expiration of Current Term
President	Wayne Woodward	13	December 2022
Vice President	Jeff Richens	11	December 2020
Member	Melanie Fausett	7	December 2020
Member	Lee McCourt	9	December 2022
Member	Kristen Taylor	7	December 2020
Superintendent	Lance Hatch	2	Appointed/June 2021
Business Administrator	Darin Lancaster	13	Appointed/December 2021

(Source: The District.)

Employee Workforce And Retirement System; Other Post–Employment Benefits

Employee Workforce and Retirement System. As of Fiscal Year 2019 the District approximately 305 full–time employees. The District participates in cost–sharing multiple employer public employee retirement systems which are defined benefit pension plans and defined contribution plans covering public employees of the State and employees of participating local government entities administered by the Utah State Retirement Systems ("URS"). The retirement system provides refunds, retirement benefits, annual cost of living adjustment and death benefits to plan members and beneficiaries in accordance with retirement statutes. The District also participates in deferred compensation plans with URS. The retirement and deferred compensation plans are administered by the URS under the direction of the URS board, which consists of six members appointed by the Governor of the State and the State Treasurer. For a detailed discussion regarding URS retirement benefits and contributions see "APPENDIX A—FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Notes to Basic Financial Statements–Note 5. Pension Plan" (audit page 35).

Other Post–Employment Benefits. The District provides an early retirement incentive comprising of a cash stipend (paid into either an HRA medical trust account or 403n retirement plan), restricted to full–

time educators hired before January 1, 2007, who have a minimum of 20 years of service in the District and who are eligible to retire through Utah Retirement Systems. Qualifying employees receive a monthly stipend of 1/12 of 25% of the employee's base salary for a maximum of up to six years or until the employee becomes eligible for unreduced Social Security benefits, whichever comes first.

The District has committed $3,500,000 of the General Fund fund's balance for the purpose of funding the early retirement benefit. As of the date of this OFFICIAL STATEMENT, the Board currently does not expect its current or future policies regarding these post–employment benefits to have a negative financial impact on the District. For a detailed discussion regarding these retirement benefits see "APPENDIX A—FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Notes to Basic Financial Statements–Note 15. Other Post–Employment Benefit (OPEB)" (audit page 47).

Risk Management

The District is a member of a risk pool through which the State self–insures portions of certain property and liability claims and purchases commercial insurance for claims above the self–insured retention amounts. This is done through the State's Administrative Services Risk Management Fund. The fund is maintained via premiums charged to its members—State agencies, institutions of higher education, school districts and charter schools.

As of Fiscal Year 2019, the Administrative Services Risk Management Fund contained approximately $63.558 million in reserve available to pay for claims incurred.

For a general discussion of insurance coverage, limits of coverage, health insurance benefits, dental insurance benefits, unemployment compensation and payment claims see "APPENDIX A—FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Notes to Basic Financial Statements–Note. 9. Risk Management" (audit page 45).

Investment Of Funds

The State Money Management Act. The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the "Money Management Act"), governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in–state and permitted out–of–state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the "Money Management Council") to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The Board is currently complying with all the provisions of the Money Management Act for all Board operating funds.

The Utah Public Treasurers' Investment Fund. A significant portion of Board funds may be invested in the Utah Public Treasurers Investment Fund ("PTIF"). The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short–term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF is not rated.

See "APPENDIX A—FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Notes to Basic Financial Statements–Note 2. Deposits and Investments" (audit page 28).

Investment of 2020 Bond Proceeds. The proceeds of the 2020 Bonds will be held by the Board and invested to be readily available. The 2020 Bond proceeds may also be invested in the PTIF or other investments authorized under the Money Management Act.

Population

The following historical population information is provided for the County and the State.

	County	% Change From Prior Period	State of Utah	% Change From Prior Period
2019 Estimate (1)	n/a	–	3,205,958	1.4%
2018 Estimate (2)	20,269	(5.3)%	3,161,105	14.4
2010 Census	21,403	4.8	2,763,885	23.8
2000 Census	20,422	1.0	2,233,169	29.6
1990 Census	20,228	(8.8)	1,722,850	17.9
1980 Census	22,179	41.7	1,461,037	37.9
1970 Census	15,647	(26.0)	1,059,273	18.9
1960 Census	21,135	(15.1)	890,627	29.3
1950 Census	24,901	34.9	688,862	25.2
1940 Census	18,459	3.7	550,310	8.4
1930 Census	17,798	14.9	507,847	13.0
1920 Census	15,489	79.6	449,396	20.4
1910 Census	8,624	72.3	373,351	34.9

(1) U.S. Bureau of the Census estimates for July 1, 2019. Percentage change is calculated from the 2018 July estimate.

(2) U.S. Bureau of the Census estimates for July 1, 2018. Percentage change is calculated from the 2010 Census.

(Source: U.S. Department of Commerce, Bureau of the Census.)

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Employment, Income, Construction, And Sales Taxes Within Carbon County And The State of Utah

Labor Force, Nonfarm Jobs and Wages within Carbon County

	Calendar Year (1)						% change from prior year				
	2018	2017	2016	2015	2014	2013	2017–18	2016–17	2015–16	2014–15	2013–14
Civilian labor force	9,879	8,285	8,338	8,709	8,694	8,948	19.2	(0.6)	(4.3)	0.2	(2.8)
Employed persons	8,092	7,865	7,843	8,213	8,248	8,383	2.9	0.3	(4.5)	(0.4)	(1.6)
Unemployed persons	385	420	495	496	446	565	(8.3)	(15.2)	(0.2)	11.2	(21.1)
Total private sector (average)	6,600	6,971	6,289	6,728	6,698	6,793	(5.3)	10.8	(6.5)	0.4	(1.4)
Agriculture, forestry, fishing and hunting	20	n/a	21	n/a	n/a	n/a	100.0	n/a	n/a	n/a	n/a
Mining	836	612	571	631	673	669	36.6	7.2	(9.5)	(6.2)	0.6
Utilities	117	118	122	136	160	162	(0.8)	(3.3)	(10.3)	(15.0)	(1.2)
Construction	373	368	425	514	427	418	1.4	(13.4)	(17.3)	20.4	2.2
Manufacturing	357	308	291	319	328	333	15.9	5.8	(8.8)	(2.7)	(1.5)
Wholesale trade	309	314	30	340	366	458	(1.6)	946.7	(91.2)	(7.1)	(20.1)
Retail trade	1,023	1,015	1,090	1,120	1,125	1,156	0.8	(6.9)	(2.7)	(0.4)	(2.7)
Transportation and warehousing	527	480	466	621	662	562	9.8	3.0	(25.0)	(6.2)	17.8
Information	55	66	70	78	74	78	(16.7)	(5.7)	(10.3)	5.4	(5.1)
Finance and insurance	141	138	145	157	179	193	2.2	(4.8)	(7.6)	(12.3)	(7.3)
Real estate, rental and leasing	45	53	51	56	53	64	(15.1)	3.9	(8.9)	5.7	(17.2)
Professional, scientific, and technical services	305	278	258	254	208	243	9.7	7.8	1.6	22.1	(14.4)
Management of companies and enterprises	na	35	32	40	41	n/a		9.4	(20.0)	(2.4)	n/a
Admin., support, waste mgmt., remediation	271	308	305	364	373	392	(12.0)	1.0	(16.2)	(2.4)	(4.8)
Education services	1,177	1,132	1,104	1,076	1,063	1,022	4.0	2.5	2.6	1.2	4.0
Health care and social assistance	1,273	1,259	1,238	1,159	1,102	1,107	1.1	1.7	6.8	5.2	(0.5)
Arts, entertainment and recreation	140	144	147	127	129	131	(2.8)	(2.0)	15.7	(1.6)	(1.5)
Accommodation and food services	675	634	661	705	697	667	6.5	(4.1)	(6.2)	1.1	4.5
Other services	367	351	315	306	310	326	4.6	11.4	2.9	(1.3)	(4.9)
Total public sector (average)	2,241	2,158	2,125	2,089	2,080	2,078	3.8	1.6	1.7	0.4	0.1
Federal	149	144	147	145	144	160	3.5	(2.0)	1.4	0.7	(10.0)
State	777	705	687	671	657	649	10.2	2.6	2.4	2.1	1.2
Local	1,316	1,310	1,291	1,274	1,278	1,269	0.5	1.5	1.3	(0.3)	0.7
Total payroll (in millions)	$ 358	$ 324	$ 325	$ 353	$ 342	$ 336	10.3	(0.2)	(8.0)	3.2	1.7
Average monthly wage	$ 3,371	$ 3,211	$ 3,219	$ 3,337	$ 3,247	$ 3,159	5.0	(0.2)	(3.5)	2.8	2.8
Average employment	8,841	8,413	8,413	8,817	8,778	8,870	5.1	0.0	(4.6)	0.4	(1.0)
Establishments	632	625	637	636	651	668	1.1	(1.9)	0.2	(2.3)	(2.5)

(1) Utah Department of Workforce Services.

Employment, Income, Construction, And Sales Taxes Within Carbon County And The State Of Utah–continued

Personal Income; Per Capita Personal Income; Median Household Income within Carbon County and the State of Utah

	Calendar Year (1)						% change from prior year				
	2018	2017	2016	2015	2014	2013	2017–18	2016–17	2015–16	2014–15	2013–14
Total Personal Income (in $1,000's):											
Carbon County	$ 780,330	$ 726,314	$ 705,376	$ 717,598	$ 703,623	$ 686,731	7.4	3.0	(1.7)	2.0	2.5
State of Utah	146,422,529	136,543,686	128,929,427	121,884,897	113,140,896	106,612,905	7.2	5.9	5.8	7.7	6.1
Total Per Capita Personal Income:											
Carbon County	38,499	36,013	34,708	35,202	34,100	32,856	6.9	3.8	(1.4)	3.2	3.8
State of Utah	46,320	44,002	42,375	40,867	38,517	36,764	5.3	3.8	3.7	6.1	4.8
Median Household Income:											
Carbon County	49,743	47,627	49,743	47,894	47,340	44,594	4.4	(4.3)	3.9	1.2	6.2
State of Utah	71,381	68,395	65,931	62,961	60,943	59,715	4.4	3.7	4.7	3.3	2.1

Construction within Carbon County (2)

	Calendar Year						% change from prior year				
	2019 (3)	2018	2017	2016	2015	2014	2018–19	2017–18	2016–17	2015–16	2014–15
Number new dwelling units	25	28	21	7	23	25	25.0	33.3	200.0	(69.6)	(8.0)
New (in $1,000's):											
Residential value	$ 6,046.6	$ 7,285.3	$ 4,156.9	$ 1,933.3	$ 6,644.8	$ 1,614.5	13.8	75.3	115.0	(70.9)	311.6
Non–residential value	2,115.7	4,020.9	16,416.1	7,251.8	1,547.6	395.4	(32.4)	(75.5)	126.4	368.6	291.4
Additions, alterations, repairs (in $1,000's):											
Residential value	1,640.3	1,849.5	2,571.7	1,310.3	2,559.7	547.9	2.1	(28.1)	96.3	(48.8)	367.2
Non–residential value	3,296.0	3,276.7	1,935.8	1,603.1	1,367.5	683.2	4.9	69.3	20.7	17.2	100.2
Total construction value (in $1,000's)	$ 13,098.6	$ 16,432.4	$ 25,080.4	$ 12,098.6	$ 12,119.6	$ 3,241.0	274.6	(34.5)	107.3	(0.2)	273.9

Sales Taxes Within Carbon County and the State of Utah (4)

	Calendar Year						% change from prior year				
	2018	2017	2016	2015	2014	2013	2017–18	2016–17	2015–16	2014–15	2013–14
Taxable Sales (in $1,000's):											
Carbon County	$ 411,911	$ 382,963	$ 362,104	$ 390,437	$ 425,133	$ 403,614	7.6	5.8	(7.3)	(8.2)	5.3
State of Utah	64,982,524	61,031,692	56,502,434	53,933,277	51,709,163	49,404,046	6.5	8.0	4.8	4.3	4.7

	Fiscal Year						% change from prior year				
	2018	2017	2016	2015	2014	2013	2017–18	2016–17	2015–16	2014–15	2013–14
Local Sales and Use Tax Distribution:											
Carbon County (and all cities)	$ 4,079,868	$ 3,701,752	$ 3,859,642	$ 4,066,140	$ 3,911,267	$ 3,844,438	10.2	(4.1)	(5.1)	4.0	1.7

(1) Source: U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.
(2) Source: University of Utah Kem C. Gardner Policy Institute, Ivory–Boyer Utah Report and Database.
(3) Information as of October 2019 only; % change from prior year compared to October 2018.
(4) Source: Utah State Tax Commission.

Largest Employers

Employer (Location)	Business Category	Range of Number of Employees
Carbon County School District (county–wide)..............	Education services	250–500
Canyon Fuels Company LLP Et Al (Wellington)...........	Mining	250–500
Castleview Hospital LLC (Price)..................................	Health care and social assistance	250–500
State of Utah (county–wide)...	State government	250–500
Utah State University (Price)..	Higher education	250–500
Anadarko Petroleum Corporation (Wellington)	Oil and gas extraction	100–250
Carbon County (county–wide)	Local government	100–250
Captioncall (Price)...	Professional, scientific, and tech.	100–250
Intermountain Electronics (Price)..................................	Computer and electronic product mfg.	100–250
Joy Technologies (Price)	Merchant wholesalers, durable goods	100–250
Pinnacle Canyon Academy (Price)................................	Education	100–250
Price Municipal Corporation	Local government	100–250
Savage Industries (Wellington)	Truck transportation	100–250
United States Government (county–wide).....................	Federal government	100–250
Utahamerican Energy (East Carbon)	Mining	100–250
Wal–Mart Associates, Inc. (Price).................................	Retail trade	100–250

(Source: Utah Department of Workforce Services. Updated information as of September 2018.)

Rate Of Unemployment—Annual Average

Year	Carbon County	State of Utah	United States
2019 (1)...........................	3.2%	2.5%	3.6%
2018	4.5	3.1	3.9
2017	5.1	3.2	4.4
2016	5.9	3.4	4.9
2015	5.7	3.6	5.3
2014	5.1	3.8	6.2

(1) Preliminary, subject to change. As of October 2019 (seasonally adjusted).

(Source: Utah Department of Workforce Services.)

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DEBT STRUCTURE OF CARBON COUNTY SCHOOL DISTRICT, UTAH

Outstanding General Obligation Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2020 (a)................	School building	$33,740,000	June 15, 2040	$33,740,000
2017 (1)..................	Refunding	3,695,000	June 15, 2021	1,426,000
Total Outstanding Direct Debt				$35,166,000

(a) For purposes of this OFFICIAL STATEMENT, the 2020 Bonds will be considered issued and outstanding. Rated "Aaa" (State of Utah Guaranty; underlying rating of "A1") by Moody's, as of the date of this OFFICIAL STATEMENT.

(1) The 2017 Bonds were privately placed and were not rated.

(Source: Municipal Advisor.)

Additional Information. For the Board's general obligation debt outstanding as of Fiscal Year 2018 see "APPENDIX A—FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Notes to Basic Financial Statements–6. Long–Term Debt" (audit page 43).

Future Issuance Of Debt

Other than the issuance of the 2020 Bonds or any refunding opportunities, the District does not anticipate the issuance of any other debt within the next three years.

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Debt Service Schedule Of Outstanding General Obligation Bonds By Fiscal Year

Fiscal Year Ending June 30	Series 2020 $33,740,000 Principal	Series 2020 $33,740,000 Interest	Series 2017 $3,695,000 Principal	Series 2017 $3,695,000 Interest	Totals Total Principal	Totals Total Interest	Totals Total Debt Service
2019……….	$ 0	$ 0	$ 777,000	$ 28,356	$ 777,000	$ 28,356	$ 805,356
2020……….	0		795,000	28,356	795,000	28,356	823,356
2021……….	135,000	1,538,064	631,000	13,251	766,000	1,551,315	2,317,315
2022……….	1,190,000	1,127,306	–	–	1,190,000	1,127,306	2,317,306
2023……….	1,250,000	1,067,806	–	–	1,250,000	1,067,806	2,317,806
2024……….	1,310,000	1,005,306	–	–	1,310,000	1,005,306	2,315,306
2025……….	1,375,000	939,806	–	–	1,375,000	939,806	2,314,806
2026……….	1,445,000	871,056	–	–	1,445,000	871,056	2,316,056
2027……….	1,520,000	798,806	–	–	1,520,000	798,806	2,318,806
2028……….	1,595,000	722,806	–	–	1,595,000	722,806	2,317,806
2029……….	1,675,000	643,056	–	–	1,675,000	643,056	2,318,056
2030……….	1,760,000	559,306	–	–	1,760,000	559,306	2,319,306
2031……….	1,845,000	471,306	–	–	1,845,000	471,306	2,316,306
2032……….	1,900,000	415,956	–	–	1,900,000	415,956	2,315,956
2033……….	1,940,000	377,956	–	–	1,940,000	377,956	2,317,956
2034……….	1,980,000	339,156	–	–	1,980,000	339,156	2,319,156
2035……….	2,020,000	299,556	–	–	2,020,000	299,556	2,319,556
2036……….	2,065,000	254,106	–	–	2,065,000	254,106	2,319,106
2037……….	2,110,000	207,644	–	–	2,110,000	207,644	2,317,644
2038……….	2,155,000	160,169	–	–	2,155,000	160,169	2,315,169
2039……….	2,210,000	108,988	–	–	2,210,000	108,988	2,318,988
2040……….	2,260,000	56,500	–	–	2,260,000	56,500	2,316,500
Totals………	$ 33,740,000	$ 11,964,658	$ 2,203,000	$ 69,963	$35,943,000	$12,034,621	$47,977,621

(Source: The Municipal Advisor.)

Overlapping And Underlying General Obligation Debt

Taxing Entity	2019 Taxable Value (1)	Board's Portion of Taxable Value	Board's Percentage	Entity's General Obligation Debt	Board's Portion of G.O. Debt
Overlapping:					
State of Utah	$315,430,304,180	$1,699,735,499	0.5%	$2,003,625,000	$10,018,125
Total overlapping..					10,018,125
Underlying:					
Total underlying..					0
Total overlapping and underlying general obligation debt					$10,018,125
Total *overlapping* general obligation debt (excluding the State) (3)					$ 0
Total of the District's portion of *direct* general obligation bonded indebtedness................					35,166,000
Total *direct* and *overlapping* general obligation debt (excluding the State)........................					$35,166,000

This table excludes any additional principal amounts attributable to unamortized original issue bond premium.

