

**CARBON COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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FINANCIAL STATEMENTS  
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## MEMBERS

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

## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Carbon County  
Price, Utah 84501

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County, as of December 31, 2007, and for the year then ended, which collectively comprise the County's basic financial statement as listed in the table of contents. These financial statements are the responsibility of Carbon County's management. Our responsibility is to express an opinion 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 Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Southeastern Utah District Health Department Fund, and Municipal Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated July 18, 2008 on our consideration of Carbon County's internal control over financial reporting and our test 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 10 are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, schedules and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. The accompanying 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 not a required part of the basic financial statements. These financial statements and schedules are also the responsibility of the management of the County. Such additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

SMUIN, RICH & MARSING

A handwritten signature in cursive script that reads "Smuin, Rich & Marsing".

Price, Utah

July 18, 2008



**CARBON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

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This discussion of Carbon County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2007. This report is in conjunction with the County's financial statements.

The purpose of the County is to provide general services to its residents, which includes general government, public safety, public health, highways and public improvements, park and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

**Financial Highlights**

- The assets of Carbon County exceeded its liabilities as of December 31, 2007 by \$96,085,800 (net assets). Of this amount, \$6,200,665 (unrestricted net assets) may be used to meet the governments' ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$9,289,075. The expenditures were less than the adopted budgeted amounts and the revenues were more than the budgeted amounts.
- At the close of the current year, the Carbon County governmental funds reported combined ending fund balances of \$10,705,183, an increase of \$1,919,004 in comparison with the prior year. Approximately 69 percent of this total amount, \$7,340,689 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current year, unreserved fund balance for the general fund was \$4,476,161, or approximately 40.4 percent of total general fund expenditures.
- Carbon County's total debt increased significantly during the current year.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. Government-wide financial statements consist of the following: the Statement of Net Assets and the Statement of Activities, which provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements, for governmental activities, tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. This report also contains notes and other supplementary information in addition to the basic financial statements.

## **Government-wide financial statements**

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

The Statement of Net Assets presents information on all of Carbon County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Carbon County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of Carbon County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Carbon County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. The business-type activities of Carbon County are the Carbon County Municipal Building Authority and the County Court Complex.

The government-wide financial statements include not only Carbon County itself (known as the primary government), but also two legally separate special service districts, the Scofield Special Service District and the Carbon County Recreation & Transportation Special Service District, for which Carbon County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

## **Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Carbon County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Carbon County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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



## **Fund financial statements (Continued)**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Carbon County maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, municipal services fund, Southeastern Utah District Health, tax stability - permanent fund, and capital projects all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Carbon County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

- Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Carbon County uses an enterprise fund to account for its County Court Complex and Municipal Building Authority operations.
- Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Carbon County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.
- The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.
- Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Carbon County. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information.

## Government-wide financial analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Carbon County, assets exceeded liabilities by \$96,019,343 at December 31, 2007.

By far the largest portion of Carbon County's net assets (90.1 percent) reflects its investment in capital assets (e.g. land, building, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Carbon County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Carbon County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table 1**  
**Net Assets**

	Governmental Activities 2007	Governmental Activities 2006	Business-Type Activities 2007	Business-Type Activities 2006	Total Primary Government 2007	Total Primary Government 2006
Current and other assets	\$ 12,714,411	\$ 11,048,160	\$ 44,399	\$ 2,059,860	\$ 12,758,810	\$ 13,108,020
Capital assets	69,741,943	66,874,453	32,095,147	20,156,089	101,837,090	87,030,542
Total assets	<u>\$ 82,456,354</u>	<u>\$ 77,922,613</u>	<u>\$ 32,139,546</u>	<u>\$ 22,215,949</u>	<u>\$ 114,595,900</u>	<u>\$ 100,138,562</u>
Long-term debt outstanding	\$ 729,039	\$ 687,605	\$ 14,485,947	\$ 9,323,363	\$ 15,214,986	\$ 10,010,968
Other liabilities	2,032,366	2,285,182	1,262,748	1,045,688	3,295,114	3,330,870
Total liabilities	<u>\$ 2,761,405</u>	<u>\$ 2,972,787</u>	<u>\$ 15,748,695</u>	<u>\$ 10,369,051</u>	<u>\$ 18,510,100</u>	<u>\$ 13,341,838</u>
Net assets:						
Investment in capital assets, net of debt	\$ 69,610,730	\$ 66,163,648	\$ 16,909,911	\$ 10,785,673	\$ 86,520,641	\$ 76,949,321
Restricted	3,364,494	4,112,421			3,364,494	4,112,421
Unrestricted (Deficit)	6,719,725	4,673,758	(519,060)	1,061,225	6,200,665	5,734,983
Total net assets	<u>\$ 79,694,949</u>	<u>\$ 74,949,827</u>	<u>\$ 16,390,851</u>	<u>\$ 11,846,898</u>	<u>\$ 96,085,800</u>	<u>\$ 86,796,725</u>

A portion of Carbon County's net assets (3.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$6,200,665 may be used to meet the government's on going obligations to citizens and creditors.

At the end of the year, Carbon County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.



## Government-wide financial analysis (Continued)

Governmental activities increased Carbon County's net assets by \$4,745,122. Key elements of this increase are as follows:

**Table 2**  
**Change in Net Assets**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 7,242,926	\$ 7,048,422	\$ 398,785	\$ 486,507	\$ 7,641,711	\$ 7,534,929
Operating grants and cont.	3,883,154	4,280,412			3,883,154	4,280,412
Capital grants and cont.	2,858,793		4,615,774	6,997,086	7,474,567	6,997,086
General Revenues:						
Property taxes	6,286,522	6,209,171			6,286,522	6,209,171
Sales taxes	2,324,945	2,200,598			2,324,945	2,200,598
Other general revenues	6,168,533	2,098,744	231,349	247,168	6,399,882	2,345,912
<b>Total revenues</b>	<b>\$ 28,764,873</b>	<b>\$ 21,837,347</b>	<b>\$ 5,245,908</b>	<b>\$ 7,730,761</b>	<b>\$ 34,010,781</b>	<b>\$ 29,568,108</b>
<b>Program expenses</b>						
General government	\$ 4,779,018	\$ 4,398,973			\$ 4,779,018	\$ 4,398,973
Public safety	5,920,672	8,270,748			5,920,672	8,270,748
Public health	4,232,955	1,145,176			4,232,955	1,145,176
Highways and public improve.	7,488,902	5,909,384			7,488,902	5,909,384
Parks and recreation	483,140	1,153,604			483,140	1,153,604
Conservation & Econ. Dev.	984,515	526,118			984,515	526,118
Contributions and Misc.	130,549		\$ 87,839		218,388	
MBA			525,801	\$ 316,849	525,801	316,849
County Court Complex			88,315	103,812	88,315	103,812
<b>Total expenses</b>	<b>\$ 24,019,751</b>	<b>\$ 21,404,003</b>	<b>\$ 701,955</b>	<b>\$ 420,661</b>	<b>\$ 24,721,706</b>	<b>\$ 21,824,664</b>
Excess (deficiency) before transfers	\$ 4,745,122	\$ 433,344	\$ 4,543,953	\$ 7,310,100	\$ 9,289,075	\$ 7,743,444
Transfers		(139,802)		139,802		
<b>Change in net assets</b>	<b>\$ 4,745,122</b>	<b>\$ 293,542</b>	<b>\$ 4,543,953</b>	<b>\$ 7,449,902</b>	<b>\$ 9,289,075</b>	<b>\$ 7,743,444</b>
Net assets - beginning	\$ 74,949,827	\$ 74,656,285	\$ 11,846,898	\$ 4,396,996	\$ 86,796,725	\$ 79,053,281
Net assets - ending	79,694,949	74,949,827	16,390,851	11,846,898	96,085,800	86,796,725
<b>Change in net assets</b>	<b>\$ 4,745,122</b>	<b>\$ 293,542</b>	<b>\$ 4,543,953</b>	<b>\$ 7,449,902</b>	<b>\$ 9,289,075</b>	<b>\$ 7,743,444</b>

## Government-wide financial analysis (Continued)

For 2007 Carbon County experienced new growth totaling \$145,582,918 as reported to the State Tax Commission on form TC 714. This increase in new growth explains the \$311,809 increase in the General Fund property tax revenues for the County. For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Business-type activities increased Carbon County's net assets by \$4,543,953. Key elements of this increase are shown in Table 2 Change in Net Assets.

As noted earlier, Carbon County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

- Governmental funds - The focus of Carbon County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Carbon County's financing requirements. In particular unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Carbon County's governmental funds reported combined ending fund balances of \$10,705,183, which is an increase of \$1,919,004 in comparison with the prior year. Approximately, 69 percent or \$7,340,689 constitutes unreserved fund balance, which is available for spending at the government's discretion. The general fund is the chief operating fund of Carbon County. At the end of the current year, unreserved fund balance of the general fund was \$4,476,161.

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

Total unrestricted net assets of the proprietary funds at the end of the year amounted to \$(519,060) deficit.

## General Fund Budgetary Highlights

Changes from the original budget to the final are outlined below:

Function	Original	Final	Change Inc. (Dec.)
General Government	\$ 4,787,695	\$ 4,897,695	\$ 110,000
Public Safety	2,697,543	2,827,543	130,000
Public Health	223,572	223,572	
Highway and Public Improvements	1,360,439	1,360,439	
Parks, recreation and public property	254,342	257,342	3,000
Conservation and Economic Development	318,879	318,879	
Contributions and miscellaneous	2,694,414	2,451,414	(243,000)
Net			\$ ...



