

**SOUTHEASTERN UTAH ASSOCIATION  
OF LOCAL GOVERNMENTS  
BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SOUTHEASTERN UTAH ASSOCIATION**  
**ASSOCIATION OF LOCAL GOVERNMENTS**  
**BASIC FINANCIAL STATEMENTS**  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Southeastern Utah Association of Local Governments  
Price, Utah 84501

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, and each major fund, information of Southeastern Utah Association of Local Governments, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Association'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 Association'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 Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of Southeastern Utah Association of Local Governments as of June 30, 2015, 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

### Emphasis of Matter

As discussed in Note 12 to the financial statements, in 2015, the Association adopted Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and 45 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 Association's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual 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 December 17, 2015, on our consideration of Southeastern Utah Association of Local Governments' 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 Association's internal control over financial reporting and compliance.

SMUIN, RICH & MARSING



Price, Utah

December 17, 2015

**Southeastern Utah Association of Local Governments  
Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2015**

The following is a discussion and analysis by the management of the Southeastern Utah Association of Local Governments' (SEUALG) financial performance for the fiscal year ending June 30, 2015. This discussion is presented for readers to review in conjunction with the financial statements and other information contained in this report.

**SEUALG Background**

The Southeastern Utah Association of Local Governments is a voluntary agency formed in 1970 under the Utah Inter-local Cooperation Act of 1965. The SEUALG was formed to provide regional planning and coordination of state and federal programs and grants across the southeastern Utah district, which consists of Carbon, Emery, Grand, and San Juan Counties. The SEUALG, while considered a government entity, has no regulatory authority, passes no laws, and does not set or collect taxes.

The governing board of the SEUALG consists of one county commissioner from each member county and one municipal elected official from each member county. County-level councils of governments decide which elected officials from each respective county will serve on the SEUALG board. SEUALG Board Officers are elected for a two-year term.

While the SEUALG must adhere to the same budgeting requirements as other public entities in Utah, the actual amount of funds the SEUALG receives is determined solely by the SEUALG's granting agencies. All the grants administered by the SEUALG are "categorical" and funds from each grant can be spent only on eligible activities as determined by the granting agency.

**Financial Highlights**

- The total assets of the SEUALG exceeded its liabilities as of June 30, 2015 by \$1,167,223. Of this amount, \$(177,209) is unrestricted net position that has been created by the implementation of GASB 68. Although the net position in the government-wide financial statements is negative the fund balance in governmental fund is positive. A significant percentage of this fund balance provides the majority of the SEUALG operating capital.
- The SEUALG invests funds not needed for immediate operations, and not restricted by federal cash management regulations, in separate accounts with the Utah State Public Treasurer's Investment Fund or in savings accounts at local banks. Earnings from these investment and savings accounts for the fiscal period ending June 30, 2015 were:

BTAC	\$	573
Revolving Loan Funds		3,266
Eastern Utah TV/Tech Assoc		21
Miscellaneous SEUALG Programs		1,103
Total	\$	4,963

All other funds are held in the SEUALG general checking account.

- Capital assets (net of accumulated depreciation of the SEUALG were \$440,317 at June 30, 2015, which included buildings and equipment.
- Overall revenues decreased by \$632,787 and overall expenditures decreased \$669,000 for the period ending June 30, 2015. These decreases were due to decreases in the amounts Public Safety capital grants contracted to the agency during the reporting period.

### SEUALG Revenue Summary

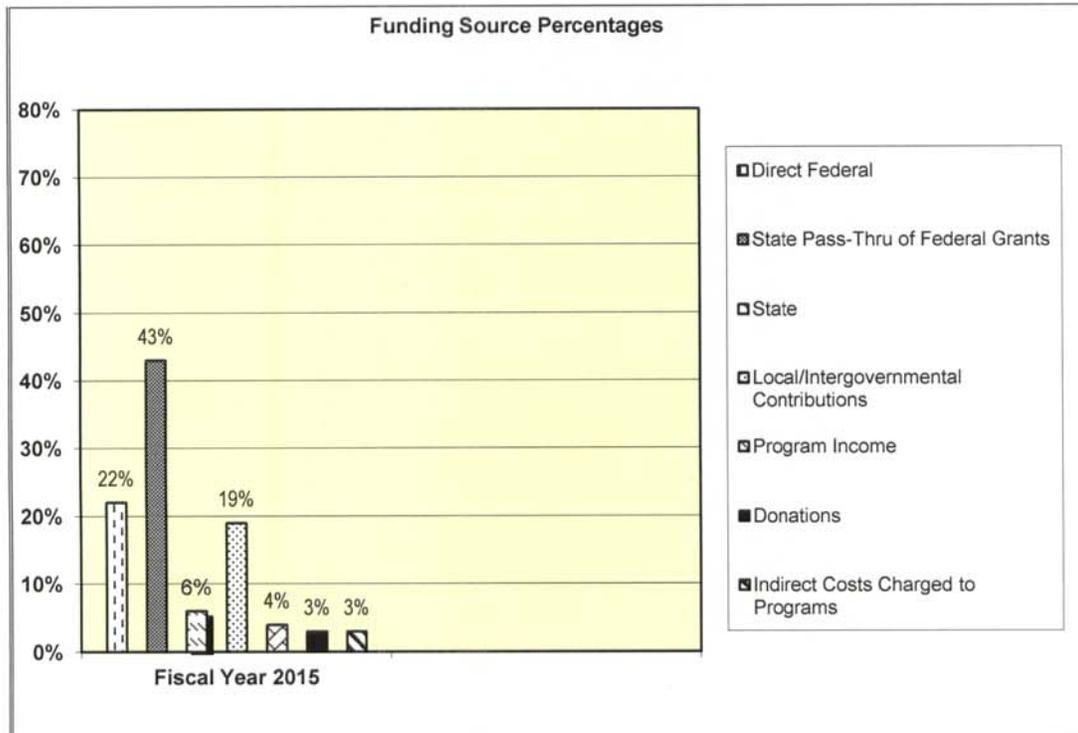


Figure 1

The SEUALG sustained significant decreases in overall funding during fiscal year 2015. Grants awarded under the American Recovery and Restoration Act ended and most of the new federal grants were between 8% and 10% lower due to the Federal Budget Sequestration Act. Also, during Fiscal Year 2015 the small amount of funding left on the PCIB grants for the IECG Program and the SEUALG Network, Vehicle, and Equipment Upgrade was spent out. Small increases in the contributions from the SEUALG member counties, specifically for the aging programs and core agency administration, helped offset some of the loss in federal funding. Direct federal funding increased because 2015 was the first full year of operation for the USDA Self-Help Housing Rehabilitation Program.

### Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the SEUALG's basic financial statements. The SEUALG's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The governmental and fiduciary fund activities of the SEUALG for the fiscal year ending June 30, 2015 included:

The governmental and fiduciary fund activities of the SEUALG for the fiscal year ending June 30, 2015 included.

Area Agency on Aging Programs

- In-home Services
- Medicaid Waiver Program
- Pass-thru funding for local senior citizen programs

Weatherization Programs

- DOE and LIHEAP Programs
- Group Workcamps Project
- UP&L and Questar special programs

Community Services Programs

- USDA Child Nutrition
- Emergency Child Nutrition Program
- Operation of District Food Banks
- Emergency Assistance Programs

Utility Assistance Programs (H.E.A.T)

- Regular utility assistance
- Emergency/Crisis funds

Economic Development Programs

- Economic Development Planning
- Business Development and Technical Assistance

Community Development Block Grant and Housing Rehabilitation Programs

- Technical Assistance for community needs assessments and grant application
- Technical Assistance for grant management
- Minor and major housing rehabilitation
- Self-Help Housing Rehabilitation Program

One-Time Funding

- PCIB Funding for the IECG program
- PCIB Funding Network, Vehicle and Equipment Upgrades

Fiduciary Funds

- Revolving Loan Fund Programs
- Business Incubation (Southeastern Utah Business and Technical Assistance Center)
- Eastern Utah Television TV & Technology Program

**Government-wide Financial Statements**

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

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

The *statement of activities* presents revenue and expense information showing how the SEUALG's net position changed during the fiscal year ending June 30, 2015. All activities and changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. In this way, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave, comp-time, and sick leave).

The government-wide financial statements of the SEUALG are reported as governmental activities. Governmental activities include central administration, management/operation of the Area Agency on Aging, community and social services, community, housing and economic development, inter-local planning and coordination, and weatherization. State and federal grants are the finance basis for these activities. Contributions from SEUALG member governments, donations, project income, and fees for services provide required matching funds and gap funding.

### **Fund Financial Statements**

A *fund* is a group of related accounts that is used to track and maintain resources that have been segregated for specific activities. The SEUALG uses fund balance accounting to demonstrate compliance with financially related legal requirements along with budgetary and grant specific requirements and restrictions. The SEUALG maintains only governmental and fiduciary funds.

1) **Governmental Funds** are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, governmental funds statements emphasize near-term inflows and outflows of spendable resources, as well as the balances of spendable resources (fund balances) available at the end of the year. Such information may be useful in evaluating the SEUALG'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 *governmental funds* information with the information detailed for *governmental activities* in the *government-wide financial statements*. Reconciliation between the *governmental funds* and the *government-wide financial statements* is necessary to understand how the information presented differs. The SEUALG maintains one governmental fund, which is the General Fund.

### **General Fund**

The General Fund is the primary operating fund of the SEUALG. Revenues from grants, intergovernmental contributions, program income, fees for services, donations, and all other sources are accounted for in this fund. Expenditures for program operation and SEUALG administrative costs are also accounting for in the General Fund.

### **Fiduciary Funds**

*Trust and Agency Funds* - The SEUALG acts as the manager and fiscal agent for the independent non-profit Southeastern Utah Business and Technical Assistance Center (BTAC). The activities of this agency are accounted for in a separate trust fund and in the same manner as enterprise funds. The Association also holds funds for the Eastern Utah Television & Technology Program and reports these monies in a Trust fund.

*Nonexpendable Trust Funds* - The Revolving Loan Fund Program was created by the SEUALG about twenty-five years ago with grant monies from various federal sources to provide gap financing for qualified businesses in the southeast district. The funds in the Revolving Loan Fund portfolio are accounted for individually depending on the original funding source and are included in the SEUALG's fiduciary financial statements as nonexpendable trust funds.