(1) *Preliminary; subject to change*. Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property and valuation on semiconductor manufacturing equipment. See "FINANCIAL INFORMATION REGARDING CARBON COUNTY SCHOOL DISTRICT, UTAH—Taxable, Fair Market And Market Value Of Property Within The District" below.
(2) Central Utah Water Conservancy District ("CUWCD") outstanding general obligation bonds are limited ad valorem tax bonds. Certain portions of the principal of and interest on CUWCD's general obligation bonds are paid from revenues from the sale of water.
(3) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

(Source: Municipal Advisor.)

Debt Ratios Regarding General Obligation Debt

The following table sets forth the ratios of general obligation debt (excluding any additional principal amounts attributable to unamortized original issue bond premium) that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the taxable value of property within the District, the estimated market value of such property and the population of the District. *The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.*

	To 2019 Estimated Taxable Value (1)	To 2019 Estimated Market Value (2)	To 2018 Population Estimate Per Capita (3)
Direct general obligation debt...	2.07%	1.66%	$1,735
Direct and overlapping general obligation debt	2.07	1.66	1,735

(1) Based on an estimated 2019 Taxable Value of $1,699,735,499, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
(2) Based on an estimated 2019 Market Value of $2,116,208,464, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.
(3) Based on the 2018 population estimate (based on incorporated cities within the District) of 20,269 from the U.S. Census Bureau.

(Source: Municipal Advisor.)

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

The general obligation indebtedness of the Board is limited by State law to 4% of the fair market value of taxable property in the District (*based on the last equalized property tax assessment roll*). The legal debt limit and additional debt incurring capacity of the Board (after the issuance of the 2020 Bonds) are based on the fair market value for 2018 and the calculated valuation value from 2018 Uniform Fees, and are calculated as follows:

2018 "Fair Market Value"	$2,134,403,733
2018 valuation from Uniform Fees	56,118,249
2018 "Fair Market Value for Debt Incurring Capacity" (1)	$2,190,521,982
"Fair Market Value for Debt Incurring Capacity" times 4% (the "Debt Limit")	$87,620,879
Less: current outstanding general obligation debt (2)	(35,166,000)
Estimated additional debt incurring capacity	$52,454,879

(1) For debt incurring capacity only, in computing the fair market value of taxable property in the District, the value of all motor vehicles and state–assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the District. Does not include valuation regarding Semiconductor Manufacturing Equipment ("SCME").

(Source: Municipal Advisor.)

No Defaulted Obligations

The Board has never failed to pay principal of and interest on its financial obligations when due.

FINANCIAL INFORMATION REGARDING CARBON COUNTY SCHOOL DISTRICT, UTAH

Fund Structure; Accounting Basis

The accounting policies of the District conform to all generally accepted accounting principles for governmental units in general and the State's school districts.

The accounts of the District are organized based on funds or groups of accounts, each of which is a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self–balancing accounts which comprise its assets, liabilities, fund balances, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled. The various funds are grouped by type in the combined financial statements. See "APPENDIX A—FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Notes to Basic Financial Statements–Note 1. Summary of Significant Accounting Policies" (audit page 22).

Budgets And Budgetary Accounting

The District operates within the budget requirements for school districts as specified by State law and as interpreted by the State Superintendent of Public Instruction. The superintendent of each school district is the budget officer of each respective district.

For the fiscal year beginning July 1, the Business Administrator under the supervision of the Superintendent prepares a tentative budget for all funds which is presented to the Board by the Superintendent on or before June 1. State law requires budgets for all governmental fund types and the Board has adopted budgets for those funds.

After a public hearing has been held, the Board, by resolution, legally adopts the final budget prior to June 22. If the tax rate in the proposed budget exceeds the "certified tax rate," the Board shall, if required by State law, comply with the notice and hearing requirements contained in the Property Tax Act, Chapter 2, Title 59, Utah Code (the "Property Tax Act") in adopting the budget. See in this section "Ad Valorem Tax Levy And Collection" and "Public Hearing On Certain Tax Increases" below.

Once adopted, the budget can be amended by subsequent Board action. Reductions in appropriations can be approved by the Board upon recommendation of the Superintendent; however, increased appropriations require a public hearing prior to amending the budget.

Adjustments in estimated revenue and revisions of appropriations due to operational changes in categorical program funding are integrated into the amended budget approved by the Board.

A final amended budget is legally approved by the Board prior to the end of the fiscal year.

The total budgeted expenditures of a given fund may not exceed the revenues expected to be received for the fiscal year plus the fund balance. Control of the budget is exercised at the fund level.

All governmental funds are prepared using the modified accrual basis of accounting, adjusted for encumbrances. Unencumbered appropriations lapse at year end.

Undistributed Reserve in School Board Budget. A local school board may adopt a budget with an undistributed reserve. The reserve may not exceed 5% of the maintenance and operation budget adopted by each local board in accordance with a scale developed by the State Board of Education. The scale is based on the size of the school district's budget.

Each local board may appropriate all or a part of the undistributed reserve made to any expenditure classification in the maintenance and operation budget by written resolution adopted by majority vote of such board setting forth the reasons for the appropriation.

The board may not use undistributed reserves in the negotiation or settlement of contract salaries for school district employees.

Limits on Appropriations–Estimated Expendable Revenue. A local school board may not make any appropriation more than its estimated expendable revenue, including undistributed reserves, for the following fiscal year.

In determining the estimated expendable revenue, any existing deficits arising through excessive expenditures from former years are deducted from the estimated revenue for the ensuing year to the extent of at least 10% of the entire tax revenue of the school district for the previous year.

In the event of financial hardships, a local board may deduct from the estimated expendable revenue for the ensuing year, by fund, at least 25% of the deficit amount.

All estimated balances available for appropriations at the end of the fiscal year shall revert to the funds from which they were appropriated and shall be fund balances available for appropriation in the budget of the following year.

A local school board may reduce a budget appropriation at its regular meeting if notice of the proposed action is given to all board members and the district superintendent at least one week prior to the meeting.

An increase in an appropriation may not be made by a local school board unless the following steps are taken: (a) the local school board receives a written request from the district superintendent that sets forth the reasons for the proposed increase; (b) notice of the request is published in a newspaper of general circulation within the school district at least one week prior to a local school board meeting at which the request will be considered; and (c) the local school board holds a public hearing on the request prior to the board's acting on the request.

School District Interfund Transfers. The State Board of Education may authorize school district interfund transfers for financially distressed districts if the State Board of Education determines the following: (a) the school district has a significant deficit in its maintenance and operations fund which has resulted from circumstances not subject to the administrative decisions of the school district and which cannot be reasonably reduced under Section 53G–7–306 of the Utah Code; and (b) without the transfer, the school district will not be capable of meeting statewide educational standards adopted by the State Board of Education.

Adoption of Ad Valorem Tax Levy. The governing body of each taxing entity shall, before June 22 of each year, adopt a proposed or, if the tax rate is not more than the certified tax rate, a final tax rate for the taxing entity. The governing body shall report the rate and levy, and any other information prescribed by rules of the county commission for the preparation, review, and certification of the rate, to the county auditor of the county in which the taxing entity is located.

Additional Information. See "APPENDIX A—FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Notes to Basic Financial Statements–1. Summary of Significant Accounting Policies–Budgets and Budgetary Accounting" (audit page 22).

Management's Discussion And Analysis

The administration of the District prepared a narrative discussion, overview, and analysis of the financial activities of the District for Fiscal Year 2019. For the complete discussion see "APPENDIX A—FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019–Management's Discussion and Analysis" (audit page 4).

The Management's Discussion and Analysis for Fiscal Year 2020 is not available. Under State law the Board must complete its annual financial report for Fiscal Year 2020 by November 30, 2020.

Financial Summaries

The summaries contained herein were extracted from the District's basic financial statements. The summaries have not been audited. See "APPENDIX A—FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019."

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Carbon County School District

Statement of Net Position

Governmental Activities

(This summary has not been audited)

	As of June 30				
	2019	2018	2017	2016	2015
Assets and deferred outflows of resources					
Noncurrent assets					
Capital assets					
Other capital assets, net of depreciation………….	$ 38,067,073	$ 36,431,213	$ 29,952,600	$ 30,204,854	$ 29,701,564
Land and construction in progress………………	3,640,915	3,518,293	8,568,959	4,756,164	3,430,903
Current assets					
Receivables					
Property taxes………………………………………	13,949,082	13,745,748	13,892,318	13,858,267	14,422,054
Other governments…………………………………	1,112,983	1,846,721	2,641,958	885,038	934,458
Cash and investments…………………………………	14,208,870	13,182,502	14,823,533	20,088,871	19,721,957
Inventories……………………………………………	614,472	613,046	635,666	526,055	825,007
Prepaid and deposits…………………………………	–	606	2,568	259,543	247,160
Net pension asset………………………………………	–	–	–	608	8,811
Total assets…………………………………	71,593,395	69,338,129	70,517,602	70,579,400	69,291,914
Deferred outflows of resources					
Related to pensions…………………………………	5,861,969	5,753,248	5,494,232	4,942,783	1,587,948
Deferred charge on refunding………………………	5,624	8,435	11,246	–	–
Total deferred outflows of resources………	5,867,593	5,761,683	5,505,478	4,942,783	1,587,948
Total assets and deferred outflows of resources…………………………………	$ 77,460,988	$ 75,099,812	$ 76,023,080	$ 75,522,183	$ 70,879,862
Liabilities, deferred inflows of resources, and net position					
Current liabilities					
Net pension liability……………………………………	$ 15,233,382	10,045,568	13,553,556	13,229,901	10,839,937
Accrued salaries………………………………………	3,402,865	3,384,605	3,219,798	2,786,185	2,887,526
Accounts payable………………………………………	1,619,978	790,726	1,941,364	1,987,788	599,901
Net other postemployment benefit obligations………	502,250	502,250	502,250	502,250	502,250
Accrued interest………………………………………	1,207	1,704	2,176	5,775	6,795
Noncurrent liabilities					
Due in more than one year……………………………	1,053,513	1,805,422	2,579,079	3,355,297	4,062,420
Due or payable within one year………………………	795,000	777,000	768,000	675,000	646,687
Total liabilities……………………………	22,608,195	17,307,275	22,566,223	22,542,196	19,545,516
Deferred inflows of resources					
Property taxes levied for future year………………	13,103,275	14,056,571	14,295,802	14,617,570	15,553,042
Related to pensions…………………………………	492,991	5,235,289	1,919,028	1,607,186	1,019,776
Total deferred inflows of resources………	13,596,266	19,291,860	16,214,830	16,224,756	16,572,818
Net position					
Net investment in capital assets………………………	40,281,988	37,746,506	35,550,559	31,311,018	28,837,467
Restricted for					
Capital projects………………………………………	2,295,730	2,521,105	4,228,039	149,363	9,359,644
Student activity programs…………………………	472,677	443,281	427,499	399,631	413,152
Debt service…………………………………………	385,577	245,594	123,374	8,152,072	301,655
School lunch…………………………………………	384,083	382,164	381,514	384,155	483,747
Non K–12 programs…………………………………	137,813	291,009	297,427	366,900	416,012
Unrestricted………………………………………………	(2,701,341)	(3,128,982)	(3,766,385)	(4,007,908)	(5,050,149)
Total net position………………………………	41,256,527	38,500,677	37,242,027	36,755,231	34,761,528
Total liabilities, deferred inflows of resources and net position…………………	$ 77,460,988	$ 75,099,812	$ 76,023,080	$ 75,522,183	$ 70,879,862

(Source: Information taken from the District's audited basic financial statements. Compiled by the Municipal Advisor.)

Carbon County School District

Statement of Activities (1)

Total Governmental Activities

(This summary has not been audited)

	Net (Expense) Revenue and Changes in Net Position				
	June 30				
	2019	2018	2017	2016	2015
Governmental activities					
Instructional services……	$ (15,057,909)	$ (14,195,025)	$ (15,477,288)	$ (13,537,105)	$ (11,798,353)
Supporting services					
Operation and maintenance of facilities……	(3,248,078)	(3,091,758)	(2,914,905)	(2,876,796)	(2,696,103)
School administration……	(1,998,578)	(1,720,645)	(1,800,327)	(1,660,459)	(1,618,601)
Students……	(1,811,609)	(1,672,788)	(1,748,329)	(1,745,936)	(1,713,960)
District administration……	(888,383)	(924,110)	(738,751)	(690,858)	(709,450)
Transportation……	(845,533)	(727,967)	(842,345)	(705,759)	(591,346)
Business……	(400,752)	(189,835)	(365,950)	(459,433)	(481,110)
Instructional staff……	(384,981)	(416,957)	(388,040)	(299,136)	(286,634)
Capital outlay……	(692,621)	(1,425,880)	(1,586,967)	(1,187,548)	(1,550,684)
Community services……	(56,149)	(95,984)	(60,201)	(53,398)	(279,121)
Interest on long–term liabilities……	(42,893)	(54,664)	(130,404)	(175,656)	(220,505)
School lunch services……	(28,890)	(14,393)	(89,098)	(166,716)	(53,470)
Total school district……	(25,456,376)	(24,530,006)	(26,142,605)	(23,558,800)	(21,999,337)
General revenues					
Federal and state aid not restricted to specific purposes….	10,596,010	10,014,566	10,410,542	8,551,065	7,810,764
Property taxes levied for					
General purposes……	9,792,719	9,990,975	9,884,208	10,527,968	10,098,207
Capital outlay……	3,291,387	3,403,180	3,180,446	3,302,014	3,363,043
Debt service……	895,607	941,695	847,594	668,021	1,345,385
Redevelopment agency……	55,832	68,391	–	–	–
Gain (loss) on disposition of assets……	18,000	(461,178)	–	–	14,443
Total taxes……	14,053,545	13,943,063	13,912,248	14,498,003	14,821,078
Miscellaneous……	2,246,525	1,617,322	2,090,215	2,315,996	2,165,621
Earnings on investments……	396,551	213,705	216,396	187,439	190,559
Total general revenues……	27,292,631	25,788,656	26,629,401	25,552,503	24,988,022
Change in net position……	1,836,255	1,258,650	486,796	1,993,703	2,988,685
Net position–beginning (as restated)……	39,420,272	37,242,027	36,755,231	34,761,528	31,772,843
Net position–ending……	$ 41,256,527	$ 38,500,677	$ 37,242,027	$ 36,755,231	$ 34,761,528

(1) This report is presented is summary format concerning the single item of "Net (Expense) Revenue and Changes in Net Assets" and is not intended to be complete.

(Source: Information taken from the District's audited basic financial statements. Compiled by the Municipal Advisor.)

Carbon County School District

Balance Sheet—Governmental Funds

Major Funds—General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Assets					
Cash and cash equivalents	$ 10,402,592	$ 9,057,276	$ 8,445,897	$ 9,722,149	$ 8,642,294
Property taxes receivable	9,747,658	9,905,762	10,076,777	10,156,562	10,835,918
Due from other governmental units	877,796	1,763,519	2,408,275	647,946	713,720
Inventory	436,178	415,097	379,731	378,950	424,536
Prepaids and deposits	–	606	2,568	259,543	247,160
Total assets	$ 21,464,224	$ 21,142,260	$ 21,313,248	$ 21,165,150	$ 20,863,628
Liabilities					
Accrued salaries and liabilities	$ 3,303,667	$ 3,290,620	$ 3,109,862	$ 2,703,351	$ 2,794,297
Accounts payable	872,682	409,316	714,544	877,550	316,160
Total liabilities	4,176,349	3,699,936	3,824,406	3,580,901	3,110,457
Deferred inflows of resources					
Property taxes	8,927,391	9,905,762	10,076,777	10,156,562	11,624,009
Other deferrals	278,282	264,698	333,015	659,352	–
Total deferred inflows of resources	9,205,673	10,170,460	10,409,792	10,815,914	11,624,009
Fund balances					
Unassigned	3,846,024	3,056,161	2,896,751	2,577,435	1,904,021
Committed to					
Employee obligations	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Undistributed reserve	300,000	300,000	300,000	300,000	300,000
Nonspendable					
Inventories	436,178	415,097	379,731	378,950	424,536
Prepaids and deposits	–	606	2,568	11,950	605
Total fund balances	8,082,202	7,271,864	7,079,050	6,768,335	6,129,162
Total liabilities, deferred inflows of resources, and fund balances	$ 21,464,224	$ 21,142,260	$ 21,313,248	$ 21,165,150	$ 20,863,628

(Source: Information taken from the District's audited basic financial statements. Compiled by the Municipal Advisor.)

Carbon County School District

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds–Major Governmental Funds

General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Revenues					
State of Utah	$ 18,988,436	$ 16,523,871	$ 15,597,547	$ 14,174,616	$ 14,127,130
Property taxes	9,792,719	9,990,975	9,884,208	10,475,204	10,060,324
Federal government	1,506,368	2,257,398	2,463,547	1,440,225	1,456,237
Other local sources	1,122,644	587,260	811,132	1,191,685	1,034,487
Earnings on investments	206,351	126,193	131,196	187,096	25,248
Total revenues	31,616,518	29,485,697	28,887,630	27,468,826	26,703,426
Expenditures					
Current					
Instruction	20,189,318	19,176,012	19,194,784	17,717,409	16,410,242
Support services					
Operation and maintenance of facilities	3,436,856	3,161,669	3,013,362	2,963,433	2,995,360
School administration	2,226,800	1,978,980	1,971,243	1,872,997	1,859,675
Transportation	1,788,862	1,490,328	1,472,573	1,346,529	1,522,153
Business	1,225,562	940,841	891,040	897,873	893,278
District administration	985,650	1,034,958	884,535	854,178	1,018,480
Students	963,121	949,453	765,819	804,481	840,034
Instructional staff	662,931	582,793	402,790	376,582	339,758
Community services	–	–	–	–	240,604
Debt service principal retirement	–	–	–	1,687	21,516
Total expenditures	31,479,100	29,315,034	28,596,146	26,835,169	26,141,100
Revenues over (under) expenditures	137,418	170,663	291,484	633,657	562,326
Other financing sources (uses)					
Sale of supplies	28,632	22,151	19,231	5,516	12,155
Total other financing sources (uses)	28,632	22,151	19,231	5,516	12,155
Net change in fund balances	166,050	192,814	310,715	639,173	574,481
Fund balances–beginning, as restated	7,916,152	7,079,050	6,768,335	6,129,162	5,554,681
Fund balances–ending	$ 8,082,202	$ 7,271,864	$ 7,079,050	$ 6,768,335	$ 6,129,162

(Source: Information taken from the District's audited basic financial statements. Compiled by the Municipal Advisor.)