## Capital Asset and Debt Administration

### Capital Assets

Carbon County's investment in capital assets for its governmental activities as of December 31, 2007, amounts to \$69,741,943 (net of accumulated depreciation). This investment in capital assets includes land, rights of way, buildings, improvements other than buildings, equipment, and infrastructure, which includes roads, highways, and bridges. The total increase in Carbon County's capital assets for the current year was \$2,867,490.

#### Capital Assets at Year-end (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Right of ways	\$ 1,361,829	\$ 1,361,829			\$ 1,361,829	\$ 1,361,829
Land	1,290,228	1,305,317	\$ 367,492	\$ 367,492	1,657,720	1,672,809
Buildings	1,680,490	1,771,292	25,708,445	19,190,632	27,388,935	20,961,924
Improvements other than buildings	6,990,864	5,418,395			6,990,864	5,418,395
Machinery and equipment	6,685,001	4,001,367	810,886	418,065	7,495,887	4,419,432
Infrastructure	51,587,531	52,870,253	5,208,324	179,900	56,795,855	53,050,153
Water stock	146,000	146,000			146,000	146,000
	<u>\$ 69,741,943</u>	<u>\$ 66,874,453</u>	<u>\$ 32,095,147</u>	<u>\$ 20,156,089</u>	<u>\$ 101,837,090</u>	<u>\$ 87,030,542</u>

Additional information on Carbon County's capital assets can be found in the notes to the financial statements.

## Long-term debt

As presented in the schedule below, the total long-term debt of Carbon County was \$15,929,338, which included revenue bonds, capital leases and compensated absences.

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

**Table 4**  
**Outstanding Debt at Year-End**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Revenue Bonds			\$ 15,185,236	\$ 9,323,363	\$ 15,185,236	\$ 9,323,363
Capital Leases	\$ 123,138	\$ 154,414			123,138	154,414
Compensated Absences	620,964	556,392			620,964	556,392
	<u>\$ 744,102</u>	<u>\$ 710,806</u>	<u>\$ 15,185,236</u>	<u>\$ 9,323,363</u>	<u>\$ 15,929,338</u>	<u>\$ 10,034,169</u>

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

- The unemployment rate for Carbon County in 2007 was 3.8%, an increase of 0.03% from 2006. This is higher than the state's average unemployment rate of 2.7% but lower than the national average of 4.6%. Employment in Carbon County has risen from 8,947 jobs in January 2007 to 9,609 jobs in April 2008. Population in Carbon County hit a low point in 2005 of 19,205 and has shown a slight increase every year closing in 2007 at 19,634.
- The value of new residential and non-residential construction increased to \$10,599,623 in 2006 to \$19,284,324 in 2007. This represents an 82% increase from the previous year. This increase is largely due to the construction of the Carbon County Ambulance Garage, the Carbon County Maintenance Shop, the Carbon County Expo Center, residential construction and commercial construction.
- Oil and gas production remained strong for 2007, which was the main factor in a certified new growth value of \$30,105,002. Future gas well development in the West Tavaputs Plateau promises to keep Carbon County gas production vibrant for years to come.

All of these factors were considered in preparing Carbon County's budget for the 2008 year.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

For 2007, Carbon County experienced new growth totaling \$145,582,918 as reported to the State Tax Commission on form TC-714. This increase in new growth explains the \$311,809 increase in the General Fund property tax revenues for the County. For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

### **Requests for Information**

This financial report is designed to provide a general overview of Carbon County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Carbon County Clerk-Auditor, 120 East Main, Price, Utah, 84501.

**CARBON COUNTY**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2007**

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<u>ASSETS</u>				
Cash and cash equivalents	\$ 11,308,735	\$ (86,814)	\$ 11,221,921	\$ 6,351,299
Restricted - Cash and cash equivalents				4,511,559
Taxes receivable	261,260		261,260	
Notes receivable	1,139,092		1,139,092	
Miscellaneous receivables		131,213	131,213	
Due from other governments				1,306,559
Inventory of supplies	5,324		5,324	
Capital assets (net of accumulated depreciation):				
Land	1,290,228	367,492	1,657,720	1,421,615
Rights-of-way	1,361,829		1,361,829	
Water stock	146,000		146,000	110,000
Buildings	1,680,490	25,708,445	27,388,935	99,254
Improvements other than buildings	6,990,864		6,990,864	1,390,529
Fixtures and equipment	6,685,001	810,886	7,495,887	346,880
Infrastructure	51,587,531	5,208,324	56,795,855	
Total assets	\$ 82,456,354	\$ 32,139,546	\$ 114,595,900	\$ 15,537,695
<u>LIABILITIES</u>				
Accounts payable	\$ 958,463	\$ 432,811	\$ 1,391,274	\$ 233
Accrued payroll	244,115		244,115	
Accrued liabilities	286,457		286,457	991
Deferred revenue	5,760	86,825	92,585	
Cash deficit	514,433		514,433	
Bond interest payable		43,823	43,823	69,398
Capital leases payable - Due within one year	23,138		23,138	
Revenue bonds payable - Due within one year		699,289	699,289	925,437
Capital leases payable - Due in more than one year	108,075		108,075	
Revenue bonds payable - Due in more than one year		14,485,947	14,485,947	3,642,898
Compensated absences	620,964		620,964	
Total liabilities	\$ 2,761,405	\$ 15,748,695	\$ 18,510,100	\$ 4,638,957

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



CARBON COUNTY  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2007

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	\$ 69,610,730	\$ 16,909,911	\$ 86,520,641	\$ 3,320,979
Restricted for:				
Economic development	499,888		499,888	
Municipal services	2,870,866		2,870,866	
Health care	541,042		541,042	
Landfill	26,618		26,618	
Capital projects	(573,920)		(573,920)	3,573,554
Debt service				4,511,559
Unrestricted	6,719,725	(519,060)	6,200,665	(507,354)
Total net assets	<u>\$ 79,694,949</u>	<u>\$ 16,390,851</u>	<u>\$ 96,085,800</u>	<u>\$ 10,898,738</u>

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

**CARBON COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

Function/Programs	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		COMPONENTS UNITS
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 4,779,018	\$ 340,454	\$ 21,603		\$ (4,416,961)	\$ (4,416,961)	
Public safety	5,920,672	1,813,822	666,751		(3,440,099)	(3,440,099)	
Highways and public improvements	7,488,902	4,001,109	1,017,169	\$ 2,858,793	388,169	388,169	
Public health	4,232,955	869,905	2,177,631		(1,185,419)	(1,185,419)	
Parks and recreation	483,140	217,636			(265,504)	(265,504)	
Conservation and economic development	984,515				(984,515)	(984,515)	
Contributions and miscellaneous	130,549				(130,549)	(130,549)	
Total governmental activities	\$ 24,019,751	\$ 7,242,926	\$ 3,883,154	\$ 2,858,793	\$ (10,034,878)	\$ (10,034,878)	
<b>Business-type activities:</b>							
Municipal Building Authority	\$ 613,640	\$ 305,836		\$ 4,615,774		\$ 4,307,970	\$ 4,307,970
County Court Complex	88,315	92,949				4,634	4,634
Total business-type activities	\$ 701,955	\$ 398,785	\$ ...	\$ 4,615,774	\$ ...	\$ 4,312,604	\$ 4,312,604
Total primary government	\$ 24,721,706	\$ 7,641,711	\$ 3,883,154	\$ 7,474,567	\$ (10,034,878)	\$ 4,312,604	\$ (5,722,274)
<b>Component Units:</b>							
Carbon County Recreation & Transportation							\$ (1,684,497)
Special Service District							(21,401)
Scofield Reservoir Special Service District							\$ (1,705,898)
Total component units	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...	\$ ...
General revenues:							
Property taxes					\$ 6,286,522	\$ 6,286,522	
Federal PILT					628,611	628,611	
Sales taxes					2,324,945	2,324,945	
Miscellaneous taxes					297,557	297,557	
Grants and contributions not restricted to specific program					3,314,545	3,314,545	
Unrestricted investment earnings					389,722	231,349	
Royalties					158,436	158,436	
Gain/(Loss) on sale of fixed assets					63,919	63,919	
Miscellaneous					293,992	293,992	
Mineral reserve monies					1,021,751	1,021,751	
Total general revenues and transfers					\$ 14,780,000	\$ 231,349	\$ 15,011,349
Change in net assets					\$ 4,745,122	\$ 4,543,953	\$ 9,289,075
Net assets - beginning					74,949,827	11,846,898	86,796,725
Net assets - ending					\$ 79,694,949	\$ 16,390,851	\$ 96,085,800
							\$ 10,898,738