In 2008 the state Department of Community and Culture (Division of Housing and Community Development) completed the release of the Community Development Block Grant (CDBG) funds that had been applied for to provide the required match for the Economic Development Administration funds. The CDBG revolving loan fund monies were rolled into the EDA revolving loan fund program and are no longer shown on the financial reports as a stand-alone fund.

**Financial Analysis (Government/Agency-wide)**

In 2015, the Southeastern Utah Association of Local Governments adopted and implemented Government Accounting Standards No. 68, *Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. This new standard requires the Association to recognize a liability in its government-wide financial statements for its proportionate share of the net pension liability. The adoption of this new statement requires the restatement of the previous year net position. The beginning net position reported in the government-wide financial statements of the Association has been restated to reflect the new Statements as follows:

Beginning net position, as previously stated	\$ 1,526,733
Net pension liability	(517,856)
Deferred outflows of resources related to pension	<u>77,749</u>
Beginning net position, as restated	<u><u>\$ 1,086,626</u></u>

**Financial Analysis (Government/Agency-wide) (Continued)**

An analysis of SEUALG's net position, may serve over time, as a useful indicator of the organization's financial position. In the case of the SEUALG, assets exceeded liabilities by \$1,167,223 as of June 30, 2015. We have made a comparison of the past two fiscal years of net position.

**Table 1  
Net Position**

	<b>Governmental Activities June 30, 2015</b>	<b>Governmental Activities June 30, 2014</b>
Current and other assets	\$ 1,309,012	\$ 1,232,866
Capital assets, net	440,317	501,789
Total assets	<u>\$ 1,749,329</u>	
Deferred outflow of resources	85,636	<u>\$ 1,734,655</u>
Total assets and deferred outflow of resources	<u>\$ 1,834,965</u>	<u>\$ 1,734,655</u>
Long-term debt outstanding	\$ 169,743	\$ 22,465
Other liabilities	442,813	185,457
Total liabilities	<u>\$ 612,556</u>	
Deferred inflow of resources	55,186	<u>\$ 207,922</u>
Total liabilities and deferred inflow of resources	<u>\$ 667,742</u>	<u>\$ 207,922</u>
Net position:		
Investment in capital assets, net of related debt	\$ 440,317	\$ 501,789
Restricted	904,115	788,727
Unrestricted	<u>(177,209)</u>	<u>236,217</u>
Total net position	<u>\$ 1,167,223</u>	<u>\$ 1,526,733</u>

**Governmental Activities Analysis**

A comparison of this fiscal year's activities with the previous year's activity is represented in Table 2 below:

**Table 2  
Change in Net Position**

	<b>Governmental Activities June 30, 2015</b>	<b>Governmental Activities June 30, 2014</b>
<b>Revenues</b>		
Program Revenues:		
Charges for services	\$ 131,750	\$ 118,397
Operating grants and contributions	3,152,590	3,106,244
Capital grants and contributions	293,173	973,663
General Revenues:		
Other general revenues	(1,389)	10,607
 Total revenues	 <u>\$ 3,576,124</u>	 <u>\$ 4,208,911</u>
 <b>Program expenses</b>		
General government	\$ 292,739	\$ 245,330
Public safety	38,480	594,994
Public health	2,605,383	2,662,953
Economic development	558,925	661,250
 Total expenses	 <u>\$ 3,495,527</u>	 <u>\$ 4,164,527</u>
 Change in net position	 <u>\$ 80,597</u>	 <u>\$ 44,384</u>
 Net position - beginning - as restated	 \$ 1,086,626	 \$ 1,482,349
Net position - ending	<u>1,167,223</u>	<u>1,526,733</u>
 Change in net position	 <u>\$ 80,597</u>	 <u>\$ 44,384</u>

**Capital Assets**

The SEUALG’s threshold for reporting and tracking capital assets is \$5,000. In order to comply with various grant and contract requirements, the SEUALG also tracks all equipment, computer, and software purchases over \$500. However, these expenditures are not accounted for in the Capital Asset Account. The SEUALG’s investment in capital assets net of accumulated depreciation as of June 30, 2015 was \$440,317.

**Table 3  
Capital Assets (Depreciated)**

	<b>Balance June 30, 2014</b>	<b>Additions</b>	<b>Transfers, Adjustments Depreciation &amp; Retirements</b>	<b>Balance June 30, 2015</b>
Buildings	\$ 220,659		\$ (8,400)	\$ 212,259
Equipment and vehicles	281,130	\$ 15,935	(69,007)	228,058
Total	<u>\$ 501,789</u>	<u>\$ 15,935</u>	<u>\$ (77,407)</u>	<u>\$ 440,317</u>

During Fiscal 2015 decreases in “equipment and vehicles” were due to yearly depreciation and the sale of five vehicles from the Weatherization, LIHEAP General Administration and Child Nutrition programs.

**Long Term Debt**

The SEUALG carries two long-term debt obligations. One obligation consists of compensated absences incurred from the accumulation of vacation, sick leave and comp-time which has been earned but unpaid as of June 30, 2015. The amount of the obligation at this time is \$24,420. The Association also has reported a long-term net pension liability, which is the first year reporting this liability. The net pension liability is now required to be reported because of the adoption and implementation of Government Accounting Standard No. 68. At June 30, 2015, the net pension liability was \$418,393.

**General Fund Budget Highlights**

The original budget was adopted on May 22, 2014, and was revised on May 28, 2015. The Association’s final budget was \$3,522,088 for revenues. During the year, the Association received revenue of \$3,579,299, which was \$57,211 more than had been budgeted. Expenditures were budgeted to be \$3,522,088, which actual expenditures were \$3,487,863. Over all, the Association had a \$91,436 favorable variance for the year, but had a \$34,225 favorable variance for total expenditures. The Association doesn’t anticipate a significant difference between the current fiscal year and the subsequent fiscal year with regard to the budget for revenue and expenditures, except that all funds from the American Recovery and Reinvestment Act have all been expended and the contracts have expired.

**Request for Information**

This financial report is designed to provide interested parties with a general overview of the SEULAG's financial status and to demonstrate the SEUALG's accountability for the state, federal, and local funding it received. Question concerning any of the reports and information contained in this financial audit, and requests for additional information, should be addressed to the Southeastern Utah Association of Local Governments, Executive Director, 375 S. Carbon Ave. (P.O. Box 1106), Price, UT 84501.

**SOUTHEASTERN UTAH ASSOCIATION  
OF LOCAL GOVERNMENTS  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

		<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$	721,346
Investments, at cost		103,284
Due from other governmental units		435,099
Prepaid expenses		48,859
Net pension asset		424
Capital assets (net of accumulated depreciation):		
Buildings		212,259
Equipment		228,058
Total assets	\$	<u>1,749,329</u>
<b>Deferred Outflows of Resources</b>		
Amounts related to pensions		<u>85,636</u>
Total assets and deferred outflow of resources	\$	<u>1,834,965</u>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$	148,473
Accrued liabilities		21,270
Noncurrent liabilities:		
Net pension liability		418,393
Compensated absences		24,420
Total liabilities	\$	<u>612,556</u>
<b>Deferred Inflows of Resources</b>		
Amounts related to pensions		<u>55,186</u>
Total liabilities and deferred inflow of resources	\$	<u>667,742</u>
<b><u>NET POSITION</u></b>		
Invested in capital assets, net of related debt	\$	440,317
Restricted		904,115
Unrestricted		<u>(177,209)</u>
Total net position	\$	<u>1,167,223</u>

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

SOUTHEASTERN UTAH ASSOCIATION  
OF LOCAL GOVERNMENTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	TOTAL
	\$ 292,739	\$ 7,242	\$ 249,355	\$ 27,369	\$ (8,773)	\$ (8,773)
	38,480			38,480		
	2,605,383	113,637	2,577,266		85,520	85,520
	558,925	10,871	325,969	227,324	5,239	5,239
	\$ 3,495,527	\$ 131,750	\$ 3,152,590	\$ 293,173	\$ 81,986	\$ 81,986
	\$ 3,495,527	\$ 131,750	\$ 3,152,590	\$ 293,173	\$ 81,986	\$ 81,986

**FUNCTION/PROGRAMS**

**Primary government:**

Governmental activities:  
 General government  
 Public safety  
 Public health  
 Economic development

Total governmental activities

Total primary government

General revenues:

Grants and contributions not restricted to specific programs  
 Loss on sale of capital assets  
 Unrestricted investment earnings

Total general revenues and transfers

Change in net position

Net position - beginning as restated

Net position - ending

\$	3,249	\$	3,249
	(6,434)		(6,434)
	1,796		1,796
\$	(1,389)	\$	(1,389)
\$	80,597	\$	80,597
	1,086,626		1,086,626
\$	1,167,223	\$	1,167,223

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

**SOUTHEASTERN UTAH ASSOCIATION  
OF LOCAL GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>GENERAL FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>		
Cash	\$ 721,346	\$ 721,346
Investments at cost	103,284	103,284
Due from other governmental units	435,099	435,099
Prepaid expenses	48,859	48,859
	<hr/>	<hr/>
Total assets	<u>\$ 1,308,588</u>	<u>\$ 1,308,588</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 148,473	\$ 148,473
Accrued liabilities payable	21,270	21,270
	<hr/>	<hr/>
Total liabilities	<u>\$ 169,743</u>	<u>\$ 169,743</u>
Fund balances:		
Nonspendable	\$ 48,859	\$ 48,859
Restricted	904,115	904,115
Unassigned		
General fund	185,871	185,871
	<hr/>	<hr/>
Total fund balances	<u>\$ 1,138,845</u>	<u>\$ 1,138,845</u>
	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 1,308,588</u>	<u>\$ 1,308,588</u>

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

**SOUTHEASTERN UTAH ASSOCIATION  
 OF LOCAL GOVERNMENTS  
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

Total fund balances - governmental fund types:		\$ 1,138,845
Total net position reported for governmental activities in the statement of net position is different because:		
Net pension asset not reported in governmental funds		424
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
	Buildings	\$ 212,259
	Equipment	228,058
		440,317
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
	Net pension liability	\$ (418,393)
	Compensated absences	(24,420)
		(442,813)
Deferred outflows of resources related to pensions not reported in governmental funds		85,636
Deferred inflows of resources related to pensions not reported in governmental funds		(55,186)
		\$ 1,167,223
Net position of governmental activities		\$ 1,167,223