Ad Valorem Tax Levy And Collection

The Utah State Tax Commission (the “State Tax Commission”) must assess all centrally assessed property (as defined under “Property Tax Matters” below) by May 1 of each year. County assessors must assess all locally assessed property (as defined under “Property Tax Matters” below) before May 22 of each year. The State Tax Commission apportions the value of centrally assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate before June 22; provided if the governing body has not received the taxing entity’s certified tax rate at least seven days prior to June 22, the governing body of the taxing entity must, no later than 14 days after receiving the certified tax rate from the county auditor, adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate. County auditors must forward to the State Tax Commission a statement prepared by the legislative body of each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies. If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum levy permitted by law, notify the taxing entity that the rate has been lowered and notify the county auditor (of the county in which the taxing entity is located) to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county boards of equalization will meet to hear complaints. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by March 1 of the following year. Owners of centrally–assessed property or any county showing reasonable cause, may, on or before the later of August 1 or a day within 90 days of the date the notice of assessment is mailed by the State Tax Commission, apply to the State Tax Commission for a hearing to contest the assessment of centrally–assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post–hearing briefs are submitted. The county auditor makes a record of all changes, corrections and orders, and delivers before November 1 the corrected assessment rolls to the county treasurers. On or before November 1, each county treasurer furnishes each taxpayer a notice containing, among other things, the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review.

Without an extension by a County legislative body, taxes are due November 30 (and if a Saturday, Sunday or holiday, the next business day). Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or $10 whichever is greater (delinquent taxes paid on or before January 31 immediately following the delinquency date the penalty is 1% of the amount of the delinquent tax or $10 whichever is greater). Unless the delinquent taxes and penalty are paid before January 31 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Market Committee plus 6% from the January 1 following the delinquency date until paid (said interest may not be less than 7% nor more than 10%). If delinquent taxes have not been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under "Public Hearing On Certain Tax Increases" below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described above, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in "Public Hearing On Certain Tax Increases" below. In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax more than the certified tax rate. A resolution levying a tax more than the certified tax rate must be forwarded to the county auditor by August 17. The final tax notice is then mailed by November 1.

Public Hearing On Certain Tax Increases

Each taxing entity that proposes to levy a tax rate that exceeds the "certified tax rate" may do so (by resolution) only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity budgeted for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of eligible new growth. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

Among other requirements, on or before July 22 of the year in which such an increase is proposed, the county auditor must mail to all property owners a notice of the public hearing. In most cases, the taxing entity must advertise the notice of public hearing by publication in a newspaper. Such notices must state, among other things, the value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

Property Tax Matters

The Property Tax Act provides that all taxable property is required to be assessed and taxed at a uniform and equal rate based on its "fair market value" as of January 1 of each year, unless otherwise provided by law. "Fair market value" is defined in the Property Tax Act as "the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts." Pursuant to an exemption for residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the "fair market value" of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

The Property Tax Act provides that the State Tax Commission shall assess certain types of property ("centrally–assessed property"), including (i) properties that operate as a unit across county lines that must be apportioned among more than one county or state, (ii) public utility (including railroad) properties, (iii) airline operating properties, (iv) geothermal resources and (v) mines, mining claims and appurtenant machinery, facilities and improvements. All other taxable property ("locally–assessed property") is required to be assessed by the county assessor of the county in which such locally–assessed property is located. Each county assessor must update property values annually based upon a systematic review of current market data by using a State mandated mass appraisal system and must also complete a detailed review of property characteristics for each parcel of property at least once every five years. The Property Tax Act requires that the State Tax Commission conduct an annual investigation in each county to determine whether all property subject to taxation is on the assessment rolls and whether the property is being assessed at its "fair market value."

The State Tax Commission and the county assessors utilize various valuation methods, as determined by statute, administrative regulation or accepted practice, to determine the "fair market value" of taxable property.

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to a fixed age–based fee. Motor vehicles weighing 12,000 pounds or less and certain other vehicles are subject to an age–based fee that is due each time the vehicle is registered. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is in the same proportion in which revenue collected from ad valorem real property is distributed.

Historical Tax Rates Of The District

		Tax Rate (Fiscal Year)				
	Maximum Tax Rate (1)	2019–20	2018–19	2017–18	2016–17	2015–16
General Fund:						
Basic school levy (2)	formula	.001661	.001666	.001568	.001675	.001736
Voted local levy (3)	.001600	.001144	.001108	.001100	.001207	.001100
Board local levy	.002500 (4)	.002847	.002749	.002737	.002696	.002460
Subtotals		.005652	.005518	.005405	.005578	.005296
Capital outlay:						
Capital local levy (5)	.003000	.001917	.001857	.001843	.001792	.001633
Subtotals		.001917	.001857	.001843	.001792	.001633
Debt service (general obligation bonds):						
Debt service (6)	none	.000521	.000503	.000505	.000436	.000328
Charter school levy (7)	(4)	.000184	.000187	.000177	.000000	.000000
Judgment recovery levy (8)	none	–	–	–	–	–
Total all funds		.008274	.008070	.007930	.007806	.007257

(1) Maximum tax rate where applicable under current State law.
(2) Set by law for the District's portion of the State Minimum School Program.
(3) General maintenance and operation revenue. The maximum tax rate for the Voted Leeway Program in .002000. However, when considering the maximum tax rate of .002000, any Board–Approved Leeway Program is considered to be part of the Voted Leeway Program. However, the District does not currently have a Board–Approved Leeway Program. *In April 1956, District residents approved a Voted Leeway Program of not to exceed 16% of the Basic–State Supported School Program.*
(4) The Board local leeway and the Charter school levy are both included in calculating the maximum tax rate for the Board local leeway of .002500.
(5) Construction remodeling projects and purchase of school sites/equipment, etc.
(6) This maximum limitation is not applicable to levies made to provide for payment of the principal of and interest on general obligation bonds authorized by vote of school district electors.
(7) Charter school levy revenues to be directed to State Charter School program.
(8) A "judgment levy" is levied for collecting additional revenues. The Board has the legal right to levy a "Judgment Levy" in the succeeding tax year to make up for any tax revenue shortfall due to tax or revaluation "judgment" circumstances that the Board had no control over.

(Source: From records of the Utah State Tax Commission compiled by the Municipal Advisor.)

See "STATE OF UTAH SCHOOL FINANCE" below.

Comparative Ad Valorem Total Property Tax Rates Within Carbon County

	Total Tax Rate Within Taxing Area (1)				
Tax Levying Entity	2019	2018	2017	2016	2015
East Carbon/Sunnyside	.019876	.019559	.019397	.019010	.016989
Helper City	.016500	.016032	.015842	.015369	.014039
Price City	.015369	.015066	.014882	.014355	.012929
Scofield Town	.014423	.014387	.013170	.012367	.010626
Wellington City	.016214	.015810	.015584	.014176	.012717
Unincorporated Areas (2)	.013650	.013275	.013080	.012545	.011208

(1) These tax rates represent a taxing district within the city or town with the highest combined total tax rates of all overlapping taxing districts.

(2) These tax rates represent a taxing district within the unincorporated municipalities within the County with the highest combined total tax rates of all overlapping taxing districts.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

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Taxable, Fair Market And Market Value Of Property

Calendar Year	Taxable Value (1)	% Change Over Prior Year	Fair Market/ Market Value (2)	% Change Over Prior Year
2019 *	$ 1,699,735,499	(1.5)	$ 2,116,208,464	(0.9)
2018	1,725,638,249	0.4	2,134,403,733	0.1
2017	1,718,092,998	(1.7)	2,131,925,242	(1.3)
2016 (3)	1,748,316,941	(9.1)	2,160,960,954	(7.6)
2015	1,922,299,087	(1.3)	2,339,443,893	(0.9)

* Preliminary; subject to change. Fair Market/Market Value calculated by the Municipal Advisor.

(1) Taxable valuation includes redevelopment agency valuation but excludes semi–conductor manufacturing equipment ("SCME"). The estimated redevelopment agency valuation for Calendar Year 2019 was approximately $6.9 million; for Calendar Year 2018 was approximately $7 million; for Calendar Year 2017 was approximately $11 million; for Calendar Year 2015 was approximately $11.8 million; and for Calendar Year 2015 was approximately $8.7 million.

(2) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act. Does not include market valuation for SCME.

(3) The decrease in valuation is due to the closure of the Carbon Power Plant in spring of 2015.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Historical Summaries Of Taxable Values Of Property

	Calendar Year					
	2019		2018	2017	2016	2015
	Taxable Value*	% of T.V.	Taxable Value	Taxable Value	Taxable Value	Taxable Value
Set by State Tax Commission						
(centrally assessed)						
Total centrally assessed	$ 614,034,802	36.1 %	$ 660,032,546	$ 661,892,350	$ 702,973,144	$ 851,129,252
Set by County Assessor						
(locally assessed)						
Real property (land and buildings)						
Primary residential	506,687,266	29.8	497,267,011	503,463,125	501,834,908	507,272,629
Secondary residential	83,000,000	4.9	82,960,590	81,932,080	79,237,143	79,727,097
Commercial and industrial	310,000,000	18.2	300,025,562	290,126,288	287,598,392	284,939,780
FAA (greenbelt)	6,575,000	0.4	6,572,712	6,634,030	5,586,332	6,026,206
Unimproved non FAA (vacant)	68,000,000	4.0	67,410,686	64,401,911	54,600,430	55,080,570
Agricultural	1,900,000	0.1	1,830,711	1,284,485	1,208,631	1,170,158
Total real property	976,162,266	57.4	956,067,272	947,841,919	930,065,836	934,216,440
Personal property						
Primary mobile homes	2,335,247	0.1	2,335,247	2,331,840	2,507,775	2,571,023
Secondary mobile homes	781,924	0.0	781,924	809,554	877,841	882,341
Other business	106,421,260	6.3	106,421,260	105,217,335	111,892,345	133,500,031
SCME	0	0.0	0	0	0	0
Total personal property	109,538,431	6.4	109,538,431	108,358,729	115,277,961	136,953,395
Total locally assessed	1,085,700,697	63.9	1,065,605,703	1,056,200,648	1,045,343,797	1,071,169,835
Total taxable value	$ 1,699,735,499	100.0 %	$ 1,725,638,249	$ 1,718,092,998	$ 1,748,316,941	$ 1,922,299,087
Total taxable value (1)	$ 1,699,735,499		$ 1,725,638,249	$ 1,718,092,998	$ 1,748,316,941	$ 1,922,299,087

* Preliminary; subject to change.

(1) Not including taxable valuation associated with SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Tax Collection Record

Ad valorem property taxes are due on November 30th of each year. Final Fiscal Year 2020 (Tax Year or Calendar Year 2019) tax collections (due November 30, 2019) are not available.

Tax Year End 12/31	(1) Total Taxes Levied	(2) Treasurer's Relief	Net Taxes Assessed	Current Collections	Deliq., Personal Property and Miscelleous Collections	(3) Total Collections	% of Current Collections to Net Taxes Assessed	% of Total Collections to Net Taxes Assessed
2018	$13,910,372	$125,397	$13,784,975	$12,790,865	$720,203	$13,511,069	92.8%	98.0%
2017	13,611,041	189,214	13,421,827	12,701,052	641,739	13,342,790	94.6	99.4
2016	13,585,141	125,366	13,459,775	12862,382	535,953	13,398,336	95.6	99.5
2015	13,991,732	179,928	13,811,804	13,322,673	461,387	13,784,060	96.5	99.8
2014	13,861,365	116,316	13,745,049	13,051,654	644,806	13,696,461	95.0	99.6

(1) Excludes redevelopment agencies valuation.

(2) Treasurer's Relief includes abatements established by statute to low–income, elderly and for hardship situations. These Treasurer's Relief items are levied against the property but are never collected and paid to the entity.

(3) In addition to the Total Collections indicated above, the District also collected Uniform Fees (fees–in–lieu payments) for Tax Year 2018 of $841,774; for Tax Year 2017 of $835,849; for Tax Year 2016 of $847,867; for Tax Year 2015 of $915,094; and for Tax Year 2014 of $918,641; from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. *Beginning in Tax Year 2017 Total Collections include revenues collected for Charter Schools*.

(Source: Information taken from the Utah State Tax Commission reports, compiled by the Municipal Advisor.)

Some Of The Largest Taxpayers

The 10 largest ad valorem property taxpayers for Fiscal Year 2020 (Calendar Year or Tax Year 2019) is as follows:

Taxpayer	Type of Business	2019 Taxable Value (1)	% of the District's 2019 Prel. Taxable Value
Wolverine Fuel Company	Mining/natural gas	$ 113,328,938	6.7
Questar Pipeline	Natural gas	90,532,086	5.3
Southern Pacific Train Company	Transportation and warehousing	86,746,874	5.1
Pacificorp	Electric utility	76,925,034	4.5
Conoco Phillips	Mining/natural gas	58,878,720	3.5
Enervest Operating	Gas operations	56,821,773	3.3
Sunnyside Properties	Real estate	22,000,000	1.3
Price River Terminal	Support for railroad transport.	19,907,610	1.2
ECDFP, LC	Operating landfill	18,917,895	1.1
Castleview Hospital	General medical hospital	14,818,652	0.9
Totals		$558,877,582	32.9

(1) Taxable Value used in this table *excludes* the taxable value used to determine "uniform fees" on tangible personal property.

(Source: Information from the Office of the County Assessor and compiled by the Municipal Advisor.)

STATE OF UTAH SCHOOL FINANCE

Sources Of Funds

Funding for schools in the State is provided from local school district sources consisting of property taxes imposed by the local school district ("Local District Funding"), State sources that are funded primarily by State imposed personal income taxes and corporate franchise taxes ("State Funding") and federal sources ("Federal Funding"). For Fiscal Year 2019, approximately 49.6% of the District's funding was provided by State Funding, approximately 42.3% was provided by Local District Funding, and approximately 8.1% was provided from Federal Funding.

Local District Funding

School districts are authorized by State law to levy taxes, certain of which require voter approval, on real property for various purposes. Funding for operation and maintenance is derived primarily through a minimum tax levy (the "Minimum Tax Levy") by each school district at a rate established each year by the State. Imposition of this Minimum Tax Levy is required for a school district to qualify for receipt of contributions by the State for such purposes. Additional tax levies for, among other things, educational programs and capital outlay and debt service to finance capital outlays may be made at the option of a school district. Certain of such levies will entitle a school district to State guaranteed levels of funding or receipt of specific additional contributions from the State. The Board has received all voter approval necessary for the taxes it currently levies. See "FINANCIAL INFORMATION REGARDING CARBON COUNTY SCHOOL DISTRICT, UTAH—Historical Tax Rates Of The District" above.

State Funding

Under its school funding program, the State guarantees that in connection with the Minimum Tax Levy and certain of a school district's additional tax levies each school district will receive certain amounts based primarily on the number of students attending schools in such district. To the extent that such levies do not generate receipts at least equal to such guaranteed amounts, the State contributes funds to the school district in the amount of the shortfall. If a school district's receipts from such levies reach such prescribed levels, there is no State contribution to such district. Further, school district receipts from the Minimum Tax Levy in excess of the guaranteed amounts are required to be paid over to the State for distribution to other school districts.

In addition to any contributions relating to shortfalls described above, the State annually appropriates fixed amounts to fund certain programs and services statewide. Funds for contributions to school districts and for other programs and services are appropriated from the State Uniform School Fund and the Education Fund, which are funded primarily from personal income taxes and corporate franchise taxes. State Funding is also available, under certain circumstances, to school districts for payment of a portion of capital costs.

Federal Funding

Federal funding is provided for various school programs including child nutrition, vocational education and special education.

Summary Of State And Federal Funding

During the past five–years, the District received the following in State and federal funding:

	Fiscal Year				
	2019	2018	2017	2016	2015
State Funds					
General	$18,988,436	$16,523,871	$15,597,547	$14,174,616	$14,127,130
Other governmental	836,741	820,451	798,719	839,051	910,173
Total	$19,825,177	$17,344,322	$16,396,266	$15,013,667	$15,037,303
% change over prior year	14.3%	5.8%	9.2%	(0.2)%	6.1%
Federal Funds					
Other governmental	$1,703,380	$1,593,780	$1,568,975	$1,563,971	$1,399,172
General	1,506,368	2,257,398	2,463,547	1,440,225	1,456,237
Capital projects	19,856	51,972	24,079	68,944	183,690
Total	$3,229,604	$3,903,150	$4,056,601	$3,073,140	$3,039,099
% change over prior year	(17.3)%	(3.8)%	32.0%	1.1%	9.7%

(Source: Information taken from the District's audited financial statements for the indicated years. This summary has not been audited. Compiled by the Municipal Advisor.)

See "FINANCIAL INFORMATION REGARDING CARBON COUNTY SCHOOL DISTRICT, UTAH—Financial Summaries" above.

LEGAL MATTERS

Absence Of Litigation

The attorneys for the Board, Fabian VanCott, Salt Lake City, Utah, have advised that, to the best of their knowledge after due inquiry, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale or delivery of the 2020 Bonds.

General

The authorization and issuance of the 2020 Bonds are subject to the approval of Farnsworth Johnson, PLLC, Bond Counsel to the Board. Certain legal matters will be passed upon for the Board by Fabian VanCott, Salt Lake City, Utah. The approving opinion of Bond Counsel will be delivered with the 2020 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in "APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL" will be made available upon request from the contact persons as indicated under "INTRODUCTION—Contact Persons" above.

Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness, or sufficiency of the OFFICIAL STATEMENT or other offering material relating to the 2020 Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this OFFICIAL STATEMENT.

The various legal opinions to be delivered concurrently with the delivery of the 2020 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

Federal Income Taxation Of 2020 Bonds

In the opinion of Farnsworth Johnson PLLC ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). *In the further opinion of Bond Counsel, interest on the 2020 Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax.* Bond Counsel expects to deliver an opinion at the time of issuance of the 2020 Bonds substantially in the form set forth in "APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL".

To the extent the issue price of any maturity of the 2020 Bonds is less than the amount to be paid at maturity of such 2020 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2020 Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2020 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the 2020 Bonds is the first price at which a substantial amount of such maturity of the 2020 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2020 Bonds accrues daily over the term to maturity of such 2020 Bonds on the basis of a constant interest rate compounded semiannually (with straight–line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2020 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2020 Bonds. Beneficial Owners of the 2020 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2020 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2020 Bonds in the original offering to the public at the first price at which a substantial amount of such 2020 Bonds is sold to the public.