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



**CARBON COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	SOUTHEASTERN		UTAH		MUNICIPAL		TAX	CAPITAL	OTHER	TOTAL
	GENERAL	DISTRICT	HEALTH	UTAH	SERVICES	STABILITY	PROJECTS	GOVERNMENTAL	GOVERNMENTAL	FUNDS
	FUND							FUNDS	FUNDS	
<b>ASSETS</b>										
Cash and cash equivalents	\$ 5,031,086	\$	489,803	\$	2,891,236	\$ 1,894,015		\$	1,002,595	\$ 11,308,735
Receivables (net):										
Taxes	251,122				10,138					261,260
Other	189,456		238,483		323,850		\$ 331,061		56,242	1,139,092
Inventories			5,324							5,324
Total assets	\$ 5,471,664	\$	733,610	\$	3,225,224	\$ 1,894,015	\$ 331,061	\$	1,058,837	\$ 12,714,411
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Cash deficit							\$ 489,762	\$	24,671	\$ 514,433
Accounts payable	\$ 115,081	\$	155,076	\$	245,100		415,219		27,987	958,463
Accrued payroll	208,449								35,666	244,115
Accrued liabilities	145,467		37,492		103,498					286,457
Deferred revenue					5,760					5,760
Total liabilities	\$ 468,997	\$	192,568	\$	354,358	\$	904,981	\$	88,324	\$ 2,009,228
Fund balances:										
Reserved for:										
Municipal services					\$ 2,870,866					\$ 2,870,866
Capital projects							\$ (573,920)			(573,920)
Economic development	\$ 499,888									499,888
Landfill	26,618									26,618
Health care		\$	541,042							541,042
Unreserved, reported in:										
General fund	4,476,161									4,476,161
Special revenue funds						\$ 1,894,015		\$	970,513	970,513
Permanent funds										1,894,015
Total fund balances	\$ 5,002,667	\$	541,042	\$	2,870,866	\$ 1,894,015	\$ (573,920)	\$	970,513	\$ 10,705,183
Total liabilities and fund balances	\$ 5,471,664	\$	733,610	\$	3,225,224	\$ 1,894,015	\$ 331,061	\$	1,058,837	\$ 12,714,411

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

**CARBON COUNTY**  
**BALANCE SHEET RECONCILIATION TO**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2007**

Total fund balances - governmental fund types:

\$ 10,705,183

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land	\$ 1,290,228
Rights of Way	1,361,829
Water stock	146,000
Buildings	1,680,490
Improvements other than buildings	6,990,864
Fixtures and equipment	6,685,001
Infrastructure	<u>51,587,531</u>
Total	69,741,943

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Capital leases payable - Due within one year	\$ (23,138)
Capital leases payable - Due in more than one year	(108,075)
Compensated absences	<u>(620,964)</u>
Total	<u>(752,177)</u>

Net assets of government activities

\$ 79,694,949

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



**CARBON COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	SOUTHEASTERN UTAH					TOTAL	
	GENERAL FUND	DISTRICT HEALTH	MUNICIPAL SERVICES	TAX STABILITY	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	GOVERNMENTAL FUNDS
<b>REVENUES:</b>							
Taxes	\$ 7,347,694		\$ 1,257,303			\$ 295,633	\$ 8,900,630
Licenses and permits	34,715		112,683				147,398
Intergovernmental revenues	1,499,407	\$ 2,242,030	5,698,086		\$ 1,499,591	738,561	11,677,675
Charges for services	1,005,360	697,179	201,755			351,289	2,255,583
Fines and forfeitures	376,317						376,317
Interest income	252,066	17,706	12,795	\$ 87,166	1,359,202	3,973	369,733
Contributions			2,507,613			211,048	3,870,788
Miscellaneous	950,192	19,989	18,784				1,200,013
Total revenues	\$ 11,465,751	\$ 2,976,904	\$ 9,809,019	\$ 87,166	\$ 2,858,793	\$ 1,600,504	\$ 28,798,137
<b>EXPENDITURES:</b>							
Current:							
General government	\$ 4,605,920		\$ 208,886			\$ 177,967	\$ 4,814,806
Public safety	2,707,166		3,436,349			29,000	6,321,482
Highways and public improvements	1,221,500		4,714,962			988,809	5,965,462
Public health	170,969	\$ 3,023,508	4,785			1,096,255	4,183,286
Parks, recreation, and public property	238,928					677,733	1,339,968
Conservation and economic development	302,867				\$ 3,142,980		980,600
Capital outlay							3,142,980
Contributions and miscellaneous	130,549						130,549
Total expenditures	\$ 9,377,899	\$ 3,023,508	\$ 8,364,982	\$ ...	\$ 3,142,980	\$ 2,969,764	\$ 26,879,133
Excess revenues over (under) expenditures	\$ 2,087,852	\$ (46,604)	\$ 1,444,037	\$ 87,166	\$ (284,187)	\$ (1,369,260)	\$ 1,919,004
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	\$ 1,700,000			\$ 100,000		\$ 1,785,713	\$ 3,585,713
Transfers out	(1,870,713)		\$ (1,700,000)			(15,000)	(3,585,713)
Total other financing sources (uses)	\$ (170,713)	\$ ...	\$ (1,700,000)	\$ 100,000	\$ ...	\$ 1,770,713	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses	\$ 1,917,139	\$ (46,604)	\$ (255,963)	\$ 187,166	\$ (284,187)	\$ 401,453	\$ 1,919,004
<b>FUND BALANCES - beginning of year</b>	3,085,528	587,646	3,126,829	1,706,849	(289,733)	569,060	8,786,179
<b>FUND BALANCES - end of year</b>	\$ 5,002,667	\$ 541,042	\$ 2,870,866	\$ 1,894,015	\$ (573,920)	\$ 970,513	\$ 10,705,183

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

**CARBON COUNTY**  
**STATEMENT OF CHANGES RECONCILIATION TO**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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

Net changes in fund balances - total governmental funds \$ 1,919,004

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 capital outlays exceeded depreciation in the current period.

General government	\$ 145,521	
Public safety	686,735	
Public health	14,049	
Highways	3,845,458	
Parks and recreation	<u>1,469,785</u>	
 Total assets shown as expenditures	 \$ 6,161,548	
Less: depreciation	<u>(3,260,794)</u>	
 Difference between expenditure and depreciation		 2,900,754

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donation) is to decrease net assets. (33,264)

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. 23,201

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Compensated absences). (64,573)

Change in net assets of governmental activities \$ 4,745,122

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



**CARBON COUNTY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
REVENUES				
Taxes:				
General property taxes - current year	\$ 4,750,000	\$ 4,614,053	\$ 4,574,926	\$ (39,127)
General property taxes - assessing & collecting	910,000	855,645	811,267	(44,378)
Prior year taxes - delinquent	75,000	75,000	135,631	60,631
General sales and use taxes	950,000	950,000	1,061,965	111,965
Fees in lieu of taxes	525,000	525,000	474,742	(50,258)
Franchise taxes	45,000	45,000	25,687	(19,313)
Restaurant tax	180,000	180,000	261,886	81,886
Miscellaneous taxes	3,000	3,000	1,590	(1,410)
Total taxes	\$ 7,438,000	\$ 7,247,698	\$ 7,347,694	\$ 99,996
Licenses and Permits:				
Business licenses and permits	\$ 34,000	\$ 34,000	\$ 32,430	\$ (1,570)
Non-business licenses and permits	3,000	3,000	2,285	(715)
Total licenses and permits	\$ 37,000	\$ 37,000	\$ 34,715	\$ (2,285)
Intergovernmental Revenues:				
Federal sources -				
Children's Justice	\$ 297,599	\$ 297,599	\$ 248,256	\$ (49,343)
Victim's Rights	40,338	40,338	23,011	(17,327)
Forest Reserve			1,943	1,943
Miscellaneous			7,000	7,000
Total federal sources	\$ 337,937	\$ 337,937	\$ 280,210	\$ (57,727)
State sources -				
Payment in lieu of tax		\$ 10,000	\$ 6,451	\$ (3,549)
Jail reimbursements	\$ 140,000	140,000	129,680	(10,320)
EMS Grant	20,000	20,000	39,712	19,712
Mineral reserve funds		195,302	1,021,751	826,449
Miscellaneous	42,000	27,000	21,603	(5,397)
Total state sources	\$ 202,000	\$ 392,302	\$ 1,219,197	\$ 826,895
Total intergovernmental revenues	\$ 539,937	\$ 730,239	\$ 1,499,407	\$ 769,168

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

**CARBON COUNTY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Charges for Services:				
General government -				
Recorder fees	\$ 100,000	\$ 100,000	\$ 121,699	\$ 21,699
Auditor fees	11,000	11,000	16,059	5,059
Miscellaneous			2,360	2,360
Total general government	\$ 111,000	\$ 111,000	\$ 140,118	\$ 29,118
Public safety -				
Jail fees	\$ 7,000	\$ 7,000	\$ 5,878	\$ (1,122)
Court costs and fees	73,000	73,000	83,208	10,208
Total public safety	\$ 80,000	\$ 80,000	\$ 89,086	\$ 9,086
Other charges for services -				
Parks and public property	\$ 22,000	\$ 22,000	\$ 21,554	\$ (446)
Ambulance fees	500,000	500,000	740,669	240,669
Miscellaneous	8,500	8,500	4,800	(3,700)
G.I.S. fees	23,000	23,000	9,133	(13,867)
Total other charges for services	\$ 553,500	\$ 553,500	\$ 776,156	\$ 222,656
Total charges for services	\$ 744,500	\$ 744,500	\$ 1,005,360	\$ 260,860
Fines and Forfeitures:				
Fines	\$ 350,000	\$ 350,000	\$ 376,317	\$ 26,317
Total fines and forfeitures	\$ 350,000	\$ 350,000	\$ 376,317	\$ 26,317
Miscellaneous Revenues:				
Interest	\$ 150,000	\$ 150,000	\$ 252,066	\$ 102,066
Rents and concessions	47,945	47,945	48,544	599
Royalties	110,000	110,000	158,436	48,436
Sale of fixed assets	10,000	10,000	97,183	87,183
Airport fees and fuel sales	207,800	207,800	362,725	154,925
Tippage fees - ECDC	22,000	22,000	44,686	22,686
Sale of materials and supplies	7,000	7,000	4,863	(2,137)
CJC network	10,000	10,000	71,080	61,080
Miscellaneous	140,000	140,000	162,675	22,675
Total miscellaneous revenues	\$ 704,745	\$ 704,745	\$ 1,202,258	\$ 497,513
Total Revenues	\$ 9,814,182	\$ 9,814,182	\$ 11,465,751	\$ 1,651,569