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

**SOUTHEASTERN UTAH ASSOCIATION  
OF LOCAL GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>GENERAL FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:		
Intergovernmental	\$ 3,309,615	\$ 3,309,615
Charges for services	120,809	120,809
Miscellaneous revenue	148,875	148,875
	<u>3,579,299</u>	<u>3,579,299</u>
Total revenues	\$ 3,579,299	\$ 3,579,299
EXPENDITURES:		
Current:		
General government	\$ 299,366	\$ 299,366
Public safety	38,480	38,480
Public health	2,599,925	2,599,925
Economic development	550,092	550,092
	<u>3,487,863</u>	<u>3,487,863</u>
Total expenditures	\$ 3,487,863	\$ 3,487,863
Excess revenues over (under) expenditures	<u>\$ 91,436</u>	<u>\$ 91,436</u>
OTHER FINANCING SOURCES (USES):		
Operating transfers in (out)	<u>\$ ...</u>	<u>\$ ...</u>
Excess of revenues and other sources over (under) expenditures and other uses	\$ 91,436	\$ 91,436
FUND BALANCES - beginning of year	<u>1,047,409</u>	<u>1,047,409</u>
FUND BALANCES - end of year	<u>\$ 1,138,845</u>	<u>\$ 1,138,845</u>

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

**SOUTHEASTERN UTAH ASSOCIATION  
OF LOCAL GOVERNMENTS  
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, 2015**

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

Net changes in fund balances - total governmental funds	\$	91,436
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(58,297)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donations) is to decrease net position		(3,175)
Some expenses reported in the Statement of Activity do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		(1,955)
Pensions expense		52,588
		80,597
Change in net position of governmental activities	\$	80,597

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

**SOUTHEASTERN UTAH ASSOCIATION  
OF LOCAL GOVERNMENTS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015**

	REVOLVING LOAN FUNDS TRUST FUNDS	BTAC	EASTERN UTAH TV & TECH ASSOCIATION
<u>ASSETS</u>			
Current Assets:			
Cash	\$ 168,650		\$ 31,107
Investments	689,557	\$ 112,420	4,045
Note receivable - BTAC		27,441	
Note receivable - EDA Recap funds	6,029		
Note receivable - EDA funds	149,919		
Note receivable - San Juan funds	7,009		
Note receivable - Rural Development	18,039		
Total current assets	<u>\$ 1,039,203</u>	<u>\$ 139,861</u>	<u>\$ 35,152</u>
Noncurrent Assets:			
Notes receivable	\$ 491,205		
Equipment		\$ 5,279	
Less: Accumulated depreciation		<u>(5,279)</u>	
Total noncurrent assets	<u>\$ 491,205</u>	<u>\$ ...</u>	<u>\$ ...</u>
Total assets	<u>\$ 1,530,408</u>	<u>\$ 139,861</u>	<u>\$ 35,152</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Deficit cash		\$ 49,180	
Total current liabilities	<u>\$ ...</u>	<u>\$ 49,180</u>	<u>\$ ...</u>
Noncurrent Liabilities:			
Deposit payable		\$ 3,075	
Total noncurrent liabilities	<u>\$ ...</u>	<u>\$ 3,075</u>	<u>\$ ...</u>
Total liabilities	<u>\$ ...</u>	<u>\$ 52,255</u>	<u>\$ ...</u>
<u>NET POSITION</u>			
Held in trust	<u>\$ 1,530,408</u>	<u>\$ 87,606</u>	<u>\$ 35,152</u>
Total net position	<u>\$ 1,530,408</u>	<u>\$ 87,606</u>	<u>\$ 35,152</u>

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

**SOUTHEASTERN UTAH ASSOCIATION  
OF LOCAL GOVERNMENTS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015**

	REVOLVING LOAN FUNDS TRUST FUNDS	BTAC	EASTERN UTAH TV & TECH ASSOCIATION
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 57,654	\$ 28,423	\$ 25,000
Interest	3,266	573	21
Total operating revenues	<u>\$ 60,920</u>	<u>\$ 28,996</u>	<u>\$ 25,021</u>
<b>OPERATING EXPENSES:</b>			
Salaries and benefits	\$ 32,014	\$ 12,943	\$ 960
Meeting and conference		12	
Repairs and maintenance		1,558	
Telephone	234	3,778	
Utilities		21,279	
Indirect expense		1,574	113
Rent	858	419	
Professional service	689	4,116	800
IT Services	3,578	90	
Supplies	1,199	576	
Fees	2,313	837	
Travel	1,263	198	
Administration			
Insurance		924	
Miscellaneous	358	189	13
Total operating expenses	<u>\$ 42,506</u>	<u>\$ 48,493</u>	<u>\$ 1,886</u>
Operating income/(loss)	<u>\$ 18,414</u>	<u>\$ (19,497)</u>	<u>\$ 23,135</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Loan reinstatement			
Grants received			
Total non-operating revenues (expenses)	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>
Change in net position	\$ 18,414	\$ (19,497)	\$ 23,135
NET POSITION, beginning of year	<u>1,511,994</u>	<u>107,103</u>	<u>12,017</u>
NET POSITION, end of year	<u>\$ 1,530,408</u>	<u>\$ 87,606</u>	<u>\$ 35,152</u>

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

**SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of Southeastern Utah Association of Local Governments (Association) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Southeastern Utah Association of Local Governments was established in 1970, by representatives of local governments of Carbon, Emery, Grand and San Juan counties, in the State of Utah in accordance with an Executive Order issued by Governor Rampton in 1970. The Executive Order fixed the boundaries of multi-county districts for planning and development in the State of Utah. All county and municipal units of government within each district were requested to cooperate and participate in establishing a multi-county association of governments under the terms of the Inter-local Cooperation Act of 1965. The main purposes of the districting and the establishment of Association of Governments were to facilitate area-wide planning and development activities, to provide a strengthened role of county and municipal officials in the execution of state and federal programs at the local level, and to eliminate duplication and competition between various levels of government and thus facilitate the most effective use of the State's resources.

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

- For the first time the financial statements include:

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

Financial Statements prepared using full accrual accounting for all of the Association's activities.

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

These and other changes are reflected in the accompanying financial statements as of June 30, 2015.

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

A. **Reporting Entity**

For financial reporting purposes, the Association has included all funds, organizations, account groups, agencies, boards and commissions. The Association has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Association are such that exclusion would cause the Association's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Association to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific burdens on the Association. All entities, of which the Association is considered to be financially accountable, would be included in their financial reporting. According to the Standards listed above there are no entities that should be included in the Association's financial statements as component units. The Association is not a component unit of any other governmental organization.

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

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

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

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

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, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 and claims and judgments are recorded only when payment is due.

Sales taxes, property taxes, franchise taxes, interest, and earned but unreimbursed state and federal grants 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 cash is received by the Association.

Fiduciary fund financial statements are presented using the accounting basis, which is consistent with the fund's accounting measurement objective. Trust funds use the economic resources measurement focus and the accrual basis of accounting. Their revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized in the period incurred, if measurable. The Fiduciary Funds reported in the Association's financial statements are used to account for the activity of the revolving loan moneys received from different governmental organizations and funds held for the Southeastern Utah Business and Technical Assistance Center and the Eastern Utah TV & Technological Association. The money in these three funds is being used to promote new business and develop a technological structure to improve communication for the television and emergency radio communications.

The government reports the following major governmental fund:

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.

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Association's BTAC function and various other functions of the Association. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expense from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. **Budgeting**

The Association's budgets are adopted on the modified accrual basis of accounting. The Association follows the budgetary practices and procedures required by Utah State law. These requirements are summarized as follows:

1. A formal budget is adopted for all funds which require a budget: all general and special revenue funds. The budget is a complete financial plan, which identifies all estimated revenue and all appropriations for expenditure for the year. The budget must balance, that is estimated revenues and other financing sources must equal appropriated expenditures.
2. By June 7, the Association's executive director submits to the Association's governing board a proposed operating budget for the fiscal year beginning July 1.
3. The Board of Directors discusses and approved the budget and sets a date for a public hearing.
4. A public hearing is held to obtain public comments and the budget is adopted.
5. The governing board can transfer budgeted amounts between line items or departments by resolution, but any action that increases the total general fund budget must be approved by resolution only after a public hearing. (The budgets of other funds may be increased after giving public notice.)

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

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

Cash and Cash Equivalents - Cash and cash equivalents are carried at cost or amortized cost, which approximates market. Cash and cash equivalents are reported on the financial statements as cash and represent deposits with financial institutions or cash deposits held in escrow. The cash reported on the financial statements by fund has been pooled by the Treasurer into several bank accounts.

Investments - Investments are funds deposited with the State of Utah and held in the States Public Treasurers Investment Fund. Investments are considered cash equivalent in the financial statements.

F. **Receivables**

Accounts receivable in the governmental fund types consist mainly of amounts due from federal and state governments where collectibility is reasonably assured. Accordingly, no allowance for uncollectible accounts has been established.

G. **Capital Assets**

Capital assets, which include building 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 one year. 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 Association uses the straight-line method of depreciation to amortize the cost of equipment and buildings over their estimated useful life.

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 and reported as equipment or projects as they are constructed. There has been no interest expense incurred during construction of assets that would need to be capitalized. Estimated useful lives are as follows:

Equipment	5-15 years
Building	40 years

H. **Compensated Absences**

It is the Association's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave because employees are not paid for unused sick leave at retirement or termination. Vacation pay vests to employees and is paid to employees in cash at termination or when they retire.

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

I. **Net Position/Fund Balance Classifications**

In the government-wide financial statements, net positions are displayed in three components:

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

Governmental fund equity is classified as fund balance. Fund balances are classified into five different classifications, namely, nonspendable, restricted, committed, assigned and unassigned. For further explanation on fund balance classifications and their presentation in this report please refer to subsequent notes to the financial statements.

2. **DEPOSITS AND INVESTMENTS**

Depositing and investing, for the Association is governed by the Utah Money Management Act (Utah Code, Title 51, Chapter 7) and rules of the State of Utah Money Management Council.

The Association follows the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of Association 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.

**Deposits**

The Association maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Income from the investment of pooled cash is allocated based on each fund's portion of the pool. In addition, cash is separately held by individual funds.

*Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of a bank failure, the Association's deposits may not be returned to it. The Association does not have a formal deposit policy for custodial credit risk. At June 30, 2015, the Association's bank balance of cash on deposit was \$997,021 of this amount \$544,796, was insured. But \$452,225 of the deposits was uninsured and uncollateralized.

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

**Investments**

The Money Management Act defines the types of securities authorized as appropriate investments for the Association 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 Association 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, one of which must be Moody’s Investors Services or Standard & Poor’s; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the 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.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees, of the PTIF 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 and is determined at least annually.