2020 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax–exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2020 Bonds. The Board has made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that interest on the 2020 Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2020 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2020 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the 2020 Bonds may adversely affect the value of, or the tax status of interest on, the 2020 Bonds.

Although Bond Counsel is of the opinion that interest on the 2020 Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the 2020 Bonds may otherwise affect a Beneficial Owner's federal, state, or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause interest on the 2020 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code, or court decisions may also affect the market price for, or marketability of, the 2020 Bonds. Prospective purchasers of the 2020 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2020 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Board or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Board has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2020 Bonds ends with the issuance of the 2020 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Board or the Beneficial Owners regarding the tax–exempt status of the 2020 Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the Beneficial Owners) other than the Board and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax–exempt bonds is difficult, obtaining an independent review of IRS positions with which the Board legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the 2020 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2020 Bonds, and may cause the Board or the Beneficial Owners to incur significant expense.

Utah Income Taxation

In the opinion of Bond Counsel, under the existing laws of the State of Utah, as presently enacted and construed, interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel expresses no opinion with respect to any other taxes imposed by the State of Utah or any other political subdivision thereof. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state or local taxes.

MISCELLANEOUS

Bond Ratings

As of the date of this OFFICIAL STATEMENT, the 2020 Bonds have been rated "Aaa" by Moody's, based upon the Guaranty Act. An explanation of the above rating may be obtained from Moody's. *The Board has not directly applied to Fitch Ratings or S&P Global Ratings for a rating on the 2020 Bonds.*

Additionally, as of the date of this OFFICIAL STATEMENT, Moody's has given the 2020 Bonds an underlying rating of "A1."

Any explanation of the significance of these outstanding ratings may only be obtained from the rating service furnishing the same. There is no assurance that the ratings given the outstanding general obligation bonds will continue for any given period or that the ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2020 Bonds.

Municipal Advisor

The Board has entered into an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the Board with respect to preparation for sale of the 2020 Bonds, timing of sale, tax–exempt bond market conditions, costs of issuance and other factors related to the sale of the 2020 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the Board, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The financial statements of the Board as of June 30, 2019 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by Smuin, Rich & Marsing, Certified Public Accountants ("Smuin, Rich & Marsing"), as stated in their report in "APPENDIX A—FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019" (audit page 4) to this OFFICIAL STATEMENT.

Smuin, Rich & Marsing has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non–participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs and laws of the State, court decisions and the Resolution, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Resolution for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether expressly so stated, are intended as such and not as representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the Board.

Board of Education of Carbon County School District, Utah

APPENDIX A

FINANCIAL STATEMENTS OF CARBON COUNTY SCHOOL DISTRICT, UTAH FOR FISCAL YEAR 2019

The annual financial statements of the Board for Fiscal Year 2019 are contained herein.

The District's basic financial statements for Fiscal Year 2020 must be completed under State law by November 30, 2020.

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CARBON SCHOOL DISTRICT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2019

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

INDEPENDENT AUDITORS' REPORT

Honorable Board of Education
Carbon School District
Price, Utah 84501

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carbon School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Carbon School District, as of June 30, 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedules of the District's proportionate share of the net pension liability (asset) - Utah Retirement Systems, and the schedules of the Districts contributions - Utah Retirement Systems on pages 4 through 15 and 53 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and related 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 nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 2019, on our consideration of Carbon School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

SMUIN, RICH & MARSING

Smuin, Rich & Marsing

Price, Utah

November 11, 2019

CARBON SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

As management of the Carbon School District (District), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ending June 30, 2019. All of the financial activity results from governmental activities. The District does not have any "business-type" activities.

FINANCIAL HIGHLIGHTS

- Total revenues for the Maintenance and Operation fund (General fund) increased to $31,645,150 in 2019 from $29,507,848 in 2018 an increase of 7.24%. Some of the increases – State aid $2,464,565, interest earnings $80,158 and other local sources $535,384. Some of the decreases – Property taxes $198,256 and Federal aid $751,030. Overall, revenue increased by $2,137,302.

- Total expenditures increased for the Maintenance and Operation fund to $31,479,100 in 2019 up from $29,315,034 in 2018 an increase of 7.38%. Instructional services, Student services, Instructional staff, School administration, Business, Operation and maintenance of facilities and transportation all had increases, all other categories had decreases. The overall increase of $2,164,066 is a reflection of increases in several services. None of the increases were significant or not anticipated when comparing School Districts budget.

- The District's total net position increased by $1,836,255 in 2019, compared to $1,258,650 in 2018. Total revenues increased $2,183,786, total expenses increased by $2,067,359, which reflected a larger increase in the net position of the District compared to the previous year. Significant capital project expenditures were implemented during the year.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements: 1) The government-wide financial statements comprising the Statement of Net Position and the Statement of Activities, 2) fund financial statements, and 3) notes to the financial statements. These comprise pages 16 - 51. This report also contains other required supplementary information and other exhibits in addition to the basic financial statements.

REPORTING THE DISTRICT AS A WHOLE

Our analysis of the District as a whole begins on page 16. The Statement of Net Position and Statement of Activities reports information about the District as a whole and about its activities in a way that helps determine if the District is better or worse off as a result of the year's activities. This information is presented in a manner similar to a private-sector business.

Government-wide financial statements.

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the District's overall financial status.

The *government-wide financial statements* can be found on pages 16 – 17 of this report.

The *statement of net position* presents information on all of the assets and liabilities of the District, 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 the District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the District 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 flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused employee benefits).

All of the Districts revenues and expenditures are shown in this statement.

Fund financial statements.

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be put in one category: governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Fund financial statements (continued)

The District maintains seven individual governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and capital projects fund. These funds are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for all of its governmental funds and provides this information to the general public. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Although budgeted information is not presented in this report for the other governmental funds, compliance with these budgets are just as important.

Notes to the financial statements.

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements comprise pages 22 – 51 of this report.

Other information.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Other schedules that are helpful for District information are also presented. The District is also required to provide reports according to Government Auditing Standards, Single Audit Act and State of Utah audit compliance, which are also contained in the report.

THE DISTRICT AS A WHOLE

The District's largest portion of net position (97.6%) is reflected in its investment in capital assets (e.g., land, construction in progress, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable and obligations under capital leases) used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, the resources needed to repay this debt must be provided from future sources, since the capital assets themselves cannot be liquidated to pay for these liabilities.

CARBON SCHOOL DISTRICT'S NET POSITION

	Governmental Activities 2018	Governmental Activities 2019	Total Percentage Change 2018-2019
Current and other assets	$ 35,150,306	$ 35,753,000	1.69%
Capital assets (net of accumulated depreciation)	39,949,506	41,707,988	4.22%
Total assets	$ 75,099,812	$ 77,460,988	**3.05%**
Long-term debt outstanding	$ 3,084,672	$ 2,350,763	-31.22%
Other liabilities	33,514,463	33,853,698	1.00%
Total liabilities	$ 36,599,135	$ 36,204,461	**-1.09%**
Net position:			
Invested in capital assets, net of related debt	$ 37,746,506	$ 40,281,988	6.29%
Restricted	3,883,153	3,675,880	-5.64%
Unrestricted	(3,128,982)	(2,701,341)	-15.83%
Total net position	$ 38,500,677	$ 41,256,527	**6.68%**

Net Position of the District for the year ending June 30, 2019 was $41,256,527. *Unrestricted* net position - the part of net position that can be used to meet the District's ongoing obligations to students, employees, and creditors – was ($2,701,341). This is a decrease over the previous year of 15.83%. Part of the balance of the unrestricted governmental net position is earmarked for budget amounts needed to pay for unused employee vacation, sick days, pension obligations and employee benefit obligations. The District will need to include these amounts in future years' budgets as they come due. When the revenues from taxes, federal and state aid and operating grants fall short of amounts originally anticipated, part of the unrestricted net position balance will need to be used to handle the shortfalls.

At the end of the current fiscal year, the District reported an increase in the net position of 6.68%. The District had a increase in the current and other assets of 1.69%. The increase in net position has occurred because increases in overall revenues and exceeded an increase in operational expenses. The School District has used a significant amount of financial resources for capital improvements made during the year. These expenditures have used available cash resources in the current year. The funds received are available for restricted and unrestricted purposes.

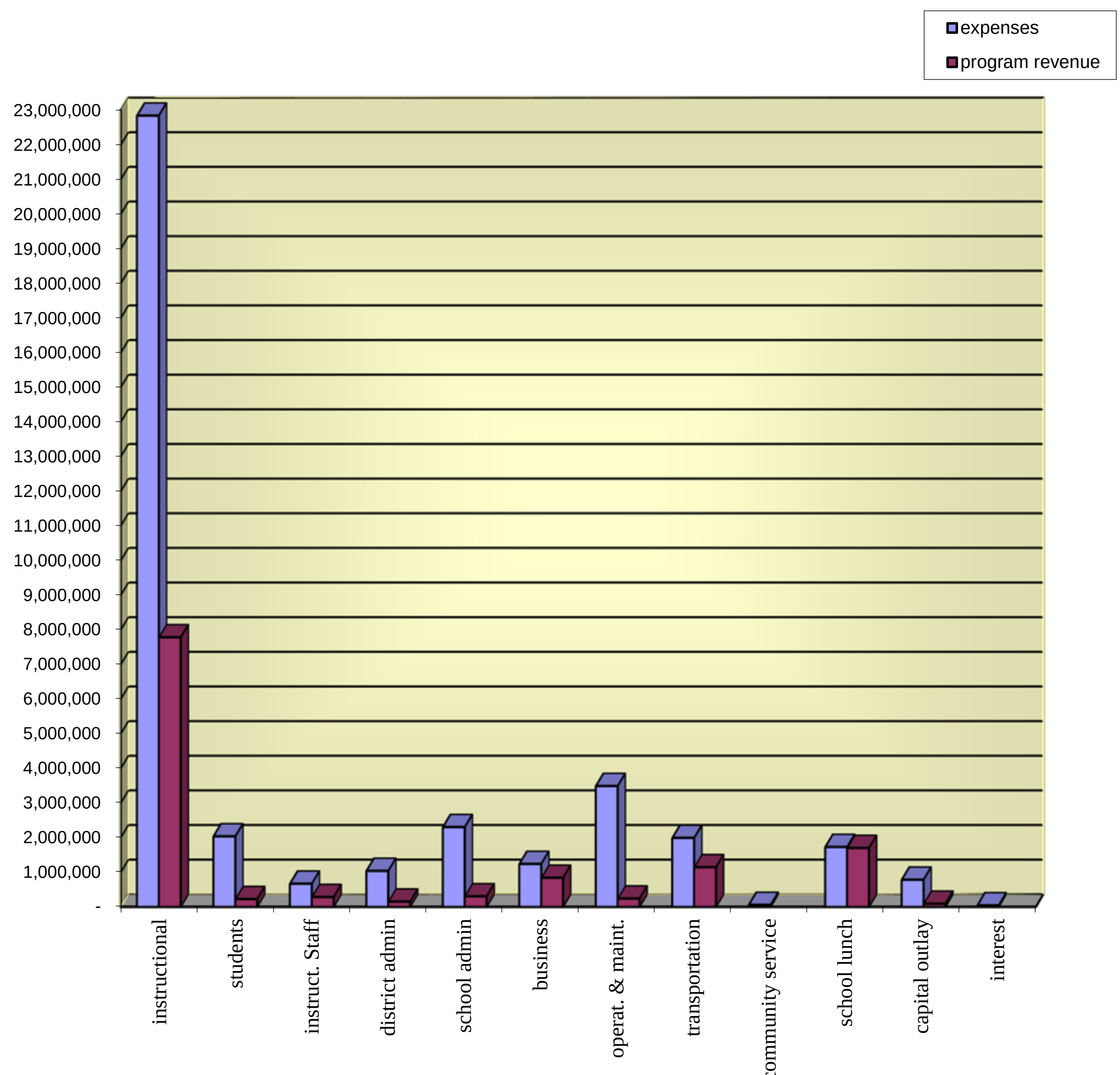
CARBON SCHOOL DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities		Total Percentage Change
	2018	2019	2018-2019
Revenues:			
Program Revenues:			
Charges for services	$ 379,724	$ 294,848	-28.79%
Operating grants and contributions	11,180,934	12,368,138	9.60%
Capital grants and contributions	51,972	90,633	42.66%
General Revenues:			
Property taxes	14,404,241	14,035,545	-2.63%
Federal and state aid not restricted to specific purposes	10,014,566	10,596,010	5.49%
Earnings on investments	213,705	396,551	46.11%
Miscellaneous	1,156,144	2,264,525	48.95%
Total revenues	$ 37,401,286	$ 40,046,250	6.60%
Program Expenses:			
Instructional services	$ 21,595,189	$ 22,839,591	5.45%
Supporting services:			
Students	1,910,416	2,035,407	6.14%
Instructional staff	582,523	667,571	12.74%
District administration	1,064,864	1,038,679	-2.52%
School administration	1,941,262	2,301,868	15.67%
Business	927,433	1,238,822	25.14%
Operation and maintenance of facilities	3,191,762	3,487,896	8.49%
Transportation	1,675,980	1,989,879	15.77%
Community services	95,984	56,149	-70.95%
School lunch services	1,624,707	1,727,986	5.98%
Capital outlay	1,477,852	783,254	-88.68%
Interest on long-term liabilities	54,664	42,893	-27.44%
Total expenses	$ 36,142,636	$ 38,209,995	**5.41%**
Increase in net position	$ 1,258,650	$ 1,836,255	1.50%
Net Position - beginning	37,242,027	38,500,677	3.27%
Prior period adjustment		919,595	
Net Position - ending	$ 38,500,677	$ 41,256,527	**6.68%**

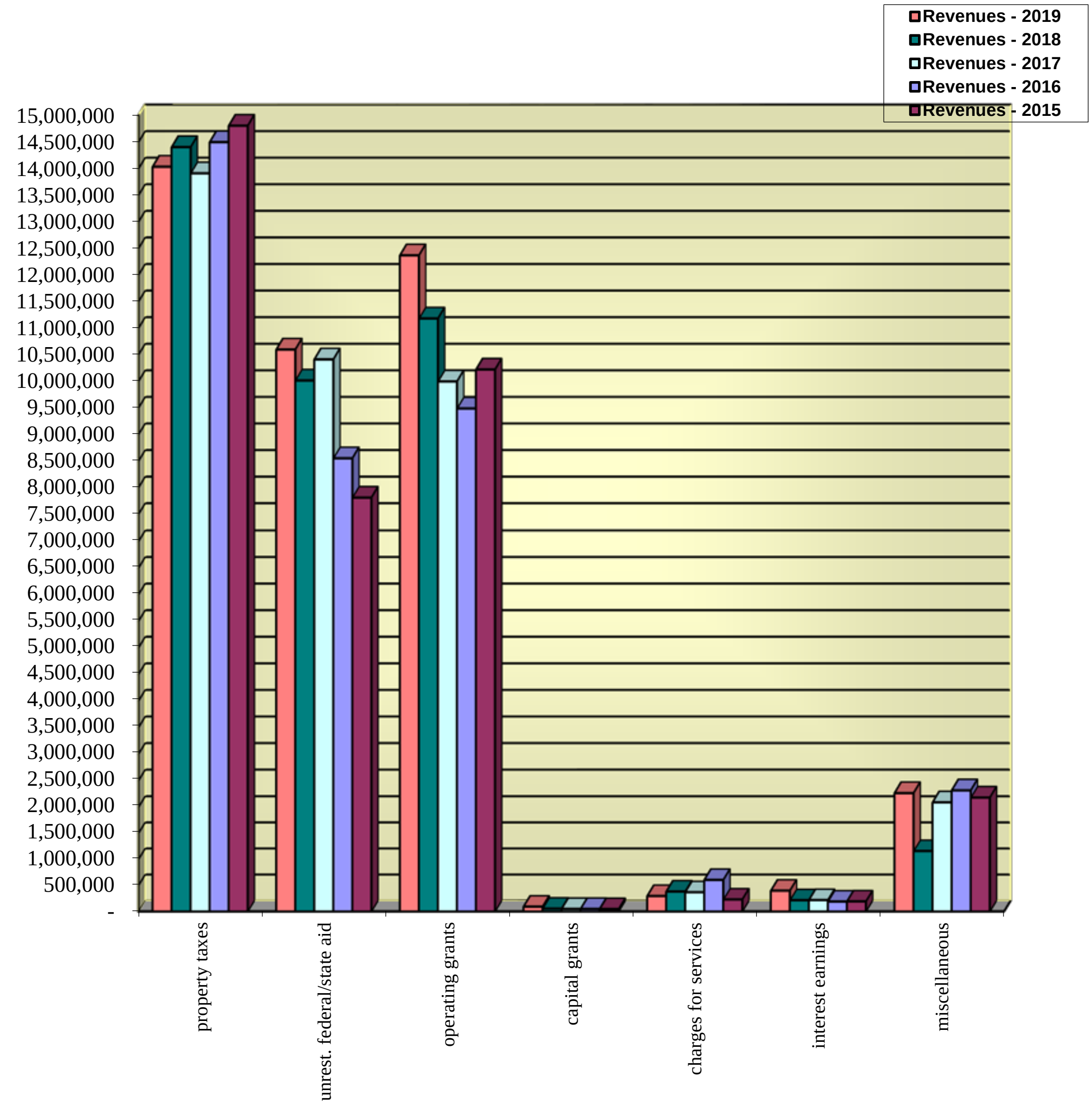
The District's total revenue increased by 6.60% ($2,644,964). The major increase in revenue was in operating grants and miscellaneous income, while charges for services and property tax revenues decreased. The District is experiencing fluctuations in student enrollment and funding from the minimum school program, as administered by the State of Utah, has increased. This revenue source is based upon WPU's (weighted pupil units). If a student is in membership a full 180 days, the state awards the District one WPU. The state guarantees that if local taxes do not provide money equal to the guarantee, it will make up the difference with "state aid". Certain special students receive a weighting greater than one.

The District's total expenses increased by 5.41% ($2,067,359). The increase in the expenditures is attributable to a combination of several increases and a few decreases.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

<u>Governmental funds</u>. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information can be useful to the District in assessing financing requirements. The unreserved fund balance is divided between designated and undesignated balances. The District has designated some of the unreserved fund balance for certain government-wide liabilities and post-employment obligations that are not recognized in the governmental funds. Fund balances of capital projects and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

General fund. The general fund is the chief operating fund of the District. The general fund had at the end of the current fiscal year, unassigned and undesignated fund balance of $3,846,024, while the total fund balance was $8,082,202. The unassigned and undesignated fund balance increased by $789,863, while the total fund balance increased by $810,338 during the current fiscal year. Some of the key factors for the net increase are as follows:

- ❖ Operating grants and contributions increased by $2,248,916 or 11.61%, and earnings on investments increased by $80,158 or 63.52%. The operating grants and contributions increases are somewhat calculated and are due to increases in State funding for operating grants and contributions. Earnings on investment increases are determined by cash holdings and increases in the interest rate of return. Although the revenue has increased in both of these revenue streams, there is no guarantee that the District will continue to increase operating grants and contributions, nor can the District always rely on an increase in earnings on investments. Other local sources of revenue are volatile and are difficult to rely on, year to year.