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



**CARBON COUNTY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
EXPENDITURES				
Current:				
General Government:				
Commission	\$ 285,863	\$ 295,863	\$ 292,918	\$ 2,945
Justice court	287,990	287,990	283,567	4,423
District court	7,000	7,000	3,288	3,712
Public defender	244,000	264,000	266,902	(2,902)
Personel	148,514	153,514	151,472	2,042
Clerk/Auditor	261,331	261,331	258,877	2,454
Treasurer	139,905	139,905	123,344	16,561
Recorder	242,199	262,199	261,324	875
Attorney	563,312	563,312	540,342	22,970
Assessor	366,536	366,536	356,114	10,422
Non-Departmental	530,000	530,000	529,961	39
Data processing	322,686	322,686	259,531	63,155
Law library	2,000	2,000	1,416	584
Central purchasing	4,000	14,000	11,847	2,153
Micro filming	22,559	22,559	5,583	16,976
Central mailing	32,000	32,000	16,303	15,697
Communications	233,734	233,734	230,917	2,817
Attorney - Childrens Justice	297,599	307,599	308,493	(894)
Building and grounds	137,800	137,800	100,846	36,954
Engineering	183,694	183,694	124,697	58,997
Safety	80,745	90,745	86,289	4,456
Elections	13,500	33,500	12,139	21,361
Graphical information service	300,807	300,807	298,694	2,113
Industrial park	79,921	84,921	81,056	3,865
Total general government	\$ 4,787,695	\$ 4,897,695	\$ 4,605,920	\$ 291,775
Public Safety:				
Victims rights	\$ 40,338	\$ 46,338	\$ 46,114	\$ 224
Dispatch	168,000	272,000	270,150	1,850
Ambulance service	668,801	688,801	699,369	(10,568)
Jail complex	1,820,404	1,820,404	1,691,533	128,871
Total public safety	\$ 2,697,543	\$ 2,827,543	\$ 2,707,166	\$ 120,377

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

**CARBON COUNTY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Public Health:				
Indigent	\$ 6,500	\$ 6,500	\$ 2,400	\$ 4,100
Public health	120,066	120,066	120,066	
Mental health	97,006	97,006	48,503	48,503
Total public health	\$ 223,572	\$ 223,572	\$ 170,969	\$ 52,603
Highways and Public Improvements:				
Landfill	\$ 467,981	\$ 467,981	\$ 436,555	\$ 31,426
Maintenance and abatement	471,751	471,751	466,961	4,790
Airport	420,707	420,707	317,984	102,723
Total highways and public improvements	\$ 1,360,439	\$ 1,360,439	\$ 1,221,500	\$ 138,939
Parks, Recreation and Public Property:				
Recreation - Television	\$ 168,342	\$ 168,342	\$ 151,011	\$ 17,331
Library	86,000	89,000	87,917	1,083
Total parks, recreation and public property	\$ 254,342	\$ 257,342	\$ 238,928	\$ 18,414
Conservation and Economic Development:				
Agriculture and extension services	\$ 58,879	\$ 58,879	\$ 57,713	\$ 1,166
Water development	100,000	100,000	111,106	(11,106)
Economic development - restaurant tax	160,000	160,000	134,048	25,952
Total conservation and economic development	\$ 318,879	\$ 318,879	\$ 302,867	\$ 16,012
Contributions and Miscellaneous:				
Contributions to other governmental agencies	\$ 425,256	\$ 250,300	\$ 57,846	\$ 192,454
Miscellaneous	398,445	330,401	72,703	257,698
Total contributions and miscellaneous	\$ 823,701	\$ 580,701	\$ 130,549	\$ 450,152
Total expenditures	\$ 10,466,171	\$ 10,466,171	\$ 9,377,899	\$ 1,088,272
Excess of revenues over (under) expenditures	\$ (651,989)	\$ (651,989)	\$ 2,087,852	\$ 2,739,841

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



CARBON COUNTY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	
Prior year surplus	822,702	822,702		\$ 822,702
Transfers out	(1,870,713)	(1,870,713)	(1,870,713)	
Total other financing sources (uses)	\$ 651,989	\$ 651,989	\$ (170,713)	\$ 822,702
Excess of revenues and other sources over (under) expenditures and other uses			\$ 1,917,139	\$ 1,917,139
Fund balance - beginning of year			3,085,528	3,085,528
Fund balance - end of year	\$ ...	\$ ...	\$ 5,002,667	\$ 5,002,667

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

**CARBON COUNTY**  
**SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Intergovernmental				
Federal, State and Local funds	\$ 3,027,553	\$ 3,027,553	\$ 2,242,030	\$ (785,523)
Total Intergovernmental	\$ 3,027,553	\$ 3,027,553	\$ 2,242,030	\$ (785,523)
Charges for services				
Charges for services	\$ 719,376	\$ 719,376	\$ 697,179	\$ (22,197)
Total Charges for services	\$ 719,376	\$ 719,376	\$ 697,179	\$ (22,197)
Miscellaneous				
Miscellaneous	\$ 6,356	\$ 6,356	\$ 19,989	\$ 13,633
Investment earnings			17,706	17,706
Total miscellaneous	\$ 6,356	\$ 6,356	\$ 37,695	\$ 31,339
Total Revenues	\$ 3,753,285	\$ 3,753,285	\$ 2,976,904	\$ (776,381)
<b>EXPENDITURES</b>				
Current:				
Public health	\$ 3,753,285	\$ 3,753,285	\$ 3,023,508	\$ 729,777
Total public health	\$ 3,753,285	\$ 3,753,285	\$ 3,023,508	\$ 729,777
Total expenditures	\$ 3,753,285	\$ 3,753,285	\$ 3,023,508	\$ 729,777
Excess of revenue over (under) expenditures			\$ (46,604)	\$ (46,604)
Fund balance - beginning of year			587,646	587,646
Fund balance - end of year	\$ ...	\$ ...	\$ 541,042	\$ 541,042

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



**CARBON COUNTY  
MUNICIPAL SERVICES FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Taxes	\$ 1,195,500	\$ 1,184,271	\$ 1,257,303	\$ 73,032
Licenses and permits	112,500	112,500	112,683	183
Intergovernmental	5,832,500	5,832,500	5,698,086	(134,414)
Charges for services	94,000	94,000	201,755	107,755
Miscellaneous	12,000	12,000	31,579	19,579
Contributions other agencies		1,706,847	2,507,613	
Contributions - surplus	1,034,882	1,368,264		(1,368,264)
Total Revenues	\$ 8,281,382	\$ 10,310,382	\$ 9,809,019	\$ (1,302,129)
<b>EXPENDITURES:</b>				
General government	\$ 145,435	\$ 220,935	\$ 208,886	\$ 12,049
Public safety	4,025,533	3,080,208	3,436,349	(356,141)
Parks, recreation and public property	10,000	4,500	4,785	(285)
Highways and public improvements	2,400,414	4,313,414	4,714,962	(401,548)
Total expenditures	\$ 6,581,382	\$ 7,619,057	\$ 8,364,982	\$ (745,925)
Excess of revenue over (under) expenditures	\$ 1,700,000	\$ 2,691,325	\$ 1,444,037	\$ (2,048,054)
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers out	\$ (1,700,000)	\$ (1,700,000)	\$ (1,700,000)	
Total other financing sources (uses)	\$ (1,700,000)	\$ (1,700,000)	\$ (1,700,000)	\$ ...
Excess of revenue and other sources over (under) expenditures and other uses		\$ 991,325	\$ (255,963)	\$ (2,048,054)
Fund balance - beginning of year			3,126,829	3,126,829
Fund balance - end of year	\$ ...	\$ 991,325	\$ 2,870,866	\$ 1,078,775

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

**CARBON COUNTY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2007**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTAs
<u>ASSETS</u>			
Current assets:			
Cash	\$ (449,014)	\$ 362,200	\$ (86,814)
Receivables - net			
Miscellaneous	131,213		131,213
Total current assets	\$ (317,801)	\$ 362,200	\$ 44,399
Noncurrent assets:			
Land	\$ 169,492	\$ 198,000	\$ 367,492
Roads	5,260,933		5,260,933
Buildings	27,047,076	1,576,152	28,623,228
Furniture, fixtures and equipment	952,604	256,720	1,209,324
Less: accumulated depreciation	(2,444,268)	(921,562)	(3,365,830)
Total noncurrent assets	\$ 30,985,837	\$ 1,109,310	\$ 32,095,147
Total assets	\$ 30,668,036	\$ 1,471,510	\$ 32,139,546
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 432,811		\$ 432,811
Deferred rents		\$ 86,825	86,825
Accrued interest payable	43,823		43,823
Current portion of long-term liabilities	699,289		699,289
Total current liabilities	\$ 1,175,923	\$ 86,825	\$ 1,262,748
Noncurrent liabilities:			
Revenue bonds payable	\$ 14,485,947		\$ 14,485,947
Total noncurrent liabilities	\$ 14,485,947	\$ ...	\$ 14,485,947
Total liabilities	\$ 15,661,870	\$ 86,825	\$ 15,748,695
Net Assets:			
Invested in capital assets, net of related debt	\$ 15,006,166	\$ 1,384,685	\$ 16,390,851
Total net assets	\$ 15,006,166	\$ 1,384,685	\$ 16,390,851