As of June 30, 2015, the Association had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More than 10
State of Utah Public Treasurer's Investment Fund	\$ 103,284	\$ 103,284			
Total Investments	\$ 103,284	\$ 103,284	\$ ...	\$ ...	\$ ...

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 Association manages this risk in part by investing in the Utah Public Treasurers Investment Fund. The Association also manages 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 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' acceptance, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 2 years.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Association has not adopted a formal policy with regards to credit risk on investments but the Association informally follows the policy for reducing its exposure to credit risk is to comply with the State's Money Management Act as previously discussed.

At June 30, 2015, the Association had the following investments and quality ratings:

Investment Type	Fair Value	AAA	AA	A	Unrated
State of Utah Public Treasurer's Investment Fund	\$ 103,284				\$ 103,284
Total	\$ 103,284	\$ ...	\$ ...	\$ ...	\$ 103,284

*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 Association's informal policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. No more than 5% of all funds may be invested in securities of a corporation that has been in continuous operation for less than three years. No more than 5% of the outstanding voting securities of any one corporation may be held. In addition, Rule 2 limits investment concentrations in certain types of investments. 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.

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

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Association will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Association does not have a formal policy for custodial credit risk. As of June 30, 2015, the District had \$103,284 invested in the Public Treasurer's Investment Fund and was held by them.

3. **RESTRICTED NET ASSETS**

The Association has restricted net assets in the amount of \$904,115 in the government wide and fund financial statements respectively. Amounts have been restricted because the Association has entered into many different grant agreements where funds are restricted by these agreements for specific functions and purposes.

4. **CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Primary Government</b>				
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land				
Total capital assets not being depreciated	\$ ...	\$ ...	\$ ...	\$ ...
Capital assets being depreciated:				
Buildings	\$ 336,187			\$ 336,187
Machinery and equipment	688,271	\$ 15,935	\$ 62,000	642,206
Total capital assets being depreciated:	\$ 1,024,458	\$ 15,935	\$ 62,000	\$ 978,393

4. CAPITAL ASSETS (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Primary Government Governmental activities:</b>				
Less accumulated depreciation for:				
Buildings	\$ 115,528	\$ 8,400		\$ 123,928
Machinery and equipment	<u>407,141</u>	<u>65,832</u>	<u>\$ 58,825</u>	<u>414,148</u>
Total accumulated depreciation	<u>\$ 522,669</u>	<u>\$ 74,232</u>	<u>\$ 58,825</u>	<u>\$ 538,076</u>
Total capital assets being depreciated, net	<u>\$ 501,789</u>	<u>\$ (58,297)</u>	<u>\$ (3,175)</u>	<u>\$ 440,317</u>
Governmental activities capital assets, net	<u>\$ 501,789</u>	<u>\$ (58,297)</u>	<u>\$ (3,175)</u>	<u>\$ 440,317</u>

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

Governmental activities:	
General Government	\$ 7,949
Public Health	48,272
Community and Economic Development	<u>18,011</u>
Total depreciation expense - governmental activities	<u>\$ 74,232</u>

## 5. PENSION PLAN

### Summary of Significant Accounting Policies

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

### *General Information about the Pension Plan*

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

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

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

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

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 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

\*with actuarial reductions

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

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 are as follows:

5. PENSION PLANS (Continued)

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
11 - Local Governmental Division Tier 1	N/A	6.000%	14.460%
111 - Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	N/A	18.470%

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

At December 31, 2014, we reported a net pension asset of \$424 and a net pension liability of \$418,393.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.0930943%		\$ 404,237
Contributory System	0.0490784%		14,156
Tier 2 Public Employees System	0.0139826%	\$ 424	
Total Net Pension Asset/Liability		\$ 424	\$ 418,393

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, we recognized pension expense of \$101,379. At December 31, 2014, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

5. PENSION PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 14,894
Changes in assumptions		40,292
Net difference between projected and actual earnings on pension plan investments	\$ 9,798	
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	75,838	
Total	\$ 85,636	\$ 55,186

\$75,838 was 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, 2014. 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:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (inflows) of Resources</u>
2015	\$ (13,013)
2016	(11,282)
2017	(10,575)
2018	(10,057)
2019	(74)
Thereafter	(389)

5. **PENSION PLANS (Continued)**

Actuarial assumptions: The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

**Retired Member Mortality**

Class of Member

**Educators**

Men EDUM (90%)

Women EDUF(100%)

**Public Safety and Firefighters**

Men RP 2000mWC (100%)

Women EDUF (120%)

**Local Government, Public Employees**

Men RP 2000mWC (100%)

Women EDUF (120%)

*EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage*  
*EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage*  
*RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage*

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 - December 31, 2013.

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

5. PENSION PLANS (Continued)

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

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

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
<b>Proportionate share of</b>			
Net pension (asset) / liability	\$ 1,013,281	\$ 417,969	\$ (77,910)

5. PENSION PLANS (Continued)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

**Pension Beginning and Ending Values**

GASB 68 schedule	Beginning values			Ending values		
	NPL/(NPA)	Asset	Liability	NPL/(NPA)	Asset	Liability
Noncontributory	\$ 502,385		\$ 502,385	\$ 404,237		\$ 404,237
Contributory	15,387		15,387	14,156		14,156
Public Safety						
Firefighters						
Judges						
Governors & Legislators						
Tier 2 Public employees						
Tier 2 Public employees & Firefighter	84		84	(424)	\$ 424	
<b>Total</b>	<b>\$ 517,856</b>	<b>\$ ...</b>	<b>\$ 517,856</b>	<b>\$ 417,969</b>	<b>\$ 424</b>	<b>\$ 418,393</b>

5. PENSION PLANS (Continued)

Retirement System	Net Pension Liability/(Asset) at 12-31-2013			Net Pension Liability/(Asset) at 12-31-2014		
	System Total NPL/(NPA)	Proportionate Share	Beginning Values	System Total NPL/(NPA)	Proportionate Share	Ending Values
<b>Noncontributory</b>						
Local Government	\$ 539,651,731	0.0930943%	\$ 502,385	\$ 434,223,527	0.0930943%	\$ 404,237
State School	2,888,859,809	0.0000000%		2,512,528,676	0.0000000%	
<b>Contributory</b>						
Local Government	31,351,764	0.0490784%	15,387	28,844,354	0.0490784%	14,156
State School	(379,446)	0.0000000%		10,964,846	0.0000000%	
<b>Public Safety</b>						
Other DIV A	163,738,262	0.0000000%		125,758,305	0.0000000%	
State of Utah	221,378,464	0.0000000%		185,823,830	0.0000000%	
SLC	80,946,728	0.0000000%		72,876,185	0.0000000%	
Ogden	17,176,285	0.0000000%		16,593,951	0.0000000%	
Provo	11,990,121	0.0000000%		10,123,567	0.0000000%	
Logan	5,305,098	0.0000000%		4,968,069	0.0000000%	
Bountiful	4,916,292	0.0000000%		4,953,805	0.0000000%	
Other DIV B	51,507,005	0.0000000%		39,543,268	0.0000000%	
<b>Firefighters</b>						
Other DIV A	1,495,075	0.0000000%		(5,706,385)	0.0000000%	
Other DIV B	28,869,456	0.0000000%		(11,004,766)	0.0000000%	
<b>Judges</b>						
	26,959,327	0.0000000%		28,450,908	0.0000000%	
<b>Governors &amp; Legislators</b>						
	1,716,048	0.0000000%		1,901,250	0.0000000%	
Tier 2 Public employees	601,295	0.0139826%	84	(3,030,447)	0.0139826%	(424)
Tier 2 Public employees & Firefighter	(590,529)	0.0000000%		(1,479,323)	0.0000000%	
Total	<u>\$ 4,075,492,785</u>		<u>\$ 517,856</u>	<u>\$ 3,456,333,620</u>		<u>\$ 417,969</u>

6. **LONG-TERM DEBT**

Changes in long-term liabilities:

Long-term liability activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Net pension liability	\$ 517,856	\$ 1,368,459	\$ (1,467,922)	\$ 418,393	
Compensated absences	22,465	1,955		24,420	
Governmental activity long-term liability	<u>\$ 540,321</u>	<u>\$ 1,370,414</u>	<u>\$ (1,467,922)</u>	<u>\$ 442,813</u>	<u>\$ ...</u>

7. **UNCOLLECTIBLE LOANS**

The Southeastern Utah Association of Local Governments (Association) performs the fiscal responsibility of a fiduciary fund which received funds from several different sources to create and operate a revolving loan fund. For the past several years, the fiduciary fund has made loans to individuals and businesses that have met the qualifications established when grant funds were received.

Unfortunately, some businesses and individuals who have received loan funds are not current on their repayment of these loans. The revolving loan board has taken several measures to recover these funds. Some loans have been restructured while others are being litigated in an effort to secure these funds. The revolving funds are held in trust by the Association.

8. **DEFERRED COMPENSATION PLANS**

The Association offers its employees two deferred compensation plans created in accordance with the Internal Revenue Code. The plans, available to all employees, permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The assets of the plans are administered by the Utah Retirement Systems (URS). The URS has adopted Government Accounting Standards Board Statement No. 32 (GASB 32), Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. As a result, all of the assets and income of the deferred compensation plans are held in pooled investment fund trusts by the URS for the exclusive benefit of the participants or their beneficiaries rather than as assets of the employer. Since the URS is the fiduciary of these assets, the Association is no longer required to report the assets.

These plans are included in a publicly available financial report that includes financial statements and required supplementary information. A copy of the URS report may be obtained by writing to the Utah Retirement Systems, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

9. **RISK MANAGEMENT**

The Association is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Association pays an annual premium to Utah Local Governments Trust for its health insurance coverage. The Association is insured through commercial companies for its general liability coverage. At June 30, 2015, the Association had no claims or judgments filed against it related to the risks mentioned above.

10. **FUND BALANCE CLASSIFICATIONS**

In February 2009, the Governmental Accounting Standard Board (GASB), issued Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal years beginning after June 15, 2010. Fund balance classification changes apply only to governmental fund types; thus, only fund financial statements are affected. Below, the different classifications of fund balances have been listed with any policies or procedures that apply to them:

**Nonspendable Fund Balance** - Fund balances are reported as nonspendable when they cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – Fund balances are reported as restricted when constraints placed on the use of resources are either (a) externally imposed through legal restrictions, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed Fund Balance** – Fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority should be reported as committed fund balances. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example legislation, resolution, ordinance) it employed to previously commit those amounts. As of June 30, 2015, the Association had not adopted a written policy indicating what the highest level of decision-making authority is or the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment. Although no formal written policy has been adopted it has been the procedures of the Association to use the Board of Directors as the highest level of decision making authority. If commitments have been made this body would be the authorized body to commit, modify or rescind any action.