- ❖ Federal/state governmental aid not restricted to specific purposes increased $1,713,535 or 9.12%. All State aid increased $2,464,565 or 14.92% and all Federal aid decreased $751,030 or 33.27%, during the fiscal year.

Expenditures for general fund purposes totaled $31,479,100, an increase of 7.38% during the current fiscal year. Increases have occurred in all departments except district administration.

Capital Projects fund. The capital projects fund had a total fund balance of $2,295,730. The fund balance is designated for future acquisition of capital assets, purchase of supplies, and related expenditures. The fund balance decreased by $225,375 during the current fiscal year, which is a lesser decrease this year, compared to the significant decrease in the previous year. Capital expenditures used the property taxes collected during the current fiscal year and previous years.

Debt Service fund. The debt service fund had a total fund balance of $386,784, all of which is reserved for the payment of debt service on general obligation bonds. The fund balance increased by $139,486 during the current fiscal year. District taxes for debt obligations have decreased during the year, because the District is only allowed to collect sufficient tax revenues in this fund to meet the needs in future years to pay for increases in principal payments. Debt obligations in the current year were lower.

School Lunch fund. The school lunch fund is a special revenue fund. The fund balance total at the end of the current year is $384,083, all of which is restricted to the school lunch program.

Non K-12 fund. The non K-12 fund is also a special revenue fund. The fund had a total fund balance of $137,813, all of which is restricted to the non K-12 programs.

Student Activity fund. The Student Activity fund is also a special revenue fund. The total fund balance of $472,677, is restricted to the Student Activity programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was an increase of $1,100,000 or 3.66% of total general fund expenditures. The changes are summarized as follows:

- $ 1,100,000 increase in - instructional services
- $ no increase in supporting services – students
- $ no increase in supporting services – instructional staff
- $ no increase in supporting services – district administration
- $ no increase in supporting services – school administration
- $ no increase in supporting services – business
- $ no increase in supporting services – operation and maintenance of facilities
- $ no increase in supporting services – transportation

During the year, final budgeted revenues did not increase. The District has anticipated decreasing the unassigned fund balance, because the final budgeted expenditures were more than the final budgeted revenues by $1,098,813.

During the current fiscal year, there was a $1,593,866 favorable budget to actual variance in total general fund revenues, and a ($329,003) unfavorable budget to actual variance in total general fund expenditures. The most significant positive budget variance for revenue occurred in State aid $1,237,123 and Other local sources $629,276. The most significant negative budget variances for expenditures occurred in Instructional staff ($250,192), School administration ($ and business/central $4,999. All other supporting services had negative budget variances.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2019, amounted to $41,707,988 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, vehicles and buses. The total increase for the District in the current fiscal year was $1,758,482 or 4.40% increase from the previous year.

Capital Assets at Year-end
(Net of Depreciation)
June 30, 2019

	Governmental activities	
Land and work in progress	$	3,640,915
Buildings and improvements		35,205,118
Furniture and equipment		2,861,955
Net captial assets	$	41,707,988

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

This year's major additions included:

Construction at Carbon High School	$ 127,901
Paid by capital projects funds	
Construction finished – several locations	635,210
Paid by capital projects funds	
Construction on Castle Valley Center	1,739,690
Paid by capital projects funds	
Construction in progress – several locations	126,422
Paid by capital projects funds	
Equipment/automobiles – buses and automobiles	531,991

Debt Administration. At the end of the current fiscal year, the District had a total bonded debt outstanding of $1,426,000 and no capital lease obligations. The District's debt activity for the current year included a debt payment of $777,000. With the current year regular debt payment, this represents a decrease in debt obligation of $777,000, or 35.27%.

Carbon School District's Outstanding Debt

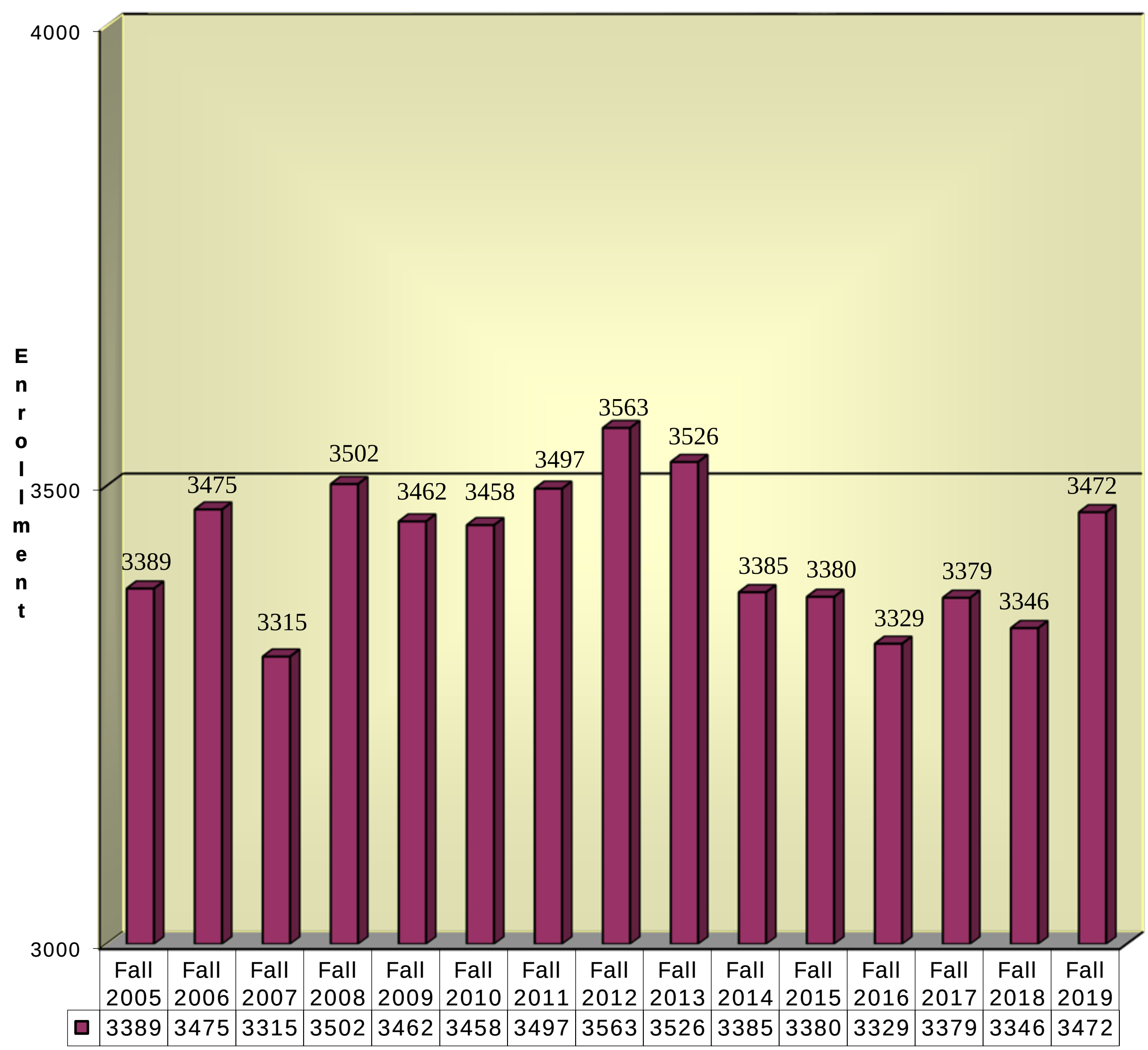
	Governmental Activities
	2019
General obligation bonds	$ 1,426,000
Total Geneal obligation bonds	$ 1,426,000
Total Capital lease obligations	$ …
Total outstanding debt (no accrued vacation)	$ 1,426,000

Other obligations include $422,513 of accrued vacation pay.

ECONOMIC FACTORS AND FUTURE BUDGETS

Over the past few years the District has been impacted by a declining enrollment as shown in the following chart:

Carbon School District Annual Fall Enrollments



ECONOMIC FACTORS AND FUTURE BUDGETS (Continued)

The future strength of the local economy, which is largely dependent on the production of natural resources, is a concern. The health of the local economy is a significant economic factor for the school district because of the impact it has on student enrollment, which is the main factor in determining the level of state funding, as well as its direct impact on local property tax revenues. However, as the production of natural resources has decreased over time, Carbon County has seen small increases in other industries, which have kept the local economy stable. Furthermore, future economic prospects have been enhanced by the announcement of planned expansions by a couple of large local employers. As a result, student enrollment numbers have been fairly consistent from the 2003-2004 school year (3,491 students) until now (3,472 students). Although enrollment has fluctuated slightly during these years, overall enrollment has remained stable.

The Carbon School District does not anticipate a significant change in property tax revenues from the prior year. However, due to the uncertainty regarding the local economy, the District is being conservative in its long-term budget planning. The District has only one outstanding General Obligation Bond, which will be paid off in June of 2021. The District is proposing to issue a new General Obligation Bond in 2020 to replace the current outstanding bond. If approved by voters, this bond will be used to remodel and improve the two oldest buildings in the district, Carbon High School and Helper Middle School.

The Carbon School District is dependent upon the Utah State Legislature for ongoing funding, particularly in the General Fund. For the past several years, the state has increased its funding of public education. The District is again projected to receive a small increase in state funding for the 2019-2020 school year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our community and all those interested in the school district with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Business Administrator, Carbon School District, at 251 West 400 North Price, Utah.

CARBON SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

		GOVERNMENTAL ACTIVITIES
Assets and Deferred Outflows of Resources		
Current Assets:		
Cash and cash equivalents	$	14,208,870
Receivables:		
Property taxes		13,949,082
Other governments		1,112,983
Prepaids and deposits		
Inventories		614,472
Noncurrent Assets:		
Capital assets:		
Land and construction in progress		3,640,915
Other capital assets, net of accumulated depreciation		38,067,073
Total assets	$	71,593,395
Deferred outflows of resources:		
Deferred outflows - refunding bonds		5,624
Deferred outflows of resources - related to pension		5,861,969
Total assets and deferred outflows of resources	$	77,460,988
Liabilities and Deferred Inflows of Resources		
Current liabilities:		
Accounts payable	$	1,619,978
Accrued interest		1,207
Accrued salaries		3,402,865
Net pension liability		15,233,382
Net other postemployment benefit obligations		502,250
Noncurrent liabilities:		
Due within one year		795,000
Due in more than one year		1,053,513
Total liabilities	$	22,608,195
Deferred inflows of resources:		
Related to pensions		492,991
Property tax levied for future years and governmental resources		13,103,275
Total liabilities and deferred inflows of resources	$	36,204,461
NET POSITION		
Invested in capital assets, net of related debt	$	40,281,988
Restricted for:		
School lunch		384,083
Non K-12 programs		137,813
Student activity programs		472,677
Capital projects		2,295,730
Debt service		385,577
Unrestricted		(2,701,341)
Total net position	$	41,256,527

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

CARBON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL GOVERNMENTAL ACTIVITIES
FUNCTION/PROGRAMS					
Governmental activities:					
Instructional services	$ 22,839,591	$ 24,078	$ 7,757,604		$ (15,057,909)
Supporting services:					
Students	2,035,407		223,798		(1,811,609)
Instructional staff	667,571		282,590		(384,981)
District administration	1,038,679		150,296		(888,383)
School administration	2,301,868		303,290		(1,998,578)
Business	1,238,822		838,070		(400,752)
Operation and maintenance of facilities	3,487,896		239,818		(3,248,078)
Transportation	1,989,879		1,144,346		(845,533)
Community services	56,149				(56,149)
School lunch services	1,727,986	270,770	1,428,326		(28,890)
Capital outlay	783,254			$ 90,633	(692,621)
Interest on long-term liabilities	42,893				(42,893)
Total governmental activities	$ 38,209,995	$ 294,848	$ 12,368,138	$ 90,633	$ (25,456,376)
Total school district	$ 38,209,995	$ 294,848	$ 12,368,138	$ 90,633	$ (25,456,376)

General revenues:	
Property taxes levied for:	
General purposes	$ 9,792,719
Debt service	895,607
Capital outlay	3,291,387
Redevelopment agency	55,832
Federal and state aid not restricted to specific purposes	10,596,010
Earnings on investments	396,551
Miscellaneous	2,246,525
Gain on disposition of assets	18,000
Total general revenues and transfers	$ 27,292,631
Change in net position	$ 1,836,255
Net position - beginning	38,500,677
Prior period adjustment	919,595
Net position - ending	$ 41,256,527

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

CARBON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	$ 10,402,592	$ 2,639,679	$ 1,166,599	$ 14,208,870
Due from other governmental units	877,796	93,203	141,984	1,112,983
Inventory	436,178		178,294	614,472
Property taxes receivable	9,747,658	3,303,719	897,705	13,949,082
Total assets	$ 21,464,224	$ 6,036,601	$ 2,384,582	$ 29,885,407
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 872,682	$ 712,950	$ 34,346	$ 1,619,978
Accrued salaries and liabilities	3,303,667		99,198	3,402,865
Total liabilities	$ 4,176,349	$ 712,950	$ 133,544	$ 5,022,843
Deferred inflows of resources - property taxes	$ 8,927,391	$ 3,027,921	$ 823,000	$ 12,778,312
Deferred inflows of resources - other deferrals	278,282		46,681	324,963
Total liabilities and deferred inflows of resources	$ 13,382,022	$ 3,740,871	$ 1,003,225	$ 18,126,118
Fund balances:				
Nonspendable:				
Inventories	$ 436,178		$ 178,294	$ 614,472
Restricted:				
Capital projects		$ 2,295,730		2,295,730
Debt service			386,784	386,784
School lunch			208,739	208,739
Non K-12 programs			134,863	134,863
Committed:				
Undistributed reserve	300,000			300,000
Employee obligations	3,500,000			3,500,000
Student activities			472,677	472,677
Unassigned:				
General fund	3,846,024			3,846,024
Total fund balances	$ 8,082,202	$ 2,295,730	$ 1,381,357	$ 11,759,289
Total liabilities and fund balances	$ 21,464,224	$ 6,036,601	$ 2,384,582	$ 29,885,407

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

CARBON SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

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

Total fund balance - governmental funds:		$ 11,759,289
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $81,013,736 and the accumulated depreciation is $39,305,748.		41,707,988
To recognize interest accrual to year end. Accrued interest for general obligation bonds is $1,207.		(1,207)
To recognize resources associated with pension assets and deferred outflows of pension resources.		
Net pension asset	$ -	
Deferred outflows of resources related to refunding bonds	5,624	
Deferred outflows of resources related to pensions	5,861,969	
Total pension assets and deferred outflows of resources		5,867,593
To recognize obligation associated with pension liabilities which are not current obligations and not recorded in the fund statements		
Net pension liability	$ (15,233,382)	
Deferred inflows of resources related to pensions	(492,991)	
Total pension assets and deferred inflows of resources		(15,726,373)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.		
Bonds payable	$ (1,426,000)	
Accrued vacation	(422,513)	
Net OPEB obligations	(502,250)	(2,350,763)
Net position of government activities		$ 41,256,527

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

CARBON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	GENERAL FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes	$ 9,792,719	$ 3,291,387	$ 951,439	$ 14,035,545
Earnings on investments	206,351	187,419	2,781	396,551
School lunch sales			270,770	270,770
Other local sources	1,122,644		1,119,327	2,241,971
State aid	18,988,436		836,741	19,825,177
Federal aid	1,506,368	19,856	1,703,380	3,229,604
Total revenues	$ 31,616,518	$ 3,498,662	$ 4,884,438	$ 39,999,618
EXPENDITURES:				
Current:				
Instructional services	$ 20,189,318		$ 1,296,042	$ 21,485,360
Supporting services:				
Students	963,121		1,058,880	2,022,001
Instructional staff	662,931			662,931
District administration	985,650			985,650
School administration	2,226,800			2,226,800
Business	1,225,562			1,225,562
Operation and maintenance of facilities	3,436,856			3,436,856
Transportation	1,788,862			1,788,862
Community services			55,832	55,832
School lunch services			1,697,177	1,697,177
Capital outlay		$ 3,940,667		3,940,667
Debt service:				
Principal retirement			777,000	777,000
Interest and fiscal charges			40,579	40,579
Total expenditures	$ 31,479,100	$ 3,940,667	$ 4,925,510	$ 40,345,277
Excess revenues over (under) expenditures	$ 137,418	$ (442,005)	$ (41,072)	$ (345,659)
OTHER FINANCING SOURCES (USES):				
Sale of supplies	$ 28,632			$ 28,632
Total other financing sources (uses)	$ 28,632	$ …	$ …	$ 28,632
Excess of revenues and other sources over (under) expenditures and other uses	$ 166,050	$ (442,005)	$ (41,072)	$ (317,027)
FUND BALANCES - beginning of year	7,271,864	2,521,105	1,363,752	11,156,721
Prior period adjustment	644,288	216,630	58,677	919,595
FUND BALANCES - end of year	$ 8,082,202	$ 2,295,730	$ 1,381,357	$ 11,759,289

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

CARBON SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

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

Net changes in fund balances - total governmental funds			$	(317,027)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than $5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.				
Capital outlays	$	3,157,413		
Gain on disposal of assets		18,000		
Depreciation expense		(1,416,931)		1,758,482
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:				
Repayment of bond principal	$	777,000		
Amortization of deferred outflows - refunding		(2,811)		
Interest expense - general obligation bonds		497		774,686
The Governmental funds report pension expense on the modified cash basis. Actual cash paid on benefits which government wide financial statements record pension expenditures on the accrual basis. This is the net amount of increase to pension expenses during the year on the accrual basis.				(336,795)
In the statement of activities, certain operating expenses--compensated absences (vacations), special termination benefits (early retirement) and claims (arbitrage rebates)-- are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, vacation payable increased by $43,091				(43,091)
Change in net position of governmental activities			$	1,836,255

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

CARBON SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Carbon School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the School District are described below.

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

- The financial statements include:

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

  Financial statements prepared using full-accrual accounting for all of the District's activities.