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



**CARBON COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTAs
Operating revenues:			
Rental income	\$ 305,836	\$ 92,949	\$ 398,785
Total operating revenues	\$ 305,836	\$ 92,949	\$ 398,785
Operating expenses:			
Utilities		\$ 23,540	\$ 23,540
Repairs and maintenance		14,649	14,649
Depreciation	\$ 525,801	50,126	575,927
Total operating expenses	\$ 525,801	\$ 88,315	\$ 614,116
Operating income (loss)	\$ (219,965)	\$ 4,634	\$ (215,331)
Nonoperating revenues (expenses):			
Interest revenue	\$ 231,349		\$ 231,349
Interest expense	(87,839)		(87,839)
Contributions from other agencies	1,615,774		1,615,774
Grants	3,000,000		3,000,000
Total nonoperating revenues (expenses)	\$ 4,759,284	\$ ...	\$ 4,759,284
Income (loss) before contributions and transfers	\$ 4,539,319	\$ 4,634	\$ 4,543,953
Transfers:			
Transfers in (out)			
Total transfers in (out)	\$ ...	\$ ...	\$ ...
Change in net assets	\$ 4,539,319	\$ 4,634	\$ 4,543,953
Total net assets - beginning	10,466,847	1,380,051	11,846,898
Total net assets - ending	\$ 15,006,166	\$ 1,384,685	\$ 16,390,851

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

**CARBON COUNTY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTA's
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers	\$ 329,037	\$ 92,949	\$ 421,986
Payments to suppliers		(38,247)	(38,247)
Net cash provided (used) by operating activities	\$ 329,037	\$ 54,702	\$ 383,739
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Purchase of capital assets	\$ (12,850,196)	\$ (143,731)	\$ (12,993,927)
Principal paid on capital debt	(238,127)		(238,127)
Interest paid on capital debt	(91,068)		(91,068)
Contributions from other agencies	1,615,774		1,615,774
Proceeds from bonds issued	6,100,000		6,100,000
Grants	3,000,000		3,000,000
Net cash provided (used) by capital and related financing activities	\$ (2,463,617)	\$ (143,731)	\$ (2,607,348)
<b>Cash Flows From Investing Activities:</b>			
Interest and dividends received	\$ 231,349		\$ 231,349
Net cash provided (used) by investing activities	\$ 231,349	\$ ...	\$ 231,349
Net increase (decrease) in cash and cash equivalents	\$ (1,903,231)	\$ (89,029)	\$ (1,992,260)
Cash and cash equivalents, January 1	1,454,217	451,229	1,905,446
Cash and cash equivalents, December 31	\$ (449,014)	\$ 362,200	\$ (86,814)

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



**CARBON COUNTY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTA's
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (219,965)	\$ 4,634	\$ (215,331)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 525,801	\$ 50,126	\$ 575,927
Increase (Decrease) in accounts payable		(58)	(58)
Increase (Decrease) in accounts receivable	23,201		23,201
Total adjustments	\$ 549,002	\$ 50,068	\$ 599,070
Net cash provided (used) by operating activities	\$ 329,037	\$ 54,702	\$ 383,739

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

**CARBON COUNTY**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2007**

	<u>AGENCY FUNDS</u>
 <u>ASSETS</u>	
Cash	\$ 1,793,536
Receivables (net):	
Taxes	41,480
Miscellaneous	<u>4,483</u>
Total assets	<u>\$ 1,839,499</u>
 <u>LIABILITIES</u>	
Precinct fees, bail and bonds payable	\$ 45,224
Accounts payable	82,801
Due to other governments and agencies	754,708
Due taxing units	955,252
Alimony support and miscellaneous	<u>1,514</u>
Total liabilities	<u>\$ 1,839,499</u>

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



**CARBON COUNTY  
STATEMENT OF NET ASSETS  
COMPONENT UNITS  
DECEMBER 31, 2007**

	SCOFIELD RESERVOR SPECIAL SERVICE DISTRICT	CARBON COUNTY RECREATION & TRANSPORTATION SPECIAL SERVICE DISTRICT	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 245,439	\$ 6,105,860	\$ 6,351,299
Restricted - Cash and cash equivalents		4,511,559	4,511,559
Due from other governments		1,306,559	1,306,559
Capital assets (net of accumulated depreciation):			
Land	16,128	1,405,487	1,421,615
Buildings		99,254	99,254
Equipment		346,880	346,880
Sewer systems and improvements	682,749	707,780	1,390,529
Water stock		110,000	110,000
Total assets	<u>\$ 944,316</u>	<u>\$ 14,593,379</u>	<u>\$ 15,537,695</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 233		\$ 233
Accrued liabilities		\$ 991	991
Bond interest payable	393	69,005	69,398
Revenue bonds payable - Due within one year	9,437	916,000	925,437
Revenue bonds payable - Due in more than one year	47,299	3,595,599	3,642,898
Total liabilities	<u>\$ 57,362</u>	<u>\$ 4,581,595</u>	<u>\$ 4,638,957</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	\$ 651,578	\$ 2,669,401	\$ 3,320,979
Restricted for:			
Capital projects		3,573,554	3,573,554
Debt Service		4,511,559	4,511,559
Unrestricted	235,376	(742,730)	(507,354)
Total net assets	<u>\$ 886,954</u>	<u>\$ 10,011,784</u>	<u>\$ 10,898,738</u>

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

**CARBON COUNTY  
STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

Function/Programs			NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS		TOTAL
	EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	SCOFIELD RESERVOIR SPECIAL SERVICE DISTRICT	CARBON COUNTY RECREATION & TRANSPORTATION SPECIAL SERVICE DISTRICT	
<b>Governmental activities:</b>					
<b>Carbon County Recreation &amp; Transportation   Special Service District</b>					
Highways and public improvements	\$ 3,673,466	\$ 579,270		\$ (3,094,196)	\$ (3,094,196)
Parks, recreation and public improvements	703,326			(703,326)	(703,326)
Intergovernmental	5,708,829			(5,708,829)	(5,708,829)
Interest on long term liabilities	179,458			(179,458)	(179,458)
Total governmental activities	\$ 10,265,079	\$ 579,270	\$ ...	\$ (9,685,809)	\$ (9,685,809)
<b>Business-type activities:</b>					
Scofield Reservoir Special Service District			\$ (21,401)		\$ (21,401)
Total business-type activities	\$ ...	\$ ...	\$ (21,401)	\$ ...	\$ (21,401)
Total component units	\$ 10,265,079	\$ 579,270	\$ (21,401)	\$ (9,685,809)	\$ (9,707,210)
<b>General revenues:</b>					
Mineral lease revenue				\$ 7,273,341	\$ 7,273,341
Investment earnings				634,273	634,273
State PILT				93,698	93,698
Total general revenues and transfers			\$ ...	\$ 8,001,312	\$ 8,001,312
Change in net assets			\$ (21,401)	\$ (1,684,497)	\$ (1,705,898)
Net assets - beginning			908,355	11,696,281	12,604,636
Net assets - ending			\$ 886,954	\$ 10,011,784	\$ 10,898,738

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



**CARBON COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of Carbon County have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

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

- The financial statements include:
  - A Management's Discussion and Analysis (MD&A) providing an analysis of the County's overall financial position and results of operations.
  - Financial statements prepared using full-accrual accounting for all the County's activities.
- A change in the fund financial statements to focus on the major funds.

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

**A. Reporting Entity**

For financial reporting purposes, Carbon County has included all funds, organizations, account groups, agencies, boards and commissions. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific burdens on the County.

As required by generally accepted accounting principles, these financial statements present the County (the primary government) and its component units. The component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Complete financial statements of the individual component units, which issued separate financial statements, as noted below, can be obtained from their respective administrative offices.

The following County districts had separately issued financial statements and were audited or had financial statements compiled or reviewed by other independent auditors:

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

A. **Reporting Entity (Continued)**

Price River Water Improvement District and Carbon Water Conservancy District - The water conservancy districts were created for the conservation and development of the water and land resources of Utah and for the greatest beneficial use of water within the state. Water conservancy districts are created under the "Water Conservancy Act". The Districts' were audited or had financial statements compiled or reviewed by other independent auditors and issued under separate cover.

**Blended Component Units**

These component units are entities, which are legally separate from the County, but are so intertwined with the County that they are, in substance, the same as the County. They are reported as part of the County and blended into the appropriate funds.

Municipal Building Authority of Carbon County - The Municipal Building Authority of Carbon County was created by the County Commission as a body politic and corporate for the purpose of financing, owning, leasing, or operating facilities to meet the needs of the County government. It is comprised of a governing body that has been appointed by the County Commission and may be removed and replaced at any time by its discretion.

Southeastern Utah District Health - State law allows the creation of multi-county health departments. Local health departments are responsible within their boundaries for providing, directly or indirectly, basic public health services. The County Commissioner within the boundaries of the health district appoints the health district board.

**Discrete Component Units**

These component units are entities which are legally separate from the County, but are financially accountable to the County, or whose relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Component Units columns of the combined financial statements include the financial data of these entities.

Scofield Reservoir Special Service District

The District was created by the Carbon County Commission under state statute. It has a seven-member board. Its primary purpose and function is to provide a waste disposal system for the residence in and around Scofield Reservoir.

Carbon County Recreation & Transportation Special Service District

The District was created by the adoption of a resolution establishing a service district. The District has been established as a separate body politic and corporate. The County appointed the District's governing board. The District was created for the purpose of providing services for recreation, transportation, garbage, fire protection, dispatch and animal control, within the District's boundaries. The District was audited and their report has been issued under separate cover.