**Assigned Fund Balance** – Fund balances are reported as assigned when the Association intends to use funds, which are neither restricted nor committed, for a specific purpose. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds. The Association has not officially adopted a policy designating the body or official authorized to assign amounts to a specific purpose. Although no formal policy has been adopted it has been the practice of the Association under the action of the Board of Directors to assign the use of funds for specific purposes after consulting with the Executive Director of the Association.

10. **FUND BALANCE CLASSIFICATIONS (Continued)**

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

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

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

According to Governmental Accounting Standard Board Statement number 54 when fund balance classifications are reported in the financial statements in the aggregate, a more detailed disclosure should be made. Below a detail of the fund balance classifications has been shown:

10. FUND BALANCE CLASSIFICATIONS (Continued)

	Non- <u>Spendable</u>	<u>Restricted</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
Nonspendable:					
Prepays	\$ 48,859				\$ 48,859
Restricted:					
Aging & Nutrition Program		\$ 385,410			385,410
Alternatives		1,839			1,839
Building Fund		303			303
USDA TEFP		370			370
SEUEDD		20,556			20,556
Emery Aging Administration		39,937			39,937
Weatherization		3			3
Medicare Waiver		14,123			14,123
Community Deve. Bldg		2,460			2,460
CDBG Project Inc.		10,000			10,000
Economic development		522			522
Motel Tax Exemption		78			78
Mining Tax Exemption		2,000			2,000
Work Camp Foundation		2,859			2,859
Olene Walker Emergency		2			2
Price City Housing		20,600			20,600
CIB Planning		8,848			8,848
Agency County planner		64,041			64,041
IT Support		20,000			20,000
Community Service Car Pool		2,953			2,953
Equipment/Trucks		59			59
Broadband Project		785			785
Agency Copier Fund		581			581
Food bank programs		255,948			255,948
American Express VITA		1,221			1,221
Self Help Tool Replacement		800			800
New choices waiver		5,160			5,160
Rural Development Loan Repay		4,192			4,192
Living Well with Chronic Disease		300			300
Agency car pool		38,165			38,165
Unassigned:					
General fund				\$ 185,871	185,871
	<u>\$ 48,859</u>	<u>\$ 904,115</u>	<u>\$ ...</u>	<u>\$ 185,871</u>	<u>\$ 1,138,845</u>

11. **DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to liabilities, the statement of financial position and balance sheet reports a separate section for deferred inflows and outflow of resources. This separate financial statement element, deferred inflows and outflow of resources, represents an acquisition and disposition of net position that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources (revenue and expenses) until that time. These deferred outflows and inflows have been created and relate to pensions as disclosed in footnote number 5

12. **RESTATEMENT OF NET POSITION**

In 2015, Southeastern Utah Association of Governments adopted Government Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*.

The new standards require the Association to recognize a liability in its government-wide financial statements for its proportionate share of the net pension liability (of all employers for benefits provided through the pension plans as administered by Utah Retirement Systems) – the collective net pension liability. The Association is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. The Association contributions to the pension plans subsequent to the measurement date (December 31) of the collective net pension liability also are required to be reported as deferred outflows of resources related to pensions.

The governmental fund financial statements of the Association are not affected by these new standards. Pension expenditures in the governmental funds continue to be recognized equal to the total of a) amounts paid by the Association to the pension plans and b) the change between the beginning and ending balances of amounts of contributions currently payable to the pensions.

The beginning net position reported in the government-wide financial statements of the Association has been restated to reflect the new standards as follows:

Beginning net position, as previously stated	\$ 1,526,733
Net pension liability	(517,856)
Deferred outflows of resources related to pensions	<u>77,749</u>
Beginning net position, as restated	<u>\$ 1,086,626</u>

12. **RESTATEMENT (Continued)**

The notes to the basic financial statements now include additional information about the defined benefit pension plans. Also, the Association will be presenting in required supplementary information 10-year schedules containing a) the net pension liability and certain related ratios and b) information about statutorily required contributions, contributions to the pension plans, and related ratios. Because this is the first year such information is available, only one year of required supplementary information is presented with these financial statements; information for additional years will be presented in future reports as it becomes available.

The Association's unrestricted net position at June 30, 2015 is a deficit balance of (\$177,209). This balance includes the Association's proportionate share of the unfunded obligation of the defined benefit pension plans administered by URS as described in Note 5 to the basic financial statements. The existence of an unrestricted net position deficit indicates the Association's overall economic net position, but does not necessarily reflect positively or negatively on the Association's ability to meet its obligations as they come due.

**SOUTHEASTERN UTAH ASSOCIATION  
OF LOCAL GOVERNMENTS  
Required Supplementary Information**

Exhibit 9 Statement of Revenues, Expenditures and Changes in Fund Balances – Budget  
and Actual

Exhibit 10 Schedule of Proportionate Share of the Net Pension Liability

Exhibit 11 Schedule of Contributions

Notes to Required Supplementary Information

**SOUTHEASTERN UTAH ASSOCIATION  
OF LOCAL GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
Intergovernmental	\$ 2,792,054	\$ 2,844,646	\$ 3,309,615	\$ 464,969
Charges for services	576,045	576,045	120,809	(455,236)
Miscellaneous revenue	94,700	101,397	148,875	47,478
<b>Total revenues</b>	<b>\$ 3,462,799</b>	<b>\$ 3,522,088</b>	<b>\$ 3,579,299</b>	<b>\$ 57,211</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General government	\$ 215,002	\$ 215,002	\$ 299,366	\$ (84,364)
<b>Total general government</b>	<b>\$ 215,002</b>	<b>\$ 215,002</b>	<b>\$ 299,366</b>	<b>\$ (84,364)</b>
Public safety	\$ 450,000	\$ 450,000	\$ 38,480	\$ 411,520
<b>Total public safety</b>	<b>\$ 450,000</b>	<b>\$ 450,000</b>	<b>\$ 38,480</b>	<b>\$ 411,520</b>
Public health	\$ 2,280,941	\$ 2,340,230	\$ 2,599,925	\$ (259,695)
<b>Total public health</b>	<b>\$ 2,280,941</b>	<b>\$ 2,340,230</b>	<b>\$ 2,599,925</b>	<b>\$ (259,695)</b>
Economic development	\$ 516,856	\$ 516,856	\$ 550,092	\$ (33,236)
<b>Total economic development</b>	<b>\$ 516,856</b>	<b>\$ 516,856</b>	<b>\$ 550,092</b>	<b>\$ (33,236)</b>
<b>Total expenditures</b>	<b>\$ 3,462,799</b>	<b>\$ 3,522,088</b>	<b>\$ 3,487,863</b>	<b>\$ 34,225</b>
Excess of revenue over (under) expenditures	\$ ...	\$ ...	\$ 91,436	\$ 91,436
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in (out)				
<b>Total other financing sources (uses)</b>	<b>\$ ...</b>	<b>\$ ...</b>	<b>\$ ...</b>	<b>\$ ...</b>
Excess of revenues and other sources over (under) expenditures and other uses			\$ 91,436	\$ 91,436
Fund balances - beginning of year	\$ 1,047,409	\$ 1,047,409	1,047,409	
<b>Fund balances - end of year</b>	<b>\$ 1,047,409</b>	<b>\$ 1,047,409</b>	<b>\$ 1,138,845</b>	<b>\$ 91,436</b>

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

**SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**AS OF DECEMBER 31, 2014**

	2014		
	Noncontributory System	Contributory System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)	0.0930943%	0.0490784%	0.0139826%
Proportionate share of the net liability (asset)	\$404,237	\$14,156	(\$424)
Covered employee payroll	\$809,656	\$26,256	\$68,389
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	49.9%	53.9%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	103.5%

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

**SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS**  
**SCHEDULE OF CONTRIBUTIONS**  
**AS OF DECEMBER 31, 2014**

	Noncontributory System	Contributory System	Tier 2 Public Employees System
Contractually required contribution	\$ 146,318	\$ 3,642	\$ 5,769
Contributions in relation to the contractually required contribution	(146,318)	(3,642)	(5,769)
Contribution deficiency (excess)	\$ ...	\$ ...	\$ ...
Covered employee payroll	\$ 809,656	\$ 26,256	\$ 68,389
Contributions as a percentage of covered-employee payroll**	18.07%	13.87%	8.44%

\* Amounts presented were determined as of calendar year January 1 - December 31. Employers will be required to prospectively develop this table in future years to show 10-years of information. The schedule above is only for the current year. Prior year numbers are available from your prior year note disclosure confirmation.

\*\* Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

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

**SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Other Information Not Required as Part of RSI

The information below is not required as part of GASB 68 but is provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay periods January 1 - December 31.

Defined Contribution System

	Employee Paid Contributions	Employer Paid Contributions
401(k) Plan*	\$ 28,145	\$ 59,621
457 Plan	1,680	
Roth IRA Plan	550	
Traditional IRA Plan	1,300	
HRA Plan		

\* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.