- Change in the fund financial statements to focus on the major funds.

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

A. Reporting Entity

The Board of Education, comprised of five elected individuals, is the primary governing authority for the District. All financial activities over which the District has oversight responsibilities are included in this report. The basis for inclusion or exclusion of other entities in the District's financial statements was based on the criteria set forth in the Governmental Accounting Standards Board (GASB) pronouncements. The basic criteria for including an entity, a board, or an agency in this report is the existence and exercise of oversight responsibility; consideration has been given to financial interdependency, ability to designate management, ability to significantly influence operation, and accountability for fiscal matters. According to the above criteria, no other entities have been included in the District's financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement activity) report information on all of the non-fiduciary activities of the District. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

- The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those that are required to be accounted for in another fund.
- The capital projects fund accounts for resources accumulated and payments made for the acquisition and improvement of sites, construction and remodel of facilities, and procurement of equipment necessary for providing educational programs for all students within the District.

The District's non-major governmental funds include the debt service fund and other special revenue funds for School Lunch, Non K-12 programs, Student Activities and Redevelopment Agency. The non-major debt service fund accounts for resources used for the payment of interest and principal on general long-term debt obligation and the special revenue funds account for specific revenue sources that are legally restricted to expenditures, for specified purposes.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement and claims and judgments are recorded only when payment is due.

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues include all property taxes.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

D. Budgetary Data

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

- During May of each year, the District superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30th.

- Copies of the proposed budget are made available for public inspection and by review of the patrons of the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

D. Budgetary Data (Continued)

- If the District does not exceed the certified tax rate, a public hearing is held prior to June 22 at which time the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the rates.

- Once adopted, the budget can be amended by subsequent Board action. The Board, upon recommendation of the superintendent, can approve reductions in appropriations but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah State law, interim adjustments may be made by the administrative transfer of money from one appropriation to another within any given fund.

- Minor interim adjustments in estimated revenue and appropriations during the year ended June 30, 2019, have been included in the final budget approved by the Board, as presented in the financial statements.

- Expenditures may not legally exceed budgeted appropriations at the fund level.

E. Cash and Cash Equivalents and Investments

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

F. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year, are referred to as “due to/from other funds”.

G. Inventories and Prepaid Items

Inventories are valued at cost, with the exception of the treatment of donated inventories described below, and the District uses the first-in, first-out (FIFO) method. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets. Federal food commodities inventory is disclosed separately with an offset to reserved fund balance. Federal food commodities inventory is valued according to published price lists provided by the U.S. Department of Agriculture.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental-wide and fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

H. Capital Assets

Capital assets, which include land, buildings, improvements, vehicles, technology and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines Capital Assets as assets with an initial individual cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is capitalized.

Buildings, improvements, vehicles, technology and equipment of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	20-40
Improvements	20
Vehicles	5-8
Technology	5
Equipment	5-20

I. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick leave benefits. Employees may accumulate up to 140 days and will be paid $15.00 for each day that is vested for sick days. Days accumulated in excess of 140 days are paid at $45 per day. Also, if the individual is no longer an employee of the School District, the accumulated sick days are paid at the same rate. Actual liability for vacation has been computed using current pay rate per day for each employee multiplied by the number of days of vacation.

J. Early Retirement

The District has adopted a policy to permit eligible employees to take an early retirement. The District will pay, up to three years, annual pension benefits equal to twenty percent of the employee's current contract salary. During the early retirement period, the District continues to pay for health and accident insurance as part of the District's insurance plan for up to seven years, if the employee had at least twenty years of service. An amount has been reserved for the liability in the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

K. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

L. Net Position/Fund Balances

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

In the governmental fund financial statements, fund balances are classified according to GASB 54 into the categories of nonspendable, restricted, committed, assigned and unassigned. All classifications of fund balances have been displayed on the basic financial statements in a manner that distinguishes between the major restrictions, commitments, and assignments of fund balances so the use of these balances are evident to the financial statement users. It is the practice of the District for the Board of Education to commit fund balances and to rescind these commitments through board action. No minimum fund balance policy has formally been adopted, but in practice, the District follows the requirements of Utah State Law.

M. Pensions Plans

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

N. Deferred Outflows/Inflows of Resources

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

2. DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. As of June 30, 2019, $2,522,404 of the District's bank balances of $3,270,527 was uninsured and uncollateralized.

Investments

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

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

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

Statutes authorize the District to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation(Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate 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 in the Money Management Act; and the Utah State Public Treasurer's Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, and Utah Code Annotated, 1953, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

2. DEPOSITS AND INVESTMENTS (Continued)

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

Fair Value of Investments

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

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

At June 30, 2019, the District had the following recurring fair value measurements:

		Fair Value Measurements Using		
Investments by fair value level	6/30/2019	Level 1	Level 2	Level 3
Debt Securities:				
U.S. Agencies	$ 1,700,000		$ 1,700,000	
Corporate Bonds	1,415,303		1,415,303	
Commercial Paper	605,466		605,466	
Utah Public Investment Fund	7,810,516		7,810,516	
Total Debt Securities	$ 11,531,285	$ …	$ 11,531,285	$ …

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

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets.
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' Investment Fund: application of the June 30, 2019 fair value factor, as calculated by the Utah State Treasurer, to the District's average daily balance in the fund; and,
- Donated Real Estate: recent appraisals of the real estate's value.

2. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

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

As of June 30, 2019, the District's investments had the following maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
U.S. Agencies	$ 1,700,000	$ 1,700,000			
Corporate Bonds	1,415,303	1,415,303			
Commercial Paper	605,466	605,466			
Utah Public Investment Fund	7,810,516	7,810,516			
Total	$ 11,531,285	$ 11,531,285	$ …	$ …	$ …

Credit Risk

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

At June 30, 2019 the District's investments had the following quality ratings:

	Fair	Quality Ratings			
Investment Type	Value	AAA	AA	A	Unrated
U.S. Agencies	$ 1,700,000	$ 1,700,000			
Corporate Bonds	1,415,303		$ 540,462	$ 874,841	
Commercial Paper	605,466		250,225	355,241	
Utah Public Investment Fund	7,810,516				$ 7,810,5
Total	$ 11,531,285	$ 1,700,000	$ 790,687	$ 1,230,082	$ 7,810,5

2. DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal policy for custodial credit risk. As of June 30, 2019, the District had $7,810,516 in Public Treasurers' Investment Fund which was held by them.

3. PROPERTY TAXES

The property tax revenue of the District is collected and distributed by the Carbon County Treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the County Auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a $10 minimum penalty.

If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%; the interest period is from January 1 until date paid.

As of June 30, 2019, property taxes receivable consist of 1) delinquent taxes assessed but uncollected for calendar year 2018 and earlier and 2) taxes assessed as of January 1, 2019, but are not due and payable until November 30, 2019. It is expected that all delinquencies plus accrued interest and penalties will be collected within a five-year period, during which time, the County Treasurer, may force the sale of property to collect the delinquent portion. Only the portion of property taxes receivable that meets the revenue recognition criteria is reported as revenue in the fund financial statements.

Beginning January 1, 1992, there was levied in lieu of the ad valorem tax, an annual uniform fee based on the value of motor vehicles. The uniform fee was 1.5% of the fair market statewide value of the property, as established by the State Tax Commission. On January 1, 1999, legislation became effective which made motor vehicles weighing 12,000 pounds or less subject to an "age-based" fee that is due each time the vehicle is registered. The revenues collected in each County from the uniform fee is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes age-based fee as revenue when the County collects it.

4. CAPITAL ASSETS

The Capital asset activity for Carbon School District for the year ended June 30, 2019 was as follows:

	Beginning Balance	Adjustments/ Increases	Adjustments/ Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 3,430,903			$ 3,430,903
Construction in progress	87,390	$ 126,422	$ (3,800)	210,012
Total capital assets not being depreciated	$ 3,518,293	$ 126,422	$ (3,800)	$ 3,640,915
Capital assets being depreciated:				
Buildings	$ 65,394,536	$ 2,502,800		$ 67,897,336
Furniture and equipment	9,383,268	531,991	$ (439,774)	9,475,485
Total capital assets being depreciated	$ 74,777,804	$ 3,034,791	$ (439,774)	$ 77,372,821
Accumulated depreciation for:				
Buildings	$ 31,216,395	$ 1,475,823		$ 32,692,218
Furniture and equipment	7,130,196	(58,892)	(457,774)	6,613,530
Total accumulated depreciation	$ 38,346,591	$ 1,416,931	$ ...	$ 39,305,748
Total capital assets, being depreciated, net	$ 36,431,213	$ 1,617,860	$ (439,774)	$ 38,067,073
Governmental activities capital assets, net	$ 39,949,506	$ 1,744,282	$ (443,574)	$ 41,707,988

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions of the District as follows:

Governmental Activities:

Instructional services	$ 1,123,761
Supporting services	
Students	-
Instructional staff	2,552
District administration	41,206
School administration	-
Business/central services	1,366
Operational and maintenance services	29,987
Transportation services	194,172
Community services	317
School lunch	23,570
Total depreciation expense - governmental activities	$ 1,416,931

The District had capital improvement obligations at June 30, 2019 that were under construction. The obligations for these projects are considered improvements or construction for the next fiscal year. Payments in the next fiscal year have been in excess of $437,732 for construction and improvements.

A reservation of fund balance for construction commitments in the capital projects fund has been made to pay for these expenditures for the year ended June 30, 2019.

5. PENSION PLANS

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

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

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

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

5. PENSION PLANS (Continued)

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

Summary of Benefits by System

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

*with actuarial reductions

**All post-retirement cost-of-living adjustments 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.

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2019 are as follows:

5. PENSION PLANS (Continued)

Utah State Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
12 - State School Division Tier 1	6.00%	17.70%	N/A
112 - State School Division Tier 2	N/A	18.87%	1.15%
Noncontributory System			
16 - State School Division Tier 1	N/A	22.19%	1.50%
Tier 2 DC Only			
212 - State and School	N/A	10.02%	10.00%

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

For fiscal year ended June 30, 2019, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 2,350,733	N/A
Tier 2 Public Employees System	751,601	
Tier 2 DC Only System	86,352	N/A
	$ 3,188,686	$ …

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.

5. PENSION PLANS (Continued)

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

At June 30, 2019, we reported a net pension asset of $0 and a net pension liability of $15,233,382.

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 12/31/2017	Change (Decrease)
Noncontributory System		$ 15,085,272	0.4054617%	0.4094643%	(.0040026)%
Contirbutory System		22,903	0.0322572%	0.0667065%	(.0344493)%
Tier 2 Public Employees System		125207	0.2923491%	0.3209033%	(.0285542)%
Total Net Pension Asset/Liability	$ …	$ 15,233,382			

The net pension asset and liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2018 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 year.

For the year ended June 30, 2019, we recognized pension expense of $3,523,234.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 81,240.00	$ 237,541.00
Changes in assumptions	1,565,754	2,249
Net difference between projected and actual earnings on pension plan investments	2,558,095	
Changes in proportion and differenes between contributions and proportionate share of contributions	36,590	253,201
Contributions subsequent to the measurement date	1,620,291	
Total	$ 5,861,970	$ 492,991

5. PENSION PLANS (Continued)

$1,620,291 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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
2019	$ 1,627,243
2020	577,114
2021	305,927
2022	1,212,204
2023	3,631
Thereafter	22,570

Actuarial assumptions: The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

5. PENSION PLANS (Continued)

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:

Asset Class	Expected Return Arithmetic Basis Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
Inflation			2.50%
Expected arithmetic nominal return			7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95 percent from 7.20 percent from the prior measurement period.

5. PENSION PLANS (Continued)

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 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	$ 27,115,190	$ 15,085,272	$ 5,020,744
Contributory System	47,996	22,903	1,490
Tier 2 Public Employees System	501,603	125,207	(165,277)
Total	$ 27,664,789	$ 15,233,382	$ 4,856,957

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 Plan

The Defined Contribution Savings Plan 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 School District participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

5. PENSION PLANS (Continued)

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

	2019	2018	2017
401(k) Plan			
Employer Contributions	$ 295,523	$ 280,690	$ 270,963
Employee Contributions	336,905	343,333	325,696
457 Plan			
Employer Contributions			
Employee Contributions	11,722	21,445	26,958
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	48,619	30,536	27,890

Pension Beginning and Ending Values

	Beginning values			Ending values		
GASB 68 schedule	**NPL/(NPA)**	**Asset**	**Liability**	**NPL/(NPA)**	**Asset**	**Liability**
Noncontributory	$ 10,012,885		$ 10,012,885	$ 15,085,272		$ 15,085,272
Contributory	4,390		4,390	22,903		22,903
Public Safety						
Firefighters						
Judges						
Governors & Legislators						
Tier 2 Public Employees	28,293		28,293	125,207		125,207
Tier 2 Public Safety & Firefighter						
Total	$ 10,045,568	$ …	$ 10,045,568	$ 15,233,382	$ …	$ 15,233,382

5. PENSION PLANS (Continued)

Retirement System	Net Pension Liability/(Asset) at 12-31-2017 System Total NPL/(NPA)	Proportionate Share	Ending Values	Net Pension Liability/(Asset) at 12-31-2018 System Total NPL/(NPA)	Proportionate Share	Ending Values
Noncontributory						
Local Government	$ 438,129,988	0.0000000%		$ 736,372,374	0.0000000%	
State School	2,445,362,179	0.4094643%	$ 10,012,885	3,720,517,145	0.4054620%	$ 15,085,272
Contributory						
Local Government	8,137,414	0.0000000%		40,580,280	0.0000000%	
State School	6,580,407	0.0667065%	4,390	71,000,395	0.0322570%	22,903
Public Safety						
Other Div A	156,865,824	0.0000000%		257,258,503	0.0000000%	
State of Utah	173,886,661	0.0000000%		239,375,113	0.0000000%	
SLC	86,194,634	0.0000000%		103,028,051	0.0000000%	
Ogden	19,938,952	0.0000000%		22,263,653	0.0000000%	
Provo	11,389,861	0.0000000%		15,111,748	0.0000000%	
Logan	5,809,852	0.0000000%		6,809,836	0.0000000%	
Bountiful	6,280,025	0.0000000%		7,529,711	0.0000000%	
Other Div B	48,320,343	0.0000000%		78,799,595	0.0000000%	
Firefighters						
Other Div A	(6,245,527)	0.0000000%		12,984,728	0.0000000%	
Other Div B	(22,433,533)	0.0000000%		40,415,201	0.0000000%	
Judges	32,585,945	0.0000000%		48,638,543	0.0000000%	
Governors & Legislators	1,853,770	0.0000000%		2,640,357	0.0000000%	
Tier 2 Public Employees	8,816,731	0.3209033%	28,293	42,827,859	0.2923490%	125,207
Tier 2 Public Safety & Firefighter	(1,157,070)	0.0000000%		2,505,563	0.0000000%	
Total	$ 3,420,316,456		$ 10,045,568	$ 5,448,658,655		$ 15,233,382

6. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation refunding bonds	$ 2,203,000		$ (777,000)	$ 1,426,000	$ 795,000
Total bonds payable, net	$ 2,203,000	$ …	$ (777,000)	$ 1,426,000	$ 795,000
Net pension liability	$ 10,045,568	$ 5,210,064	$ (22,250)	$ 15,233,382	
Compensated absences	379,422	43,091		422,513	
Total governmental activity long-term liabilities	$ 12,627,990	$ 5,253,155	$ (799,250)	$ 17,081,895	$ ...

On January 19, 2017, Carbon School District issued $3,695,000 in General Obligation Refunding Bonds with an average interest rate of 1.8495409 percent. The net proceeds of $3,664,057 (after payment of issuance costs) were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2006 Series bonds. As a result, the 2006 Series bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt account group. The defeased debt payment for the current year has been made from the escrow account and the escrow agent is continuing to monitor and handle the irrevocable trust.

Payments on the general obligation bonds are made by the debt service fund with property taxes. The obligations under capital leases are paid by the general fund. The accrued vacation will be paid by the fund in which the employee worked.

6. LONG-TERM DEBT (Continued)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2019, including interest payments are as follows:

Year Ending	Governmental Activities		
June 30,	Principal	Interest	Total
2020	$ 795,000	$ 28,356	$ 823,356
2021	631,000	13,251	644,251
	$ 1,426,000	$ 41,607	$ 1,467,607

General Obligation Bonds – General obligation school building refunding bonds payable at June 30, 2019, with their outstanding balance are comprised of the following individual issue:

$3,695,000 - 2017 general obligation refunding bonds, due in annual installments of $631,000 to $795,000, beginning June 15, 2017 through June 15, 2021,interest from 1.25% to 2.10%.	$ 1,426,000
	$ 1,426,000

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2019, is $63,180,403. General obligation debt at June 30, 2019 is $1,426,000, resulting in a legal debt margin of $61,754,403.

7. CAPITAL LEASES

Carbon School District has previously entered into lease agreements as lessee for financing the acquisition of copy machines, weight lifting equipment and other equipment to be used by the District personnel and students. These lease agreements have qualified as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The District had no previous capital leases from the prior year and no new capital leases in the current year that have been identified as a capital lease.

8. CONTINGENT LIABILITIES

The amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. The disbursement of funds received under these programs is subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the General Fund or other funds that have received the grants. Based on prior experience, the District administration believes such disallowance, if any, would be immaterial.

9. RISK MANAGEMENT

The District also maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to $10 million per occurrence through policies administered by the Utah State Risk Management Fund. The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Utah State Risk Management Fund.

Property physical damage is insured to replacement value with a $1,000 deductible; automobile physical damage is insured to actual value with a $350 deductible; other liability is limited to the lesser of $10 million or the statutory limit. The Utah State Risk Management Fund (USRMF) is a public entity risk pool operated by the State for the benefit of the State and local governments within the State. The District pays annual premiums to USRMF; USRMF obtains independent coverage for insured events, up to $25 million per location. This is a pooled arrangement where the districts pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Insurance coverage from coverage by major category of risk has remained relatively constant as compared to the prior fiscal year.

10. DESIGNATED FOR UNDISTRIBUTED RESERVE

Utah State law allows for the establishment of an undistributed reserve. The Board of Education must authorize expenditures from the undistributed reserve. This reserve is for contingencies. According to State law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees. The undistributed reserve may not exceed 5% of the following fiscal year's total general fund budgeted revenues. The expenditure of the reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and State Auditor.