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

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

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

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

Separate financial statements are provided for governmental funds, proprietary funds, component funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The remaining governmental and enterprise funds are combined into a single column and reported as other (non-major) funds.

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

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental-wide Financial Statements -The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider has been met. The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statement, rather than as another financing source. Amounts paid to reduce long-term debt of the County are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

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

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

Governmental Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include accumulated unpaid compensated absences and principal and interest on general long-term debt which are recognized when due.

The County reports the following major governmental funds:

- General Fund - The General Fund accounts for all activities not accounted for by other funds of the County. The principal source of revenue for this fund is property taxes.
- Southeastern Utah District Health Fund - The Southeastern Utah District Health Fund is used to account for revenues and expenditures used to provide basic public health services.
- Municipal Services Fund - The Municipal Services Fund accounts for monies received by the County for the purpose of providing municipal type services for the unincorporated areas of the County.
- Tax Stability Fund - This fund accounts for the monies, which are transferred from other funds to be used for emergency situations.
- Capital Projects Fund - The Capital Projects fund accounts for funds received from contributions, transfers and debt proceeds. These funds are then used for capital expenditures on the County.

The County's non-major governmental funds include other special revenue funds, and capital projects fund. The non-major special revenue funds account for specific revenue sources that are legally restricted to expenditures, for specified purposes. The Capital Projects fund is used to record activity of a small capital project.

Proprietary Fund Financial Statements - The financial statements of the proprietary funds are reported similar to the government-wide financial statements in that they both use the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses result from providing goods and services relating to the primary operations of the proprietary fund. Other revenues and expenses are reported as nonoperating.



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

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

The county reports the following major proprietary funds:

- Municipal Building Authority – The Municipal Building Authority Fund accounts for the resource for the financing, owning, leasing and operating of facilities to meet the needs of the County government.
- County Court Complex – This fund accounts for the activity of owning and renting the court building to the State of Utah.

Fiduciary Fund Financial Statements – Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other organizations or individuals. These statements are reported using the economic resources measurement focus and the accrual basis of accounting.

- Agency Funds – Agency Funds are used to account for assets held by the County as an agent for other governments, private organizations, or individuals. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Sector Standards of Accounting and Financial Reporting – Relative to both the government-wide and proprietary fund statements, the County applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). The County has elected not to follow private-sector guidance subsequent to that date.

Interfund Transactions – Interfund transactions represent transactions between different funds within the County. In general, interfund activity has been eliminated from the government-wide financial statements in an effort to minimize the doubling-up of revenues and expenditures resulting from such transactions. Interfund services provided and used between different functional categories, however, have not been eliminated from the government-wide financial statement so as not to distort the direct costs and program revenues reported in the various functions concerned.

Transfers between governmental and business-type activities are reported at the net amount in the government-wide statement of activities. Interfund receivables and payables have been eliminated from the government-wide statement of net assets.

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

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

Program Revenues/Operating Revenues and Expenses From Non-Operating Items – Amounts reported as program revenues include 1) charges for fees, rental, material, supplies, or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

D. **Budgetary Data**

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

1. A formal budget is adopted for all funds, which require a budget: all general, special revenue, debt service, capital projects, permanent funds and enterprise funds. The budget is a complete financial plan, which identifies all estimated revenues and all appropriations for expenditure for the year. The budget must balance, that is estimated revenues and other financing sources must equal appropriated expenditures.
2. By November 1, the County Auditor submits to the Board of County Commissioners a proposed operating budget for the fiscal year for all funds beginning January 1.
3. The Board of County Commissioners discusses and approves the budget and sets a date for a public hearing on the proposed budget.
4. A public hearing is held to obtain taxpayer comments and the budget is adopted.
5. The Commission can transfer budgeted amounts between line items or departments by resolution, but any action that increases the total general fund budget must be approved by resolution only after a public hearing. (The budgets of other funds may be increased after giving public notice).

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

Cash and investment management in the County is administered by the County Treasurer in accordance with the Utah Money Management Act, Section 51-7 of the Utah code. The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers' Investment Fund (PTIF).

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

Statements of cash flow are presented for proprietary funds under the direct method.



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

**F. Inventories**

Inventories are stated at the lower of cost or market, determined on a first-in, first-out basis. Inventories are accounted for under the consumption method where inventories are recorded as expenditures when consumed rather than when purchased.

**G. Compensated Absences**

It is the County's policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits. An estimate of sick leave liability and vacation pay is accrued when incurred in government-wide financial statements and proprietary funds and reported as a liability.

Employees can carry over up to 192 hours of unused vacation from one year to the next. Hours that exceed the 192 hours are lost if unused. Employees can carry over unlimited hours of unused sick leave from one year to the next. Employees will only be paid for unused sick leave upon termination or retirement, at a rate of 4 to 1.

Accrued unpaid vacation pay and other employee benefit amounts, which vest to the employee in the government-wide financial statements for governmental activities total \$620,964.

**H. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

**I. Capital Assets**

Capital assets include land, rights of ways, buildings, improvements other than buildings, machinery and equipment, and infrastructure (roads and bridges). These assets are reported in the government-wide financial statements in the relevant column on the Statement of Net Assets under governmental or business activities. Proprietary fund capital assets are also reported in the appropriate fund statements. Capital assets acquired by governmental funds are recorded as expenditures in the governmental fund financial statements. The capitalization threshold for personal property is defined to be assets with a useful life of at least one year and costing at least \$5,000. Assets purchased or constructed are generally recorded at cost. If precise cost is not available (as was the case with certain infrastructure), the asset is recorded at estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

When constructing capital assets, interest expense incurred relating to governmental or proprietary activities is not capitalized.

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

I. **Capital Assets (Continued)**

Depreciation of all exhaustible capital assets is charged as an expense against operations for proprietary funds and is charged to the various functional expenses or business-type activities in the government-wide Statement of Activities. Accumulated depreciation is reported on proprietary fund and government-wide Statement of Net Assets. Depreciation is provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings	20-50 years
Improvements	15-40 years
Equipment	5-10 years
Infrastructure, (bridges)	20-50 years

J. **Net Assets/Fund Balances**

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

In the governmental fund financial statements, fund balances are classified as reserved, unreserved designated, or unreserved undesignated. Reserves represent those portions of fund balance not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.



## 2. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007 was as follows:

<b>Primary Government Governmental activities:</b>	<b>BEGINNING BALANCE</b>	<b>INCREASES</b>	<b>DECREASES</b>	<b>ENDING BALANCE</b>
Capital assets not being depreciated:				
Land	\$ 1,305,317		\$ (15,089)	\$ 1,290,228
Rights of Way	1,361,829			1,361,829
Water stock	146,000			146,000
Total capital assets not not being depreciated	<u>\$ 2,813,146</u>	<u>\$ ...</u>	<u>\$ (15,089)</u>	<u>\$ 2,798,057</u>
Capital assets being depreciated:				
Buildings	\$ 4,078,456		\$ (11,000)	\$ 4,067,456
Improvements other than buildings	10,259,274	\$ 1,875,927		12,135,201
Machinery and equipment	11,499,146	3,630,860	(761,600)	14,368,406
Infrastructure (Roads & Bridges)	121,703,619	654,761		122,358,380
Total capital assets being depreciated	<u>\$ 147,540,495</u>	<u>\$ 6,161,548</u>	<u>\$ (772,600)</u>	<u>\$ 152,929,443</u>
Less accumulated depreciation for:				
Buildings	\$ 2,307,164	\$ 88,027	\$ (8,225)	\$ 2,386,966
Improvements other than buildings	4,840,879	303,458		5,144,337
Machinery and equipment	7,497,779	931,826	(746,200)	7,683,405
Infrastructure (Roads & Bridges)	68,833,366	1,937,483		70,770,849
Total accumulated depreciation	<u>\$ 83,479,188</u>	<u>\$ 3,260,794</u>	<u>\$ (754,425)</u>	<u>\$ 85,985,557</u>
Total capital assets, being depreciated, net	<u>\$ 64,061,307</u>	<u>\$ 2,900,754</u>	<u>\$ (18,175)</u>	<u>\$ 66,943,886</u>
Governmental activities capital assets, net	<u>\$ 66,874,453</u>	<u>\$ 2,900,754</u>	<u>\$ (33,264)</u>	<u>\$ 69,741,943</u>

## 2. CAPITAL ASSETS (Continued)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 367,492			\$ 367,492
Total capital assets not being depreciated	\$ 367,492	\$ ...	\$ ...	\$ 367,492
Capital assets being depreciated:				
Buildings	\$ 21,640,702	\$ 6,982,526		\$ 28,623,228
Roads	179,900	5,081,033		5,260,933
Machinery and equipment	757,897	451,427		1,209,324
Total capital assets being depreciated	\$ 22,578,499	\$ 12,514,986	\$ ...	\$ 35,093,485
Less accumulated depreciation for:				
Buildings	\$ 2,450,069	\$ 464,713		\$ 2,914,782
Roads		52,609		52,609
Machinery and equipment	339,833	58,606		398,439
Total accumulated depreciation	\$ 2,789,902	\$ 575,928	\$ ...	\$ 3,365,830
Total capital assets, being depreciated, net	\$ 19,788,597	\$ 11,939,058	\$ ...	\$ 31,727,655
Business-type activities capital assets, net	\$ 20,156,089	\$ 11,939,058	\$ ...	\$ 32,095,147

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

**Governmental activities:**

General government	\$ 114,664
Public safety	259,207
Public Health	69,012
Highways and public improvements	2,626,341
Parks and recreation	187,320
Conservation and economic development	4,250