**SOUTHEASTERN UTAH ASSOCIATION  
OF LOCAL GOVERNMENTS  
Supplementary Information**

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
 COMBINING BALANCE SHEET  
 FIDUCIARY FUNDS  
 REVOLVING LOAN FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	EDA RLF PROJ. INC. RECAP	EDA RLF FUND PROJ. INC.	CDBG MONTICELLO PROJ. INC.	SAN JUAN RLF FUND PROJ. INC.	FOUR CORNERS FOREST RLF PROJ. INC.	RURAL DEVELOPMENT RLF FUND PROJ. INC.	TOTAL
Cash	\$ 49,333	\$ 164,283	\$ (676)	\$ (45,297)	\$ (3,787)	\$ 4,794	\$ 168,650
Investments	33,364	219,053	79,200	171,780	43,538	142,622	689,557
Note receivable - EDA Recap funds	14,189						14,189
Note receivable - EDA funds		554,922					554,922
Note receivable - San Juan funds				56,369			56,369
Note receivable - F. C. Partnerships					26,942		26,942
Note receivable - Rural Development						19,779	19,779
<b>Total assets</b>	<b>\$ 96,886</b>	<b>\$ 938,258</b>	<b>\$ 78,524</b>	<b>\$ 182,852</b>	<b>\$ 66,693</b>	<b>\$ 167,195</b>	<b>\$ 1,530,408</b>
<b>LIABILITIES AND NET POSITION</b>							
<b>LIABILITIES:</b>							
Accounts payable							
Total liabilities	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...
<b>NET POSITION:</b>							
Held in trust	\$ 96,886	\$ 938,258	\$ 78,524	\$ 182,852	\$ 66,693	\$ 167,195	\$ 1,530,408
Total liabilities and net position	\$ 96,886	\$ 938,258	\$ 78,524	\$ 182,852	\$ 66,693	\$ 167,195	\$ 1,530,408

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 FIDUCIARY FUNDS  
 REVOLVING LOAN FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	RURAL DEVELOPMENT RLF PROJ. INC.	EDA RLF PROJECT INCOME RECAPITALIZATION	FOUR CORNERS FOREST PARTNERSHIP	CDBG MONTICELLO RLF	EDA RLF PROJ. INC.	SAN JUAN RLF FUND PROJ. INC.	TOTALS (MEMORANDUM ONLY) JUNE 30, 2015
OPERATING REVENUES:							
Charges for services	\$ 2,101	\$ 2,315	\$ 222	\$ 404	\$ 49,487	\$ 3,751	\$ 57,654
Interest	653	170			941	876	3,266
Total operating revenues	\$ 2,754	\$ 2,485	\$ 222	\$ 404	\$ 50,428	\$ 4,627	\$ 60,920
OPERATING EXPENSES:							
Salaries and benefits	\$ 8,313	\$ 827	\$ 4,002		\$ 15,908	\$ 2,964	\$ 32,014
Travel	279	28	134		719	103	1,263
Supplies	285	31	132		632	119	1,199
Fees	559	51	249		1,242	212	2,313
Telephone	61	6	29		116	22	234
Space cost	222	22	107		425	82	858
Services	926	92	446		1,773	341	3,578
Professional services	178	18	86		341	66	689
Miscellaneous	24	3	11		311	9	358
Total operating expenses	\$ 10,847	\$ 1,078	\$ 5,196	\$ ...	\$ 21,467	\$ 3,918	\$ 42,506
Operating income/(loss)	\$ (8,093)	\$ 1,407	\$ (4,974)	\$ 404	\$ 28,961	\$ 709	\$ 18,414
NON-OPERATING REVENUES (EXPENSES):							
Reinstatement of Loan							
Transfer in(out)							
Total non-operating revenues (expenses)	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...
Change in net position	\$ (8,093)	\$ 1,407	\$ (4,974)	\$ 404	\$ 28,961	\$ 709	\$ 18,414
NET POSITION, beginning of year	175,288	95,479	71,667	78,120	909,297	182,143	1,511,994
NET POSITION, end of year	\$ 167,195	\$ 96,886	\$ 66,693	\$ 78,524	\$ 938,258	\$ 182,852	\$ 1,530,408

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
 COMBINING STATEMENT OF CASH FLOW  
 FIDUCIARY FUNDS  
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT  
 FOR THE FISCAL YEAR ENDING JUNE 30, 2015

	RURAL DEVELOPMENT RLF PROJ. INC.	EDA RLF PROJ. INC. RECAP	FOUR CORNERS FOREST RLF PROJ. INC.	CDBG MONTICELLO PROJ. INC.	EDA RLF FUND PROJ. INC.	SAN JUAN RLF FUND PROJ. INC.	TOTALS (MEMORANDUM ONLY) JUNE 30, 2015
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>							
Cash received from customers	\$ 2,754	\$ 2,485	\$ 222	\$ 404	\$ 50,428	\$ 4,627	\$ 60,920
Cash payments to supplies for goods and services	(10,847)	(1,078)	(5,196)		(21,467)	(3,918)	(42,506)
Net cash provided (used) by operating activities	\$ (8,093)	\$ 1,407	\$ (4,974)	\$ 404	\$ 28,961	\$ 709	\$ 18,414
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Loans made to clients					\$ (109,368)	\$ (5,487)	\$ (114,855)
Payments received on loans	\$ 20,712	\$ 48,432			250,739	7,305	327,188
Net cash provided (used) by noncapital financing activities	\$ 20,712	\$ 48,432	\$ ...	\$ ...	\$ 141,371	\$ 1,818	\$ 212,333
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	\$ 12,619	\$ 49,839	\$ (4,974)	\$ 404	\$ 170,332	\$ 2,527	\$ 230,747
<b>CASH AND CASH EQUIVALENTS -</b>							
Beginning of year	134,797	32,858	44,725	78,120	213,004	123,956	627,460
End of year	\$ 147,416	\$ 82,697	\$ 39,751	\$ 78,524	\$ 383,336	\$ 126,483	\$ 858,207
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>							
Operating income (loss)	\$ (8,093)	\$ 1,407	\$ (4,974)	\$ 404	\$ 28,961	\$ 709	\$ 18,414
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Write-off loan							
Net cash provided (used) by operating activities	\$ (8,093)	\$ 1,407	\$ (4,974)	\$ 404	\$ 28,961	\$ 709	\$ 18,414

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GENERAL FUND PROGRAMS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	USDA COMMODITY ASSISTANCE	AGING AND NUTRITION	AGING AND NUTRITION LOCAL	AGING AND NUTRITION PROGRAM INCOME	ALTERNATIVES PROJECT INCOME	BUILDING FUND	USDA TEFAP	SELECT HEALTH
<b>REVENUES:</b>								
Intergovernmental revenue	\$ 3,021	\$ 608,635	\$ 398,783	\$ 103,657	\$ 1,839	\$ 9,000	\$ 6,369	
Charges for service				693		12,438		\$ 2,604
Miscellaneous revenue								
<b>Total revenues</b>	<b>\$ 3,021</b>	<b>\$ 608,635</b>	<b>\$ 398,783</b>	<b>\$ 104,350</b>	<b>\$ 1,839</b>	<b>\$ 21,438</b>	<b>\$ 6,369</b>	<b>\$ 2,604</b>
<b>EXPENDITURES:</b>								
General government						\$ 21,135		
Public safety								
Community and economic development	\$ 3,021	\$ 608,635	\$ 328,090	\$ 104,350			\$ 6,369	\$ 2,234
Public health	\$ 3,021	\$ 608,635	\$ 328,090	\$ 104,350		\$ 21,135	\$ 6,369	\$ 2,234
<b>Total expenditures</b>	<b>\$ 91,436</b>	<b>\$ 70,693</b>	<b>\$ 303</b>	<b>\$ 1,839</b>	<b>\$ 370</b>			
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in (out)								
<b>Total other financing sources (uses)</b>	<b>\$ 91,436</b>	<b>\$ 70,693</b>	<b>\$ 303</b>	<b>\$ 1,839</b>	<b>\$ 370</b>			
<b>Excess of revenues over (under) expenditures</b>	<b>\$ 1,047,409</b>	<b>\$ 295,951</b>	<b>\$ 172</b>	<b>\$ 172</b>	<b>\$ 172</b>			
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in (out)								
<b>Total other financing sources (uses)</b>	<b>\$ 91,436</b>	<b>\$ 70,693</b>	<b>\$ 303</b>	<b>\$ 1,839</b>	<b>\$ 370</b>			
<b>Excess of revenues and other sources over (under) expend- itures and other uses</b>	<b>\$ 1,138,845</b>	<b>\$ 366,644</b>	<b>\$ 303</b>	<b>\$ 1,839</b>	<b>\$ 370</b>			
<b>Fund balance, July 1,</b>								
<b>Fund balance, June 30,</b>								

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	CSBG	CSBG	SEUEDD	SEUEDD	CARBON ENSURE	TITLE XX LOCAL	EMERY AGING ADMIN	UTAH CAP VITA	GE VITA SAN JUAN
REVENUES:									
Intergovernmental revenue	\$ 70,410	\$ 67,826	\$ 15,250	\$ 56,306	\$ 28,002	\$ 11,866	\$ 18,979	\$ 7,750	
Charges for services									
Miscellaneous revenue			6,536	29,607					\$ 8,703
Total revenues	\$ 70,410	\$ 67,826	\$ 21,786	\$ 85,913	\$ 28,002	\$ 11,866	\$ 18,979	\$ 7,750	\$ 8,703
EXPENDITURES:									
General government									
Community and economic development	\$ 70,410	\$ 67,826	\$ 21,786	\$ 65,357	\$ 28,002	\$ 11,866	\$ 12,876	\$ 7,750	\$ 8,703
Public health									
Total expenditures	\$ 70,410	\$ 67,826	\$ 21,786	\$ 65,357	\$ 28,002	\$ 11,866	\$ 12,876	\$ 7,750	\$ 8,703
Excess of revenues over (under) expenditures	\$	\$	\$	\$ 20,556	\$	\$	\$ 6,103	\$	\$
OTHER FINANCING SOURCES (USES):									
Operating transfers in (out)	\$ (104,032)								
Total other financing sources (uses)	\$ (104,032)	\$	\$	\$	\$	\$	\$	\$	\$
Excess of revenues and other sources over (under) expend- itures and other uses	\$ (104,032)		\$ 20,556				\$ 6,103		
Fund balance, July 1,	104,032						33,834		
Fund balance, June 30,	\$	\$	\$	\$ 20,556	\$	\$	\$ 39,937	\$	\$

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	AAA LOCAL	TANF RENT ASSIST & CASE MGT	HEAT PROG 12-1038	HEAT 15-1274	HEAT 13-1718	COMMUNITY DEVELOPMENT BUILDING	LIHEAP WX	HEAT 14-1705	HCFA MED WAIVER NON-BILLABLE
REVENUES:									
Intergovernmental revenue	\$ 20,086	\$ 31,223	\$ 500	\$ 77,008	\$ 4,740	\$ 480	\$ 702,022	\$ 76,833	
Charges for services							9,000		
Miscellaneous revenue									
Total revenues	\$ 20,086	\$ 31,223	\$ 500	\$ 77,008	\$ 4,740	\$ 480	\$ 711,022	\$ 76,833	\$ ...
EXPENDITURES:									
General government									
Community and economic development	\$ 17,498	\$ 31,223	\$ 500	\$ 77,008	\$ 4,740	\$ 720	\$ 711,019	\$ 76,833	
Public health	\$ 17,498	\$ 31,223	\$ 500	\$ 77,008	\$ 4,740	\$ 720	\$ 711,019	\$ 76,833	\$ ...
Total expenditures	\$ 2,588	\$ ...	\$ ...	\$ ...	\$ ...	\$ (240)	\$ 3	\$ ...	\$ ...
Excess of revenues over (under) expenditures									
OTHER FINANCING SOURCES (USES):									
Operating transfers in (out)									
Total other financing sources (uses)	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses	\$ 2,588					\$ (240)	\$ 3		
Fund balance, July 1,	15,906					2,700			\$ (59,534)
Fund balance, June 30,	\$ 18,494	\$ ...	\$ ...	\$ ...	\$ ...	\$ 2,460	\$ 3	\$ ...	\$ (59,534)