11. RECEIVABLES

Receivables for the government's individual major funds and non-major funds as of June 30, 2019, are as follows:

	GENERAL	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTALS
Due from other governments:				
State funds	$ 877,796	$ 93,203	$ 141,984	$ 1,112,983
Total	$ 877,796	$ 93,203	$ 141,984	$ 1,112,983
Property taxes	$ 9,747,658	$ 3,303,719	$ 897,705	$ 13,949,082

12. BUDGETARY COMPLIANCE

The School District overspent the General Fund budget as of and for the year ended June 30, 2019. The School District did not overspend any of the other funds budget.

13. OTHER COMMITMENTS

The School District has construction commitments that have been entered into with several construction firms, to perform work on buildings and other structures for the School District. The construction firms have completed and earned approximately 80% of the project. The remaining 20% of the project costs will be paid as the work is completed on the projects. This remaining dollar amount approximates $437,000 dollars.

14. SUBSEQUENT EVENTS

The District has no significant subsequent events to report for the fiscal year of 2018-2019.

15. OTHER POST EMPLOYMENT BENEFITS (OPEB)

The District provides an early retirement incentive comprising of a cash stipend (paid into either a HRA medical trust account or 403n retirement plan), restricted to full-time educators hired before January 1, 2007, who have a minimum of 20 years of service in the District and who are eligible to retire through Utah Retirement Systems. Qualifying employees receive a monthly stipend of 1/12 of 25% of the employee's base salary for a maximum of up to six years or until the employee becomes eligible for unreduced Social Security benefits, whichever comes first.

The District has committed $3,500,000 of the General Fund fund's balance for the purpose of funding the early retirement benefit. The District had an actuarial valuation performed as of July 1, 2012 to conform with GASB Statement 45 for the evaluation of the insurance benefit and GASB Statement 27 for the evaluation of the early retirement incentive, the stipend portion.

Annual OPEB Cost and Net OPEB Asset - the District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The District has elected to calculate the ARC and related information using the projected unit credit actuarial cost method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The number of active employees, eligible for plan benefits as of July 1, 2012, the date of the latest actuarial valuation, is summarized as follows:

15. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

Active employees eligible for plan benefits - GASB 45

Age	5-9	10-14	15-19	20-24	Over 25	Total
30-34	-	-	-	-	-	-
35-39	-	-	-	-	-	-
40-44	-	-	-	-	-	-
45-49	-	-	-	-	-	-
50-54	-	-	-	-	-	-
55-59	-	-	-	-	-	-
60-64	-	-	-	-	-	-
65+	-	-	-	-	-	-
Total	-	-	-	-	-	-

Retirees receiving medical coverage as of July 1, 2019 were 0.

Active employees eligible for plan benefits - GASB 27

Age	5-9	10-14	15-19	20-24	Over 25	Total
25-29	-	-	-	-	-	-
30-34	-	-	-	-	-	-
35-39	-	3	3	-	-	6
40-44	-	3	7	-	-	10
45-49	-	5	5	6	-	16
50-54	-	2	2	5	5	14
55-59	-	3	5	7	11	26
60-64	-	-	3	4	12	19
65+	-	-	-	-	-	-
Total	-	16	25	22	28	91

Retirees receiving early retirement incentive as of July 1, 2019 were 91.

15. OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The following tables show the components of the District's annual OPEB cost based on July 1, 2012 valuations, the amount actually contributed to the plan, and changes in the District's net OPEB assets in the plan

GASB 27 and GASB 45 Valuation

Amortization of unfunded amortization of actuarial accrued liability (UAAL)	$	398,903
Normal cost		109,134
Interest		20,321
Annual required contribution (ARC)	$	528,358
Adjustment to ARC		(77,909)
Interest on Net OPEB obligation		51,801
Annual OPEB cost	$	502,250
Contibutions made as of June 30, 2014		-
Increase in net OPEB obligation	$	502,250
Net OPEB obligation/assets - beginning of year		
Net Opeb obligation/assets - end of year		

The District's percentage of annual OPEB cost contributed to the plan is 0.0% for the year ended June 30, 2019.

Funded Status and Funding Progress - as of July 1, 2012, the most recent actuarial valuation date, the plan was 0.0% funded. The unfunded actuarial accrued liability (UAAL) for the GASB 45 evaluation of insurance benefit is $3,657,716 and GASB 27 evaluation of the early retirement incentive (stipend portion) is $2,972,883, for a total of $6,630,599.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future.

Actuarial methods and assumptions - projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District has committed in excess of $3,500,000 for the funding of these benefits and will continue to commit additional funding in future years until fully funded.

16. RESTRICTED NETS ASSETS

Restricted Net Assets – Restrictions have been made on the following net assets in the Statement of Net Assets for Government-wide Financial Statements.

Non K-12 programs – Federal and state governments have restricted the use of these funds for the purpose of providing educational training to those beyond the age of high school students and for pre-school children.

Capital Projects – The District has created a Capital Projects Fund for the purpose of accumulating funds to construct or purchase capital assets. The state has restricted these funds through legislation.

Debt Service – The District has set aside debt reserve funds for the purpose of making future debt obligation payments and to be in compliance with debt obligation documents. The District's board in conjunction with bond document requirements has restricted these funds through internal legislation.

School Lunch – Federal and state governments have restricted the use of these funds for the purpose of providing school lunch to students.

17. FUND BALANCE CLASSIFICATIONS

According to Governmental Accounting Standards Board Statement No. 54, all governments that report governmental funds shall establish criteria for classifying fund balances into specifically defined classifications and clarify definitions for governmental fund types. Fund balances for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. This statement applies to fund balance reported in the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Permanent Funds. This Statement does not apply to Enterprise Funds and Internal Service Funds. The hierarchy of the five possible GASB 54 classifications is as follows:

- Non-spendable Fund Balances includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g., inventory, pre-paid items, permanent scholarships).
- Restricted Fund Balances include amounts constrained for a specific purpose by external parties (e.g., debt service, capital projects, state and federal grant funds).
- Committed Fund Balances includes amounts constrained for a specific purpose by a government using its highest level of decision making authority (e.g., major maintenance, capital replacement reserve, land, reserves, and campus activity funds).
- Assigned Fund Balances includes general fund amounts constrained for a specific purpose by a governing board or by an official that has been delegated authority to assign amounts.
- Unassigned Fund Balance is the residual classification for the general fund.

17. FUND BALANCE CLASSIFICATIONS (Continued)

On June 15, 2011, the Carbon School District's Board of Education adopted a budget establishing the following:

The Board of Education commits to maintain currently $300,000 of General Fund budgeted expenditures (defined in Utah Code 53A-19-103 and Utah Administrative Code R277-425-4 as an undistributed reserve) as a committed fund balance. The specific purpose of the commitment is for economic stabilization. Potential state budget cuts, disasters, immediate capital needs, and other significant events are circumstances or conditions that signal the need for stabilization. As defined in state law, the commitment is not to be used "in the negotiation or settlement of contract salaries for school district employees." Since the undistributed reserve funds are considered to be stabilization amounts, they may be expended only when certain specific circumstances exist. Those circumstances should be such that they would not be expected to occur routinely. For the purpose of reporting fund balance, stabilization is considered a specific purpose and stabilization amounts should be reported in the general fund as restricted or committed. In the general fund the undistributed reserve has been shown as a committed fund balance. In the government-wide financial statements the undistributed reserve is reported as restricted.

The Board of Education commits $3,500,000 for the purpose of providing for future payments of early retirement incentive benefits.

The Board of Education commits the unrestricted fund balance of District activity amounts held in the Student Activity Fund to be used to support District activities at the schools. Examples of District activity funds include: athletics, textbooks, field trips, music programs, book fairs, and school plays.

18. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets and liabilities, the statement of financial position and balance sheet reports a separate section for deferred outflows and deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District reports three of these items. One item, unavailable revenue, reports unavailable revenues from grantors when the only eligibility criterion that has not been met by the recipient is a timing requirement. Item two, property taxes, is reported as deferred inflows of resources since they are recognized as receivables before the period for which the taxes are levied. The last item of deferred inflow of resources related to pensions and is disclosed in note 5 to the financial statements.

The District also has two deferred outflows of resources. One item is related to pensions that also has been disclosed in note 5 to the financial statements. The other item is related to issuance of General Obligation Series 2017 refunding bond. This balance is the difference between the reacquisition price of the old bonds and the net carrying amount of the old bonds is the deferred outflow of resources to be amortized over the life of the old or new bonds, whichever is shorter.

19. PRIOR PERIOD ADJUSTMENT

The School District has reported, in the past, property taxes received during the fiscal year as current year property tax revenue and has not made an adjustment for taxes paid by the County and received by the School District after the fiscal year. Some of the taxes paid by the County after the fiscal year are for the last few months of the current fiscal year. Because the revenue recognition rules of 60 days, as outlined by Footnote 1 (Measurement Focus, Basis of Accounting, and Financial Statement Presentation) the School District considers revenues to be available if they are collected within the 60 days of the end of the current fiscal year. We have determined those property taxes collected from the prior year that were not included as prior year tax revenue and made a change in the Fund Balance for the following funds: General Fund increase of $644,288, Capital Projects Fund increase of $216,630 and Debt Service Fund increase of $58,677. The current fiscal year property taxes received after the fiscal year ended have been properly recorded as Property Taxes receivable.

CARBON SCHOOL DISTRICT

Required Supplementary Information

CARBON SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL AMOUNTS	FAVORABLE (UNFAVORABLE)
REVENUES:				
Property taxes	$ 10,136,166	$ 10,136,166	$ 9,792,719	$ (343,447)
Earnings on investments	165,000	165,000	206,351	41,351
Other local sources	522,000	522,000	1,122,644	600,644
State aid	17,759,148	17,751,313	18,988,436	1,237,123
Federal aid	1,468,970	1,468,970	1,506,368	37,398
Total revenues	$ 30,051,284	$ 30,043,449	$ 31,616,518	$ 1,573,069
EXPENDITURES:				
Current:				
Instructional services	$ 19,725,830	$ 20,825,830	$ 20,189,318	$ 636,512
Supporting services:				
Students	1,205,079	1,205,079	963,121	241,958
Instructional staff	412,739	412,739	662,931	(250,192)
District administration	1,122,588	1,122,588	985,650	136,938
School administration	2,080,189	2,080,189	2,226,800	(146,611)
Business	893,443	893,443	1,225,562	(332,119)
Operation and maintenance of facilities	2,994,698	2,994,698	3,436,856	(442,158)
Transportation	1,615,531	1,615,531	1,788,862	(173,331)
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total expenditures	$ 30,050,097	$ 31,150,097	$ 31,479,100	$ (329,003)
Excess of revenue over (under) expenditures	$ 1,187	$ (1,106,648)	$ 137,418	$ 1,244,066
OTHER FINANCING SOURCES (USES):				
Sales of supplies		$ 7,835	$ 28,632	$ 20,797
Total other financing sources (uses)	$ …	$ 7,835	$ 28,632	$ 20,797
Net change in fund balances	$ 1,187	$ (1,098,813)	$ 166,050	$ 1,264,863
FUND BALANCES - beginning of year	(1,187)	1,098,813	7,271,864	6,173,051
Prior period adjustment			644,288	644,288
FUND BALANCES - end of year	$ …	$ …	$ 8,082,202	$ 8,082,202

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

CARBON SCHOOL DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2019

	Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of its covered-employee payroll
Noncontributory Retirement System	2014	0.4303318%	$10,812,210	$12,035,113	89.80%	87.2%
	2015	0.4162699%	$13,076,230	$11,433,196	114.37%	84.5%
	2016	0.4152675%	$13,458,475	$11,336,897	118.71%	84.9%
	2017	0.4094643%	$10,012,885	$10,823,454	92.51%	89.2%
	2018	0.4054617%	$15,085,272	$10,735,172	140.52%	84.1%
Contributory Retirement System	2014	0.2528688%	$27,727	$92,422	30.00%	98.7%
	2015	0.2452257%	$153,671	$77,682	197.82%	92.4%
	2016	0.1125099%	$61,651	30,160	204.41%	93.4%
	2017	0.0667065%	$4,390	15,178	28.92%	99.2%
	2018	0.0322572%	$22,903	6,260	365.85%	91.4%
Tier 2 Public Employees Retirement System	2014	0.2907552%	($8,811)	$1,422,685	-0.60%	103.5%
	2015	0.2783794%	($608)	$1,797,465	-0.03%	100.2%
	2016	0.2996958%	$33,431	$2,457,748	1.36%	95.1%
	2017	0.3209033%	$28,293	$3,154,478	0.90%	97.4%
	2018	0.2923491%	$125,207	$3,434,228	3.65%	90.8%

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

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

CARBON SCHOOL DITRICT
SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30, 2019

	As of Fiscal Year Ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	$ 2,431,943	$ 2,431,943		$ 12,381,461	21.27%
	2015	2,458,272	2,458,272		11,556,986	21.27%
	2016	2,463,667	2,463,667		11,470,636	21.48%
	2017	2,361,955	2,361,955		11,003,142	21.47%
	2018	2,353,255	2,353,255		10,803,238	21.78%
	2019	2,350,733	2,350,733		10,790,151	21.79%
Contributory System	2014	$ 15,137	$ 15,137		$ 96,729	15.65%
	2015	16,262	12,262		92,977	17.49%
	2016	9,569	9,569		54,060	17.70%
	2017	2,690	2,690		15,200	17.70%
	2018	2,111	2,111		11,926	17.70%
	2019	-	-		-	0.00%
Tier 2 Public Employees System*	2014	$ 199,257	$ 199,257		$ 1,204,628	16.54%
	2015	290,923	290,923		1,624,077	17.91%
	2016	364,280	364,280		1,996,670	18.24%
	2017	539,723	539,723		2,961,270	18.23%
	2018	584,237	584,237		3,174,710	18.40%
	2019	751,601	751,601		3,994,688	18.82%
Tier 2 Public Employees DC Only System*	2014	$ 18,136	$ 18,136		$ 224,082	8.09%
	2015	23,749	23,749		242,236	9.80%
	2016	36,342	36,342		361,131	10.06%
	2017	44,379	44,379		442,909	10.02%
	2018	67,308	67,308		671,734	10.02%
	2019	86,352	86,352		851,284	10.14%

* 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.

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

CARBON SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

CHANGES IN ASSUMPTIONS:

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

CARBON SCHOOL DISTRICT

Supplementary Information

CARBON SCHOOL DISTRICT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	DEBT SERVICE FUND	SPECIAL REVENUE: SCHOOL LUNCH	SPECIAL REVENUE: NON K-12 PROGRAMS	SPECIAL REVENUE: STUDENT ACTIVITY	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
Cash and cash equivalents	$ 312,079	$ 169,754	$ 211,584	$ 473,182	$ 1,166,599
Inventory		175,344	2,950		178,294
Due from other governments		110,515	31,469		141,984
Property taxes receivable	897,705				897,705
Total assets	$ 1,209,784	$ 455,613	$ 246,003	$ 473,182	$ 2,384,582
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable		$ 33,841		$ 505	$ 34,346
Accrued salaries and liabilities		20,174	$ 79,024		99,198
Total liabilities	$ …	$ 54,015	$ 79,024	$ 505	$ 133,544
Deferred inflows of resources	$ 823,000	$ 17,515	$ 29,166		$ 869,681
Total liabilities and deferred inflows of resources	$ 823,000	$ 71,530	$ 108,190	$ 505	$ 1,003,225
Fund balances:					
Nonexpendable:					
Inventories		$ 175,344	$ 2,950		$ 178,294
Restricted:					
Debt service	$ 386,784				386,784
School Lunch		208,739			208,739
Non K-12 programs			134,863		134,863
Committed:					
Student activities				$ 472,677	472,677
Total fund balances	$ 386,784	$ 384,083	$ 137,813	$ 472,677	$ 1,381,357
Total liabilities and fund balance	$ 1,209,784	$ 455,613	$ 246,003	$ 473,182	$ 2,384,582

CARBON SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	DEBT SERVICE FUND	SPECIAL REVENUE: SCHOOL LUNCH	SPECIAL REVENUE: NON K-12 PROGRAMS	SPECIAL REVENUE: STUDENT ACTIVITY	SPECIAL REVENUE: REDEVELOPMENT AGENCY	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:						
Property tax	$ 895,607				$ 55,832	$ 951,439
Lunch sales		$ 270,770				270,770
Other local revenues	2,781		$ 28,101	$ 1,091,226		1,122,108
State aid		273,055	563,686			836,741
Federal aid		1,155,271	548,109			1,703,380
Total revenues	$ 898,388	$ 1,699,096	$ 1,139,896	$ 1,091,226	$ 55,832	$ 4,884,438
EXPENDITURES:						
Current:						
Instructional services			$ 1,296,042			$ 1,296,042
School lunch services		$ 1,697,177				1,697,177
Supplies and technical services				$ 1,058,880		1,058,880
Community services					$ 55,832	55,832
Debt service:						
Principal retirement	$ 777,000					777,000
Interest and fiscal charges	40,579					40,579
Total expenditures	$ 817,579	$ 1,697,177	$ 1,296,042	$ 1,058,880	$ 55,832	$ 4,925,510
Excess of revenues over (under) expenditures	$ 80,809	$ 1,919	$ (156,146)	$ 32,346		$ (41,072)
OTHER FINANCING SOURCES (USES):						
Total other financing sources (uses)	$ …	$ …	$ …	$ …	$ …	$ …
Excess of revenues and other sources over (under) expenditures and other uses	$ 80,809	$ 1,919	$ (156,146)	$ 32,346		$ (41,072)
Fund Balances - Beginning of year	247,298	382,164	291,009	443,281		1,363,752
Prior period adjustment	58,677		2,950	(2,950)		58,677
Fund Balances - End of year	$ 386,784	$ 384,083	$ 137,813	$ 472,677	$ …	$ 1,381,357

CARBON SCHOOL DISTRICT
SCHEDULE OF PROPERTY TAX CERTIFIED RATE
FOR THE PAST SIX YEARS
FOR THE YEAR ENDED JUNE 30, 2019

	CERTIFIED RATE					
	2013	2014	2015	2016	2017	2018
Maintenance and Operation -						
Basic program	.001535	.001419	.001736	.001675	.001568	.001666
Voted leeway	.001100	.001100	.001113	.001207	.001100	.001108
Board approved	.002296	.002310	.002334	.002696	.002737	.002749
10% additional basic						
Subtotal	.004931	.004829	.005183	.005578	.005405	.005523
Capital Outlay and Debt Service -						
Basic program	.001606	.001614	0.001633	.001792	.001843	.001857
Subtotal	.001606	.001614	.001633	.001792	.001843	.001857
Recreation						
Tort liability						
Transportation						
General Obligation Debt	.000649	.000645	.000328	.000436	.000505	.000503
Total certified rate	.007186	.007088	.007144	.007806	.007753	.000503

CARBON SCHOOL DISTRICT
DETAIL SCHEDULE OF BONDS PAYABLE
FOR THE YEAR ENDED JUNE 30, 2019

A detail payment schedule of all the bonds payable of Carbon County School District as of June 30, 2019 is set forth below:

CARBON COUNTY SCHOOL DISTRICT - SCHOOL BUILDING BONDS

SERIES 2017 - GENERAL OBLIGATION REFUNDING BONDS

YEAR ENDED JUNE 30,	TOTAL INTEREST REMAINING TO MATURITY	INTEREST PAYABLE ON DECEMBER 15,	INTEREST PAYABLE ON JUNE 15,	INTEREST RATE	PRINCIPAL SUM PAYABLE JUNE 15,	PRINCIPAL SUM PAYABLE AMOUNT
2019	$ 41,608	$ 14,178				
2020	13,252	6,626	$ 14,178	1.900%	2020	$ 795,000
2021			6,626	2.100%	2021	631,000
Totals		$ 20,804	$ 20,804			$ 1,426,000
Total Bonds Payable						$ 1,426,000

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Honorable Board of Education
Carbon School District
Price, Utah 84501

RE: Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by The State Compliance Audit Guide

Report on Compliance

We have audited Carbon School District's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on the School District for the year ended June 30, 2019.