Total depreciation expense - governmental activities \$ 3,260,794

**Business-type activities:**

County Court Complex	\$ 50,126
Municipal building authority	525,801

Total depreciation expense - Business-Type Activities \$ 575,927

Total depreciation expense \$ 3,836,721



## 2. CAPITAL ASSETS (Continued)

<b>Component units:</b>	<b>BEGINNING BALANCE</b>	<b>INCREASES</b>	<b>DECREASES</b>	<b>ENDING BALANCE</b>
Capital assets not being depreciated:				
Land	\$ 1,421,615			\$ 1,421,615
Water stock	110,000			110,000
Total capital assets not being depreciated	\$ 1,531,615	\$ ...	\$ ...	\$ 1,531,615
Capital assets being depreciated:				
Buildings	\$ 141,618			\$ 141,618
Improvements other than buildings	2,577,622	\$ 14,049		2,591,671
Machinery and equipment	502,480	77,759		580,239
Total capital assets being depreciated	\$ 3,221,720	\$ 91,808	\$ ...	\$ 3,313,528
Less accumulated depreciation for:				
Buildings	\$ 38,824	\$ 3,540		\$ 42,364
Improvements other than buildings	1,123,902	77,240		1,201,142
Machinery and equipment	196,106	37,254		233,360
Total accumulated depreciation	\$ 1,358,832	\$ 118,034	\$ ...	\$ 1,476,866
Total capital assets, being depreciated, net	\$ 1,862,888	\$ (26,226)	\$ ...	\$ 1,836,662
Component units capital assets, net	\$ 3,394,503	\$ (26,226)	\$ ...	\$ 3,368,277

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

Carbon County Recreation & Transportation Special Service District	\$ 86,237
Scofield Reservoir Special Service District	31,797
Total depreciation expense	<u>\$ 118,034</u>

### 3. LONG-TERM DEBT

#### Primary Government

Annual debt service requirements to maturity for bonds are as follows:

Year Ending December 31,	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 23,138	\$ 4,592	\$ 27,730	\$ 699,289	\$ 83,772	\$ 783,061
2009	24,072	3,783	27,855	856,497	76,155	932,652
2010	25,005	2,940	27,945	863,708	68,292	932,000
2011	28,992	2,065	31,057	844,927	60,185	905,112
2012	30,006	1,050	31,056	852,150	52,742	904,892
2013-2017				4,196,475	150,522	4,346,997
2018-2022				3,350,000	7,875	3,357,875
2023-2027				3,067,190		3,067,190
2028-2032				455,000		455,000
	<u>\$ 131,213</u>	<u>\$ 14,430</u>	<u>\$ 145,643</u>	<u>\$15,185,236</u>	<u>\$ 499,543</u>	<u>\$15,684,779</u>

**Revenue Bonds** – Revenue Bonds payable at December 31, 2007, with their outstanding balances are comprised of the following individual issues:

#### **Business-type Activities:**

#### MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY, UTAH LEASE REVENUE BOND - SERIES 1990 INTEREST RATE 3.5% PER ANNUM

The Municipal Building Authority of Carbon County, Utah sold \$400,000 in revenue bonds. The proceeds from the sale were used to purchase and renovate a commercial building in Price. Southeastern Utah District Health Department has entered into a capital lease on the building. The payments will be used to retire the revenue bond.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-09	\$ 2,730	\$ 26,000	\$ 28,730
01-01-10	1,820	26,000	27,820
01-01-11	910	26,000	26,910
	<u>\$ 5,460</u>	<u>\$ 78,000</u>	<u>\$ 83,460</u>



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

#### LEASE REVENUE BONDS - SERIES 1992A AND 1992B

The Municipal Building Authority of Carbon County, Utah sold \$2,600,000 and \$1,250,000 in revenue bonds during 1992. The bond proceeds will be used to purchase land and build a new public safety building and related facility. Upon completion, the entire project will be leased to Carbon County. The rental income will be used to retire the bonds.

#### MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE BOND - SERIES 1992A INTEREST RATE 3.5% PER ANNUM

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
07-01-08	\$ 49,665	\$ 108,000	\$ 157,665
07-01-09	45,885	112,000	157,885
07-01-10	41,965	116,000	157,965
07-01-11	37,905	120,000	157,905
07-01-12	33,705	124,000	157,705
2013-2017	100,380	687,000	787,380
2018-2022	5,320	152,000	157,320
	<u>\$ 314,825</u>	<u>\$ 1,419,000</u>	<u>\$ 1,733,825</u>

#### MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE BOND - SERIES 1992B INTEREST RATE 3.5% PER ANNUM

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
07-01-08	\$ 23,940	\$ 52,000	\$ 75,940
07-01-09	22,120	54,000	76,120
07-01-10	20,230	56,000	76,230
07-01-11	18,270	58,000	76,270
07-01-12	16,240	60,000	76,240
2013-2017	48,300	331,000	379,300
2018-2022	2,555	73,000	75,555
	<u>\$ 151,655</u>	<u>\$ 684,000</u>	<u>\$ 835,655</u>

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

#### MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY, UTAH, - LEASE REVENUE BOND SERIES 1997 INTEREST RATE 3.0% PER ANNUM

In July 1997 the Municipal Building Authority issued Series 1997 Lease Revenue Bonds in the amount of \$425,000.00. The proceeds to be used for the restoration and renovation of the County's Senior Citizen Center referred to as the Project. The Project will be leased back to Carbon County, and the lease revenue will be used to retire the debt.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
02-01-08	\$ 5,820	\$ 30,000	\$ 35,820
02-01-09	4,920	31,000	35,920
02-01-10	3,990	32,000	35,990
02-01-11	3,030	33,000	36,030
02-01-12	2,040	34,000	36,040
02-01-13	1,020	34,000	35,020
	<u>\$ 20,820</u>	<u>\$ 194,000</u>	<u>\$ 214,820</u>

#### MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE BOND SERIES 1998 - INTEREST RATE 2.5% PER ANNUM

The Municipal Building Authority of Carbon County Utah sold \$122,750.00 in revenue bonds in 1999. The proceeds will be used to make airport improvements. The improvements will be leased to Carbon County and the rental income will be used to retire the debt.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
07-01-08	\$ 1,617	\$ 8,289	\$ 9,906
07-01-09	1,410	8,497	9,907
07-01-10	1,197	8,709	9,906
07-01-11	980	8,927	9,907
07-01-12	757	9,150	9,907
2013-2017	822	19,474	20,296
	<u>\$ 6,783</u>	<u>\$ 63,046</u>	<u>\$ 69,829</u>



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

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

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

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
09-01-08		\$ 16,000	\$ 16,000
09-01-09		16,000	16,000
09-01-10		16,000	16,000
09-01-11		16,000	16,000
09-01-12		16,000	16,000
2013-2017		80,000	80,000
2018-2022		80,000	80,000
2023-2028		63,190	63,190
	<u>\$ ...</u>	<u>\$ 303,190</u>	<u>\$ 303,190</u>

#### CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2001B (FAIRGROUNDS BUILDING)

The Municipal Building Authority of Carbon County Utah sold \$120,000 in revenue bonds. The bonds are non-interest bearing. The proceeds will be used to construct buildings at the Carbon County Fairgrounds. The buildings will be leased to Carbon County.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
09-01-08		\$ 6,000	\$ 6,000
09-01-09		6,000	6,000
09-01-10		6,000	6,000
09-01-11		6,000	6,000
09-01-12		6,000	6,000
2013-2017		30,000	30,000
2018-2023		30,000	30,000
	<u>\$ ...</u>	<u>\$ 90,000</u>	<u>\$ 90,000</u>

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

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006A  
(EMERGENCY SERVICES BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$275,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a building to house the County's emergency service agencies.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-08		\$ 14,000	\$ 14,000
01-01-09		14,000	14,000
01-01-10		14,000	14,000
01-01-11		14,000	14,000
2012-2016		70,000	70,000
2017-2021		70,000	70,000
2017-2026		70,000	70,000
01-01-27		9,000	9,000
	\$ ...	\$ 275,000	\$ 275,000

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006B  
(EMERGENCY SERVICES BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$2,166,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a building to house the County's emergency service agencies.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-08		\$ 108,000	\$ 108,000
01-01-09		108,000	108,000
01-01-10		108,000	108,000
01-01-11		108,000	108,000
2012-2016		540,000	540,000
2017-2021		540,000	540,000
2017-2026		540,000	540,000
01-01-27		114,000	114,000
	\$ ...	\$ 2,166,000	\$ 2,166,000



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

#### CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006C (ROAD AND MAINTENANCE BUILDING)

The Municipal Building Authority of Carbon County Utah sold \$1,525,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a new road and maintenance building to house the County's road shop and abatement functions.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-08		\$ 61,000	\$ 61,000
01-01-09		61,000	61,000
01-01-10		61,000	61,000
01-01-11		61,000	61,000
2012-2016		305,000	305,000
2017-2021		305,000	305,000
2017-2026		305,000	305,000
2027-2031		305,000	305,000
01-01-32		61,000	61,000
	<u>\$ ...</u>	<u>\$ 1,525,000</u>	<u>\$ 1,525,000</u>

#### CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006D (NORTH SPRINGS SHOOTING RANGE)

The Municipal Building Authority of Carbon County Utah sold \$1,290,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to construct a new outdoor shooting range.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-08		\$ 65,000	\$ 65,000
01-01-09		65,000	65,000
01-01-10		65,000	65,000
01-01-11		65,000	65,000
2012-2016		325,000	325,000
2017-2021		325,000	325,000
2017-2026		325,000	325,000
01-01-27		55,000	55,000
	<u>\$ ...</u>	<u>\$ 1,290,000</u>	<u>\$ 1,290,000</u>