SCHEDULE 1  
(Continued)

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	CDBG ADMIN PLANNING	CDBG PROJECT INCOME	CDBG PROGRAM DELIVERY	SAN JUAN ECONOMIC DEVELOP	MOTEL TAX EXEMPTION	MINING TAX EXEMPTION	WORK CAMP FOUNDATION	GROUP WORKCAMP	TANF RAPID REHOUSING
REVENUES:									
Intergovernmental revenue	\$ 50,000		\$ 150,444		\$ 126			\$ 99,662	\$ 28,202
Charges for services					391				
Miscellaneous revenue		\$ 10,000			255				
Total revenues	\$ 50,000	\$ 10,000	\$ 150,444	\$	\$ 772	\$	\$	\$ 99,662	\$ 28,202
EXPENDITURES:									
General government									
Community and economic development	\$ 50,000		\$ 150,444		\$ 694			\$ 99,662	\$ 28,202
Public health									
Total expenditures	\$ 50,000	\$	\$ 150,444	\$	\$ 694	\$	\$	\$ 99,662	\$ 28,202
Excess of revenues over (under) expenditures	\$	\$ 10,000	\$	\$	\$ 78	\$	\$	\$	\$
OTHER FINANCING SOURCES (USES):									
Operating transfers in (out)									
Total other financing sources (uses)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Excess of revenues and other sources over (under) expenditures and other uses		\$ 10,000		\$ 78					
Fund balance, July 1,				\$ 522		\$ 2,000	\$ 2,859		
Fund balance, June 30,	\$	\$ 10,000	\$	\$ 522	\$ 78	\$ 2,000	\$ 2,859	\$	\$

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	CARBON FOOD BANK	EMERY FOOD BANK	GRAND FOOD BANK	EMERGENCY FOOD NETWORK	OLENE WALKER EMERGENCY	QUALITY FOOD AGENCY	A.O.G. MISCELLANEOUS	CIB PLANNING	A.O.G. DIRECTOR
REVENUES:									
Intergovernmental revenue	\$ 727	\$ 67		\$ 11,974	\$ 4,999	\$ 13,942	\$ 6,000	\$ 100,000	\$ 47,676
Charges for Services		6,491	\$ 8,839				1,200		
Miscellaneous	27,023						1,103		
Total revenues	\$ 27,750	\$ 6,558	\$ 8,839	\$ 11,974	\$ 4,999	\$ 13,942	\$ 8,303	\$ 100,000	\$ 47,676
EXPENDITURES:									
General government							\$ 29,259	\$ 104,539	\$ 62,089
Community and economic development	\$ 26,746	\$ 9,379	\$ 8,619	\$ 11,974	\$ 4,997	\$ 21,417			
Public health									
Total expenditures	\$ 26,746	\$ 9,379	\$ 8,619	\$ 11,974	\$ 4,997	\$ 21,417	\$ 29,259	\$ 104,539	\$ 62,089
Excess of revenues over (under) expenditures	\$ 1,004	\$ (2,821)	\$ 220	\$ ...	\$ 2	\$ (7,475)	\$ (20,956)	\$ (4,539)	\$ (14,413)
OTHER FINANCING SOURCES (USES):									
Operating transfers in (out)	\$ 48,299	\$ 8,827	\$ 46,906						
Total other financing sources (uses)	\$ 48,299	\$ 8,827	\$ 46,906						
Excess of revenues and other sources over (under) expenditures and other uses	\$ 49,303	\$ 6,006	\$ 47,126		\$ 2	\$ (7,475)	\$ (20,956)	\$ (4,539)	\$ (14,413)
Fund balance, July 1,	97,484		56,029		7,475		260,850	13,387	78,454
Fund balance, June 30,	\$ 146,787	\$ 6,006	\$ 103,155	\$ ...	\$ 2	\$ ...	\$ 239,894	\$ 8,848	\$ 64,041

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	SELF HELP RURAL DEVELOP CONSTRUCT	IT SUPPORT	LIVING WELL WITH CHRONIC DISEASE	ROCKY MOUNTAIN POWER	QUESTAR GAS WX	TELECOM IMPROVE. COUNTIES	DOE	COMPUTER SYSTEM/FOOD BANK TRUCKS	AGENCY NETWORK SERVICES	COMMUNITY SERVICE CAR POOL
REVENUES:										
Intergovernmental revenue	\$ 136,561	\$ 20,000		\$ 3,339	\$ 21,967	\$ 38,480	\$ 79,941	\$ 54,241	\$ 7,200	\$ 8,141
Charges for services										
Miscellaneous										
Total revenues	\$ 136,561	\$ 20,000	\$ ...	\$ 3,339	\$ 21,967	\$ 38,480	\$ 79,941	\$ 54,241	\$ 7,200	\$ 8,141
EXPENDITURES:										
General government								\$ 54,241	\$ 10,196	
Public safety						\$ 38,480				
Community and economic development	\$ 152,534				\$ 21,967		\$ 79,941			\$ 5,188
Public health										
Total expenditures	\$ 152,534	\$ ...	\$ ...	\$ 3,339	\$ 21,967	\$ 38,480	\$ 79,941	\$ 54,241	\$ 10,196	\$ 5,188
Excess of revenues over (under) expenditures	\$ (15,973)	\$ 20,000	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ (2,996)	\$ 2,953
OTHER FINANCING SOURCES (USES):										
Operating transfers in (out)										
Total other financing sources (uses)	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses	\$ (15,973)	\$ 20,000	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ (2,996)	\$ 2,953
Fund balance, July 1,	15,973		\$ 300					\$ 59	(2,168)	
Fund balance, June 30,	\$ ...	\$ 20,000	\$ 300	\$ ...	\$ ...	\$ ...	\$ ...	\$ 59	\$ (5,164)	\$ 2,953

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	AAA MEDICARE WAIVER (HCFA)	AAA MEDICARE WAIVER (DAAS)	SINGLE FAMILY REHAB RECONSTR	SELF HELP TOOL REPLACEMENT PROGRAM	SELF HELP PROGRAM	RURAL DEVELOPMENT REHAB RECONSTR	AMERICAN EXPRESS VITA	RURAL DEVELOP LOAN REPAY
REVENUES:								
Intergovernmental revenue	\$ 18,296	\$ 37,231	\$ 64,495	\$ 400	\$ 1,500	\$ 24,768		
Charges for services							\$ 7,500	
Miscellaneous								
Total revenues	\$ 18,296	\$ 37,231	\$ 64,495	\$ 400	\$ 1,500	\$ 24,768	\$ 7,500	\$
EXPENDITURES:								
General government							\$ 6,279	
Community and economic development	\$ 13,599	\$ 37,231	\$ 64,495	\$	\$ 1,500	\$ 25,266		
Public health								
Total expenditures	\$ 13,599	\$ 37,231	\$ 64,495	\$	\$ 1,500	\$ 25,266	\$ 6,279	\$
Excess of revenues over (under) expenditures	\$ 4,697	\$	\$	\$ 400	\$	\$ (498)	\$ 1,221	\$
OTHER FINANCING SOURCES (USES):								
Operating transfers in (out)								
Total other financing sources (uses)	\$	\$	\$	\$	\$	\$	\$	\$
Excess of revenues and other sources over (under) expenditures and other uses	\$ 4,697	\$	\$ 400	\$	\$ (498)	\$ 1,221	\$	\$
Fund balance, July 1,	68,960		400			498		\$ 4,192
Fund balance, June 30,	\$ 73,657	\$	\$ 800	\$	\$	\$	\$ 1,221	\$ 4,192

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GENERAL FUND PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	AMERICAN EXPRESS	BROADBAND PROJECT	NEW CHOICES	TRANSIT PLANNING	PRICE CITY HOUSING	AGENCY CAR POOL	AGENCY COPIER FUND	SAN JUAN OMBUDSMAN
<b>REVENUES:</b>								
Intergovernmental revenue			\$ 7,320	\$ 2,094		\$ 20,169		\$ 2,916
Charges for services						2,600	\$ 3,442	
Miscellaneous	\$ 9,942							
Total revenues	\$ 9,942	\$ ...	\$ 7,320	\$ 2,094	\$ ...	\$ 22,769	\$ 3,442	\$ 2,916
<b>EXPENDITURES:</b>								
General government						\$ 8,767	\$ 2,861	
Community and economic development	\$ 9,942	\$ 263	\$ 3,323	\$ 2,094				\$ 2,916
Public health								
Total expenditures	\$ 9,942	\$ 263	\$ 3,323	\$ 2,094	\$ ...	\$ 8,767	\$ 2,861	\$ 2,916
Excess of revenues over (under) expenditures	\$ ...	\$ (263)	\$ 3,997	\$ ...	\$ ...	\$ 14,002	\$ 581	\$ ...
<b>OTHER FINANCING SOURCES (USES):</b>								
Operating transfers in (out)								
Total other financing sources (uses)	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses	\$ ...	\$ (263)	\$ 3,997	\$ ...	\$ ...	\$ 14,002	\$ 581	\$ ...
Fund balance, July 1,		1,048	1,163		\$ 20,600	24,163		
Fund balance, June 30,	\$ ...	\$ 785	\$ 5,160	\$ ...	\$ 20,600	\$ 38,165	\$ 581	\$ ...

**SMUIN, RICH & MARSING**

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of District Commissioners  
Southeastern Utah Association of Local Governments  
Price, Utah 84501

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

**Report on Compliance with General State compliance Requirements and for Each Major State Program**

We have audited Southeastern Utah Association of Local Government’s compliance with the applicable general state and major state program 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 Southeastern Utah Association of Local Governments or each of its major state programs for the year ended June 30, 2015. General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

- |                                   |                                   |
|-----------------------------------|-----------------------------------|
| Government Records Access Mgt Act | Conflicts of Interest             |
| Cash Management                   | Fund Balance Limitation           |
| Nepotism                          | Utah Retirement System Compliance |
| Budgetary Compliance              | Open and Public Meetings Act      |

The District did not have any state funding classified as a major programs during the year ended June 30, 2015:

**Management's Responsibility**

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs

**Auditor's Responsibility**

Our responsibility is to express an opinion on the District's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the State Compliance Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the District or its major state programs occurred. An audit includes examining, on a test basis, evidence about the 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 with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of Southeastern Utah Association of Local Government's compliance.