State compliance requirements were tested for the year ended June 30, 2019 in the following areas:

Budgetary Compliance
School District Tax Levies
Fund Balance
Conflicts of Interest
Nepotism
Minimum School Program
Cash Management
URS Compliance
School Fees
Government Records Access Management Act
Open and Public Meetings Act

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the School District's compliance based on our audit of the State 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 state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination on the School District's compliance with those requirements.

Opinion on Compliance

In our opinion, Carbon School District, complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Compliance Audit Guide and which are described in the accompanying letter to management dated November 11, 2019 as item 2019-1, 2019-2 and 2019-3. Our opinion on compliance is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

SMUIN, RICH & MARSING

Smuin, Rich & Marsing

Price, Utah

November 11, 2019

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

We have audited in accordance with the auditing standards generally accepted in the United States of America and 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, each major fund, and the aggregate remaining fund information of Carbon School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Carbon School District's basic financial statements and have issued our report thereon dated November 11, 2019.

Internal Control Over Financial Reporting

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-1, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as item 2019-1.

We noted other certain matters that we reported to management of the District in the accompanying letter identified as our management letter, dated November 11, 2019.

District's Response to Findings

The School District's response to the findings identifies in our audit is described in the accompanying schedule of findings and questioned costs and in our management letter. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion in it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SMUIN, RICH & MARSING

Smuin, Rich & Marsing

Price, Utah

November 11, 2019

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Carbon School District
Price, Utah 84501

RE: Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited Carbon School District’s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the School District’s major federal programs for the year ended June 30, 2019. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion Carbon School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Carbon School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

SMUIN, RICH & MARSING

Smuin, Rich & Marsing

Price, Utah

November 11, 2019

CARBON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTOR /PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JULY 1, 2018	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT JUNE 30, 2019
U.S. DEPARTMENT OF EDUCATION							
Passed through State Department of Education:							
Title 1 - Child Low Income FY18	84.010		$ 593,905		$ 593,905	$ 593,905 *	
Student Support Academic Enrichment - SSAE	84.424		200,000		82,991	82,991	
P.L. 101476 Formula	84.027		785,996		602,419	602,419	
P.L. 99-457 EHA-B Preschool	84.173		45,426		45,426	45,426	
Vocational Education Title II B	84.048		112,877		112,055	112,055	
Education Act - Prisons/Institutions	84.002		1,500		1,500	1,500	
Improving Teacher Quality FY18	84.367		108,053		108,053	108,053	
Total passed through State Department of Education			$ 1,847,757	$ …	$ 1,546,349	$ 1,546,349	$ …
Total Department of Education			$ 1,847,757	$ …	$ 1,546,349	$ 1,546,349	$ …
U.S. DEPARTMENT OF AGRICULTURE							
Passed through State Department of Agriculture:							
National School Lunch Program	10.555		$ 743,369		$ 743,369	$ 743,369 *	
National School Breakfast Program	10.553		275,381		275,381	275,381 *	
Fresh Fruits and Vegetables	10.582		28,255		16,630	16,630	
U.S.D.A. Commodities	10.550		111,761		111,761	111,761	
After School Program	10.559		8,131		8,131	8,131	
Total Department of Agriculture			$ 1,166,897	$ …	$ 1,155,272	$ 1,155,272	$ …

CARBON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTOR /PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JULY 1, 2018	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT JUNE 30, 2019
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Passed through State Department of Health and Human Services:							
Medical Assistance Program Title XIX	93.778		$ 501,183		$ 501,183	$ 501,183	
Passed through State Department of Workforce Services:							
Child Care and Development Grant	93.558		650,000		555,963	555,963	
Total Department of Health and Human Services			$ 1,151,183	$ …	$ 1,057,146	$ 1,057,146	$ …
Total Federal Assistance			$ 4,165,837	$ …	$ 3,758,767	$ 3,758,767	$ …

*** Tested as Major Program**

CARBON SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Carbon School District (District). The District reporting entity is defined in Note 1 to the basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed-through other government agencies are included on the schedule of expenditures of federal awards.

The information in the 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 Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the District.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting for expenditures in governmental fund types, which is described in Note 1 to the basic financial statements.

Food commodities are non-cash federal awards. The calculation of the federal award expenditure is equal to the amount of commodities consumed during the year, expressed at market value. Market values are received monthly from the USDA detailing the market value of the USDA goods received for the month.

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CARBON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of Carbon School District.

2. There was one significant deficiencies and no material weaknesses disclosed in internal control by the audit over the financial statements.

3. No instances of noncompliance material to the financial statements of Carbon School District were disclosed by the audit.

4. There were no significant deficiencies or material weaknesses in internal control over major programs disclosed by the audit.

5. The auditors' report on compliance for the major federal award programs for Carbon School District expresses an unmodified opinion.

6. The audit of Carbon School District's major programs disclosed no audit finding relating to major programs that the auditor is required to report.

7. The programs tested as major programs included:

Program	CFDA#
School Lunch Program	10.555/10.553
Title 1 - Administration	84.010

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

9. Carbon School District was determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

FINDING 2019-1 BUDGETARY COMPLIANCE

Criteria:

Utah Code Section 53G-7-307 states that School District Superintendents and Local School Board members of a School District shall monitor and review appropriate expenditures during the year as compared to the adopted budget. These members comprise the Budget Officers of the District and as such have the responsibility to ensure expenditures do not exceed the amounts appropriated in the final adopted budget. Any obligation contracted by any such officer may not be or become invalid or non-enforceable against the School District.

Statement of Condition:

During the year ended June 30, 2019, the School District overspent their final adopted budget in the General Operating fund.

Cause of Condition:

It appears that internal controls implemented by the School District, requiring business administration, superintendent and school board members to monitor actual expenditures compared to budgeted amounts were not finalized at the end of the fiscal year.

Effect or Possible Effect of Condition:

The budgets are the authorization for the School District to spend their funds. If expenditures exceed the appropriations for the adopted budget, citizens or taxpayers could question the allowed expenditures in excess of the adopted budget. Also, the Budget Officers of the School District do not have the authority to spend funds in excess of the adopted budget, which as stated above, may not be enforceable against the School District.

Recommendation:

We recommend the School District monitor the expenditures as compared to the approved budgets, on a regular basis, to ensure they are in compliance with budgetary requirements. Established internal controls need to be followed or additional internal controls may need to be adopted to assist in the budgetary compliance process.

School District's Response

The School District will review internal controls covering the monitoring of expenditures compared to budgeted expenditures to make sure they are adequate. If necessary, the School District will adopt additional internal controls to assure the District stays in compliance.

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

NONE

CARBON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

Carbon School District did not have any prior audit findings that needed to be reported in this summary schedule.

None

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UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

November 11, 2019

Honorable Board of Education
Carbon School District
Price, Utah 84501

Ladies/Gentlemen:

The following findings and recommendations are a result of our review of the accounting procedures and internal controls in connection with our examination of the financial statements of Carbon School District for the year ended June 30, 2019. Since our review was made primarily to determine the scope of our auditing procedures and was not intended as a comprehensive study or evaluation of the systems policies and procedures, this memorandum should not be considered all-inclusive. We welcome the opportunity to discuss any items mentioned in this memorandum or any other accounting or procedural questions.

INTERNAL CONTROLS AND STATE COMPLIANCE ISSUES

FINDING 2019-1 - SCHOOL ACCOUNTING – SUPPORTING DOCUMENTATION

Criteria:

Each school in the School District is required to maintain adequate supporting documentation for all expenditures issued by the school. The supporting documents should provide adequate and detailed information to support the expenditure. When faculty/teachers are reimbursed for school expenses paid for personally, the individual should provide adequate supporting documentation, before the reimbursement is executed.

State of Condition:

While reviewing the expenditures of the schools in the School District, we found several situations where the supporting documentation for faculty/teachers reimbursements was inadequate. The supporting documentation was not filed on a valid reimbursement sheet or the receipts used for supporting documentation included personal items on the same receipt (of those transactions tested, it was determined that none of the personal items were reimbursed from the schools)

FINDING 2019-1 - SCHOOL ACCOUNTING – SUPPORTING DOCUMENTATION (continued)

Cause of Condition:

Although the School District has implemented procedures for expense reimbursements, it appears the District does not have specified procedures for reimbursement of faculty/teachers reimbursable expenses.

Effect or Possible Effect of Condition:

Without adequate procedures and supporting documentation for reimbursing faculty/teachers for school expenses, each school has and will try to implement procedures for their individual school and situation. There will be no uniformity and consistency for the required supporting documentation.

Recommendation:

We recommend the District Board identify the procedures that are necessary for reimbursing faculty/teachers for school expenses, paid for personally. Procedures for adequate documentation should be outlined and identified for each school and a uniform reimbursement process should be implemented.

District's Response

The district agrees with the auditor's recommendation that when reimbursing employees for school-related expenditures, the receipt should include only those items that were purchased for district use and should not include personal items, even if the employee is not reimbursed for the personal items. The district will make staff members aware of this expectation and will ensure it is enforced going forward.

FINDING 2019-2 ANNUAL TRAINING ON OPEN & PUBLIC MEETINGS

Criteria:

State Law (Utah Code 52-4-104) requires the presiding officer of a governing body shall ensure that members of the governing body be provided with annual training on the requirements of the Open and Public Meetings Act.

Statement of Condition:

During the year ended June 30, 2019, not all of the School District's governing board completed the annual training on the requirements of open and public meetings.

Cause of Condition:

The governing board did not recognize nor did they devote the time to attend any training.

Effect or Possible Effect of Condition:

Without proper training on the requirements of open and public meetings, the School District might be unaware of their legal responsibility and not comply with the requirements. The School District President, Board Members or Superintendent may not be fully informed on what actions or processes are necessary for compliance.

FINDING 2019-2 ANNUAL TRAINING ON OPEN & PUBLIC MEETINGS(continued)

Recommendation:

We recommend the School District's governing board receive the annual training on Open and Public Meetings Act, as required by law.

School District's Response:

The School District's governing board will take the necessary training for the current year, provide adequate evidence for those in attendance and ensure the training will occur each year.

FINDING 2019-3 UTAH PUBLIC NOTICE WEBSITE – POSTING OF APPROVED MEETINGS

Criteria:

State Law (Utah Code 52-4-203(4)(F)) requires School District's to make the meeting minutes available to the public, within three days, their approved minutes of the School Board meetings to the Utah Public Notice Website.

Statement of Condition:

During the year ended June 30, 2019, the School District did not post the approved minutes of the School Board meetings within the required three day time period.

Cause of Condition:

The School District was posting all of the agendas and minutes on the School District website within the three days, but failed to post them on the State of Utah Public Notice Website.

Effect or Possible Effect of Condition:

Without posting the approved minutes on the proper website, the School District is not providing the required information for all outside users to review and understand the decisions of the governing board.

Recommendation:

We recommend the School District make the approved meeting minutes available to the public within the three days of being approved, on the Utah Public Notice Website.

School District's Response:

The School District will make the necessary changes in the posting of the approved minutes and ensure they are posted to the Utah Public Notice Website within 3 days of their approval.

SUMMARY

We feel the accounting procedures and internal control items and the State compliance items mentioned above are some areas where the School District can make changes so as to further improve its internal control structure to safeguard the assets, check the accuracy and reliability of accounting data and promote operating efficiency.

Sincerely,

SMUIN, RICH & MARSING

Price, Utah

November 11, 2019

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF FARNSWORTH JOHNSON PLLC]

[TO BE DATED CLOSING DATE]

Re: $33,740,000
Board of Education of
Carbon County School District, Utah
General Obligation School Building Bonds
(Utah School District Bond Guaranty Program),
Series 2020

We have acted as bond counsel to the Board of Education of Carbon County School District, Utah (the *"Issuer"*) in connection with the issuance by the Issuer of its $33,740,000 General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2020 dated the date hereof (the *"Bonds"*). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds are valid and legally binding upon the Issuer and all taxable property in Carbon County School District, Utah, is subject to the levy of taxes to pay the same without limitation as to rate or amount.

2. The guaranty of timely payment of the Bonds provided by the Utah school district bond guaranty program, Title 53G, Chapter 4, Part 8 of the Utah Code Annotated 1953, as amended, is a valid and binding obligation of the State of Utah.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended (the *"Code"*), that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political

subdivision thereof. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers; we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the disclosure document, if any, relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX C

PROPOSED FORM OF

CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER PARAGRAPH (B)(5) OF RULE 15C2-12

[TO BE DATED CLOSING DATE]

THIS CONTINUING DISCLOSURE UNDERTAKING (the *"Agreement"*) is executed and delivered by the Board of Education of Carbon County School District, Utah (the *"Issuer"*) in connection with the issuance of $33,740,000 General Obligation School Building Bonds (Utah School District Bond Guaranty Program), Series 2020 (the *"Bonds"*). The Bonds are being issued pursuant to a Resolution of the Issuer adopted on December 11, 2019 (collectively, the *"Resolution"*).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

Section 1. *PURPOSE OF THIS AGREEMENT.* This Agreement is executed and delivered by the Issuer as of the date set forth above, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The Issuer represents that it and the State (pursuant to the Utah school district bond guaranty program, Title 53G, Chapter 4, Part 8 of the Utah Code Annotated 1953, as amended) will be the only obligated persons with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

Section 2. *DEFINITIONS.* The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"Annual Financial Information" means the financial information and operating data described in *Exhibit I*.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"Reportable Event" means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

"Reportable Events Disclosure" means dissemination of a notice of a Reportable Event as set forth in Section 5.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of Utah.

"Undertaking" means the obligations of the Issuer pursuant to Sections 4 and 5.

Section 3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds maturing in each of the following years are as follows:

JUNE 15 OF THE YEAR	CUSIP NUMBER	JUNE 15 OF THE YEAR	CUSIP NUMBER
2021	140897 GD5	2031	140897 GP8
2022	140897 GE3	2032	140897 GQ6
2023	140897 GF0	2033	140897 GR4
2024	140897 GG8	2034	140897 GS2
2025	140897 GH6	2035	140897 GT0
2026	140897 GJ2	2036	140897 GU7
2027	140897 GK9	2037	140897 GV5
2028	140897 GL7	2038	140897 GW3
2029	140897 GM5	2039	140897 GX1
2030	140897 GN3	2040	140897 GY9

The Final Official Statement relating to the Bonds is dated January 22, 2020 (the *"Final Official Statement"*). The Issuer will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

Section 4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

Section 5. *REPORTABLE EVENTS DISCLOSURE*. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

Section 6. *CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION*. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

Section 7. *AMENDMENTS; WAIVER*. Notwithstanding any other provision of this Agreement, the Issuer by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Issuer or any other obligated person (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

Section 8. *TERMINATION OF UNDERTAKING*. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The Issuer shall give notice to EMMA in a timely manner if this Section is applicable.

Section 9. *DISSEMINATION AGENT.* The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 10. *ADDITIONAL INFORMATION.* Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Material Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA.

Section 11. *BENEFICIARIES.* This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

Section 12. *RECORDKEEPING.* The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 13. *ASSIGNMENT.* The Issuer shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

Section 14. *GOVERNING LAW.* This Agreement shall be governed by the laws of the State.

(*Signature page follows.*)

DATED as of the day and year first above written.

BOARD OF EDUCATION OF CARBON COUNTY SCHOOL DISTRICT, UTAH

By ____
President

Address: 251 West 400 North
Price, Utah 84501

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"Annual Financial Information" means financial information and operating data of the type contained in the Official Statement under the following captions:

CAPTION

DEBT STRUCTURE OF CARBON COUNTY SCHOOL DISTRICT, UTAH
- — Outstanding General Obligation Bonded Indebtedness
- — Debt Service Schedule of Outstanding General Obligation Bonds by Fiscal Year

FINANCIAL INFORMATION REGARDING CARBON COUNTY SCHOOL DISTRICT, UTAH
- — Financial Summaries
- — Historical Tax Rates of the District
- — Taxable, Fair Market and Market Value of Property
- — Historical Summaries of Taxable Values of Property
- — Tax Collection Record
- — Some of the Largest Taxpayers

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 200 days after the last day of the Issuer's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared pursuant to generally accepted accounting principles applicable to governmental units in general and Utah school districts in particular. Audited Financial Statements will be submitted to EMMA within 30 days after availability to Issuer.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer*
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. The incurrence of a Financial Obligation** of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material
16. A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties

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* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

** *"Financial Obligation"* means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; *provided however*, Financial Obligation does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule.

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APPENDIX D

BOOK–ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited–purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non–U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post–trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book–entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non–U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non–U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at http://www.dtcc.com.

Purchases of 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2020 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2020 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2020 Bonds, except if use of the book–entry system for the 2020 Bonds is discontinued.

To facilitate subsequent transfers, all 2020 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2020 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2020 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2020 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2020 Bond documents. For example, Beneficial Owners of 2020 Bonds may wish to ascertain that the nominee holding the 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial

Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all the 2020 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2020 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Board or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2020 Bonds at any time by giving reasonable notice to the Board or the Paying Agent. Under such circumstances, if a successor depository is not obtained, 2020 Bond certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book–entry–only transfers through DTC (or a successor securities depository). In that event, 2020 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book–entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

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