### **Opinion on General State Compliance Requirements and Each Major State Program**

In our opinion, Southeastern Utah Association of Local Governments complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the District or on each of its major state programs for the year ended June 30, 2015.

### **Report On Internal Control Over Compliance.**

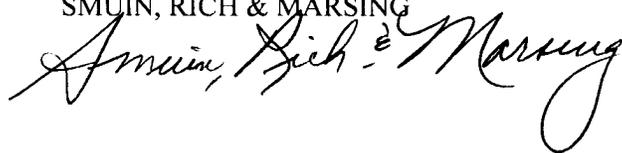
Management of Southeastern Utah Association of Local Governments is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the compliance requirements that could have a direct and material effect on the District or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program 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 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 general state or major state program compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

SMUIN, RICH & MARSING



Price, Utah

December 17, 2015

**SMUIN, RICH & MARSING**

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors  
Southeastern Utah Association of Local Governments  
Price, Utah 84501

RE: Report on Compliance and other matters and  
on Internal Control Over Financial Reporting Based  
on an Audit of Financial Statements  
Performed in Accordance With Govern-  
ment Auditing Standards

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Southeastern Utah Association of Local Governments as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements and have issued our report thereon dated December 17, 2015.

**Internal Control Over Financial Reporting**

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

SMUIN, RICH & MARSING

A handwritten signature in black ink that reads "Armin, Rich & Marsing". The signature is written in a cursive style and is positioned to the right of the firm name.

Price, Utah

December 17, 2015

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Board of Directors  
Southeastern Utah Association of Local Governments  
Price, Utah 84501

RE: Independent Auditor's Report on Compliance  
For Each Major Program and on Internal  
Control Over Compliance Required By  
OMB Circular A-133

## Report on Compliance for Each Major Federal Program

We have audited Southeastern Utah Association of Local Government's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Association's major federal programs for the year ended June 30, 2015. The Association'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 Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profits Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association'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 Association's compliance.

## Opinion on Each Major Federal Program

In our opinion, Southeastern Utah Association of Local Governments, 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, 2015.

## Report on Internal Control Over Compliance

Management of Southeastern Utah Association of Local Governments is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association'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 charged with governance.

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

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

SMUIN, RICH & MARSING



Price, Utah

December 17, 2015

**SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the basic financial statements of Southeastern Utah Association of Local Governments.
2. There was no significant deficiency and no material weaknesses disclosed in internal control by the audit over the financial statements.
3. No instances of noncompliance material to the financial statements of Southeastern Utah Association of Local Governments were disclosed by the audit.
4. There were no significant deficiencies and no material weaknesses in internal control over major programs disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs for Southeastern Utah Association of Local Governments expresses an unqualified opinion.
6. The audit of Southeastern Utah Association of Local Government'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:

<u>Program</u>	<u>CFDA#</u>
Rural Self Help Housing Tech Assist.	10.420
EDA - Economic Adj. Assistance	11.307
EDA - Recap Economic Adj Assistance	11.307

8. The threshold for distinguishing Type A programs was \$300,000.
9. Southeastern Utah Association of Local Governments was determined to be a low-risk auditee.

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT**

NONE

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

NONE

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JULY 1, 2014	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT JUNE 30, 2015
<b>U.S. DEPARTMENT OF COMMERCE</b>							
Direct Program:							
11.302	SEUEDD - Economic Development	05-83-05553-02	\$ 61,000	\$	\$ 15,250	\$ 15,250	
11.302	SEUEDD - Support for Planning Organizations	05-83-0535301	61,000		45,750	45,750	
11.307	EDA - Economic Adjustment Assistance RLF	05-39-02469	603,976		603,976 *	603,976 *	
11.307	EDA Recap Economic Adjustment Assistance - RLF	05-39-02469-01	28,878		28,878	28,878 *	
11.558	Pass through Utah Governor's Office of Economic Development : Broadband Project FY14	49-50-M09054		\$ 1,048		263	\$ 785
<b>Total Department of Commerce</b>				<b>\$ 754,854</b>	<b>\$ 693,854</b>	<b>\$ 694,117</b>	<b>\$ 785</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Pass through State Department of Human Services:							
93.042	Title VII, Long-Term Care Ombudsman Services for Older Individuals	14-2531	\$ 9,772	\$	\$ 4,056	\$ 4,056	
93.043	Title III, Part VI: Disease Preventive and Health Promotion Services	14-2531	3,390		3,390	3,390	
93.044	Title III, Part II: Grants for Supportive Services and Senior Centers	14-2531	51,767		51,767	51,767	
93.045	Title III Part III: Nutrition Services	14-2531	110,040		110,040	110,040	
93.048	Senior Medicare Patrol	14-2531					
93.052	Title III E NRCSP (Caregiver)	14-2531	32,962		32,962	32,962	
93.053	Elder Feeding, NSIP	14-2531	94,242		94,242	94,242	
93.667	Social Service Block Grant - TXX		144,451		59,335	59,335	
93.667	Social Service Block Grant - Alternatives		33,523		29,883	29,883	
93.734	Utah Approach to Empowering Older Adults & Adults with Disabilities	14-0308		\$ 300			\$ 300
93.779	Health Insurance Counseling	14-2531	20,600		20,600	20,600	
93.778	New Choices Waiver	870299154002		1,163	7,320	3,323	5,160
93.778	Medicaid Waiver (DAAS)	14-2532	55,000		19,667	19,667	
93.778	Medicaid Waiver (HCFA)	14-2532		68,960	18,296	13,599	73,657
93.778	Medicare Nonbillable	N/A		(59,534)			(59,534)
<b>Subtotal Department of Health and Human Services</b>				<b>\$ 555,747</b>	<b>\$ 451,558</b>	<b>\$ 442,864</b>	<b>\$ 19,583</b>

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTORS NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JULY 1, 2014	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT JUNE 30, 2015
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Cont'd)</b>						
Pass through State Department of Workforce Services:						
TANF - Rental Assistance & Case Management						
TANF	15-DW50178	\$ 280,000		\$ 28,202	\$ 28,202	
	14-1501	31,223		31,223	31,223	
Liheap - Energy Assistance	12-2181	1,110,677		233,625	233,625	
Liheap - Energy Assistance	14-2377	204,431		204,431	204,431	
Liheap - Heat	13-1718	183,015		4,740	4,740	
State Energy Assistance & Lifeline Program	12-1038	178,752		500	500	
Liheap - Heat	15-1274	181,578		77,008	77,008	
Liheap - Heat	14-1705	183,954		76,834	76,834	
Liheap - 2012-2015 LIHEAP WX	13-2551	273,928		272,964	272,964	
Group Work Camps	14-2376	100,000		99,662	99,662	
Community Service Block Grant	14-1696	125,791		70,409	70,409	
Community Service Block Grant	15-1521	130,627		67,826	67,826	
		\$ 2,983,976	\$ .....	\$ 1,167,424	\$ 1,167,424	\$ .....
Subtotal Department of Health and Human Services						
		\$ 3,539,723	\$ 10,889	\$ 1,618,982	\$ 1,610,288	\$ 19,583
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						
Pass through State Department of Workforce Services:						
CDBG - Admin/Planning	15-0235	\$ 50,000		\$ 50,000	\$ 50,000	
CDBG - Housing and Program Delivery	15-0444	174,331		150,444	150,444	
		\$ 224,331	\$ .....	\$ 200,444	\$ 200,444	\$ .....
Total Department of Housing and Urban Development						
		\$ 4,000		\$ 2,094	\$ 2,094	
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>						
Pass through State Department of Transportation						
State Transit Planning/Research	15-8979	\$ 4,000		\$ 2,094	\$ 2,094	
		\$ 4,000	\$ .....	\$ 2,094	\$ 2,094	\$ .....
Total Department of Transportation						



**SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AS OF JUNE 30, 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2015**

Southeastern Utah Association of Local Governments had no findings reported in the June 30, 2014 audit report which required follow-up.

**SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS**  
**SCHEDULE OF TOTAL EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2015**

EXPENDITURES	
Salaries	\$ 1,102,660
Fringe benefits	447,253
Contract personnel	279,610
Travel/local	52,600
Gas/vehicle maintenance	73,535
Food/meals	242,353
Meetings/conferences	6,202
Dues/publications	3,218
Insurance/bonding	9,675
Advertising	2,861
Direct program delivery	39,205
Utilities/telephone	124,362
Postage/handling	4,302
Office supplies/printing (Includes equip. < \$5,000)	26,606
General program costs	33,686
Outsourced personnel	28,758
Miscellaneous	40,867
Licenses/fees/legal	14,077
Emergency assistance	45,957
Maintenance/repairs/supplies	8,618
Equipment Purchase	20,530
Equipment/non-inventory	24,475
Materials/tools	307,162
Special projects	6,838
Pass through	405,633
Professional fees	3,918
Match expense	26,667
Rent	17,500
IT Services	14,544
Sales, Use & Transient tax	772
	<hr/>
Total expenditures	<u><u>\$ 3,414,444</u></u>

**SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS**  
**SCHEDULE OF INDIRECT EXPENSE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Salaries	\$ 66,435
Fringe benefits	38,526
Professional fees	16,165
Conferences	387
Travel	1,219
Utilities/telephone	4,494
Postage/handling	2,737
Insurance/bonding	26,637
Office supplies/printing	4,111
Maintenance/repairs/supplies	46
Licenses/fees	4,555
IT Services	990
	<hr/>
Total expenditures	<u><u>\$ 166,302</u></u>

**SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS**  
**TOTAL EXPENDITURES AND INDIRECT COST RATE**  
**FOR THE YEAR ENDED JUNE 30, 2015**

RECONCILIATION OF EXPENDITURES

Indirect expenditures	\$ 166,302	
Direct expenditures	3,414,444	
Total expenditures	\$ 3,580,746	
Exhibit 5 - expenditures	\$ 3,487,863	
Exhibit 8 - expenditures	92,885	
Total expenditures	\$ 3,580,748	

INDIRECT COST RATE

Indirect costs	\$ 166,302	
Divided by direct salary costs	1,102,660	
Percentage	15.08%	