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

**CARBON COUNTY BUILDING AUTHORITY – LEASE REVENUE BOND SERIES 2006E  
(FAIRGROUNDS EXPO BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$998,000 in revenue bonds. The bonds are non-interest bearing and the proceeds along with other funds will be used to expand the exhibition building at the County's fairgrounds.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-08		\$ 50,000	\$ 50,000
01-01-09		50,000	50,000
01-01-10		50,000	50,000
01-01-11		50,000	50,000
2012-2016		250,000	250,000
2017-2021		250,000	250,000
2017-2026		250,000	250,000
01-01-27		48,000	48,000
	<u>\$ ...</u>	<u>\$ 998,000</u>	<u>\$ 998,000</u>

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE  
REVENUE BONDS SERIES 2006F (DEPT. OF NATURAL RESOURCES BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$3,100,000 in revenue bonds. The proceeds from the bonds will be used to construct a commercial building. The bonds are non-interest bearing.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
04-01-08		\$ 155,000	\$ 155,000
04-01-09		155,000	155,000
04-01-10		155,000	155,000
04-01-11		155,000	155,000
04-01-12		155,000	155,000
2013-2017		775,000	775,000
2018-2022		775,000	775,000
2023-2028		775,000	775,000
	<u>\$ ...</u>	<u>\$ 3,100,000</u>	<u>\$ 3,100,000</u>



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

#### MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE REVENUE BONDS SERIES 2007 (CONSUMER WASH ROAD)

The Municipal Building Authority of Carbon County Utah sold \$3,000,000 in non-interest bearing revenue bonds. The proceeds will be used to purchase and reconstruct 8.75 miles of the Consumer Wash Road.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-09		\$ 150,000	\$ 150,000
01-01-10		150,000	150,000
01-01-11		150,000	150,000
01-01-12		150,000	150,000
01-01-13		150,000	150,000
2014-2018		750,000	750,000
2019-2023		750,000	750,000
2024-2028		750,000	750,000
	<u>\$ . . .</u>	<u>\$ 3,000,000</u>	<u>\$ 3,000,000</u>

#### **Governmental Activities:**

#### SOUTHEASTERN UTAH DISTRICT HEALTH - BUILDING CAPITAL LEASE INTEREST RATE 7.0% PER ANNUM

Southeastern Utah District Health entered into a capital lease with Carbon County Building Authority for the purchase of land, building and improvements.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-08	\$ 4,592	\$ 23,137	\$ 27,729
01-01-09	3,783	24,072	27,855
01-01-10	2,940	25,005	27,945
01-01-11	2,065	28,992	31,057
12-15-11	1,050	30,007	31,057
	<u>\$ 14,430</u>	<u>\$ 131,213</u>	<u>\$ 145,643</u>

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

#### SUMMARY OF NET CHANGES - PRIMARY GOVERNMENT

<u>Description</u>	<u>Balance 01-01-07</u>	<u>Retired</u>	<u>Issued</u>	<u>Balance 12-31-07</u>	<u>Due Within One Year</u>
<u>Business-type Activities</u>					
MBA Lease Revenue 1997	\$ 223,000	\$ (29,000)		\$ 194,000	\$ 30,000
Lease Series 1990	103,000	(25,000)		78,000	26,000
Lease Revenue 1992A	1,523,000	(104,000)		1,419,000	108,000
Lease Revenue 1992B	734,000	(50,000)		684,000	52,000
MBA Lease Revenue 1998	71,174	(8,127)		63,047	8,289
Lease Revenue 2001A	319,189	(16,000)		303,189	16,000
Lease Revenue 2001B	96,000	(6,000)		90,000	6,000
MBA Lease Revenue 2006A	275,000			275,000	14,000
MBA Lease Revenue 2006B	2,166,000			2,166,000	108,000
MBA Lease Revenue 2006C	1,525,000			1,525,000	61,000
MBA Lease Revenue 2006D	1,290,000			1,290,000	65,000
MBA Lease Revenue 2006E	998,000			998,000	50,000
MBA Lease Revenue 2006F			\$ 3,100,000	3,100,000	155,000
MBA Lease Revenue 2007			3,000,000	3,000,000	
	<u>\$ 9,323,363</u>	<u>\$ (238,127)</u>	<u>\$ 6,100,000</u>	<u>\$ 15,185,236</u>	<u>\$ 699,289</u>
<u>Governmental Activities</u>					
Lease Series 1988					
SEUDH Capital Lease	<u>\$ 154,414</u>	<u>\$ (23,201)</u>	<u>\$ ...</u>	<u>\$ 131,213</u>	<u>\$ 23,138</u>



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

#### COMPONENT UNITS

Annual debt service requirements to maturity for bonds are as follows:

<u>YEAR ENDING DECEMBER 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	\$ 925,437	\$ 185,101	\$ 1,110,538
2009	1,060,232	149,939	1,210,171
2010	606,914	110,957	717,871
2011	632,162	85,111	717,273
2012	659,416	58,044	717,460
2013	684,133	29,664	713,797
	<u>\$ 4,568,294</u>	<u>\$ 618,816</u>	<u>\$ 5,187,110</u>

**Community Impact Bonus Loan Payable** – Scofield Reservoir Special Service District secured a Community Impact Board Bonus Loan dated May 16, 1989, in the District's name for \$200,000. It bears an interest rate of 2.5% per annum, with final payment due September 30, 2013. Annual payments of \$10,855 including interest are required to be paid until the debt is paid in full.

<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	\$ 9,437	\$ 1,418	\$ 10,855
2009	9,673	1,182	10,855
2010	9,914	941	10,855
2011	10,162	693	10,855
2012	10,416	439	10,855
2013	7,133	178	7,311
	<u>\$ 56,735</u>	<u>\$ 4,851</u>	<u>\$ 61,586</u>

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

Carbon County Recreation & Transportation Special Service District issued \$2,500,000 in Road Improvement Revenue Refunding Bonds - Series 1994. The bonds carry an interest rate of 3.0% per annum with interest and principal payments commencing August 1, 2005 and on each August 1<sup>st</sup> thereafter until maturity. The bonds mature on August 1, 2009. The repayment schedule is as follows:

<u>DATE PAYMENT DUE</u>	<u>PRINCIPAL DUE</u>	<u>INTEREST CHARGES</u>	<u>TOTAL</u>
2008	\$ 465,000	\$ 28,307	\$ 493,307
2009	478,559	14,357	492,916
Total	<u>\$ 943,559</u>	<u>\$ 42,664</u>	<u>\$ 986,223</u>

During 1998, Carbon County Recreation & Transportation Special Service District issued \$3,005,000 of Highway Revenue Bonds for the "C" Canyon Toll Road Project. The bonds carry an interest rate ranging from 6.1% to 6.4% per annum and are payable semi-annually each April 1<sup>st</sup> and October 1<sup>st</sup> commencing April 1, 1999. Principal payments on this bond issue began on October 1, 1999 and continue through October 1, 2013. The repayment schedule is as follows:

<u>DATE PAYMENT DUE</u>	<u>PRINCIPAL DUE</u>	<u>INTEREST CHARGES</u>	<u>TOTAL</u>
April 1, 2008		\$ 47,238	\$ 47,238
October 1, 2008	\$ 219,000	47,238	266,238
April 1, 2009		40,230	40,230
October 1, 2009	233,000	40,230	273,230
April 1, 2010		33,123	33,123
October 1, 2010	248,000	33,123	281,123
April 1, 2011		25,559	25,559
October 1, 2011	263,000	25,559	288,559
April 1, 2012		17,538	17,538
October 1, 2012	279,000	17,537	296,537
2013	296,000	18,056	314,056
	<u>\$ 1,538,000</u>	<u>\$ 345,431</u>	<u>\$ 1,883,431</u>



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

During 1998, Carbon County Recreation & Transportation Special Service District issued \$3,300,000 of Highway Revenue Bonds for the Dugout Canyon Toll Road Project. The bonds carry an annual interest rate of 3.0%. The District is required to make principal and interest payments each July 1<sup>st</sup> until the bonds mature on July 1, 2013. The repayment schedule is as follows:

<u>DATE PAYMENT DUE</u>	<u>PRINCIPAL DUE</u>	<u>INTEREST CHARGES</u>	<u>TOTAL</u>
2008	\$ 232,000	\$ 60,900	\$ 292,900
2009	339,000	53,940	392,940
2010	349,000	43,770	392,770
2011	359,000	33,300	392,300
2012	370,000	22,530	392,530
2013	381,000	11,430	392,430
	<u>\$ 2,030,000</u>	<u>\$ 225,870</u>	<u>\$ 2,255,870</u>

### SUMMARY OF NET CHANGES - COMPONENT UNITS

<u>Description</u>	<u>Balance 01-01-07</u>	<u>Retired</u>	<u>Issued</u>	<u>Balance 12-31-07</u>	<u>Due Within One Year</u>
Scofield Reservoir SSD Impact Bonus Loan	\$ 65,941	\$ (9,206)		\$ 56,735	\$ 9,437
C.C. Roads SSD Revenue Refunding Series 1994	1,394,559	(451,000)		943,559	465,000
C.C. Recreation & Transportation SSD Highway Revenue Bond Series 1998	1,744,000	(206,000)		1,538,000	219,000
C.C. Recreation & Transportation SSD Toll Road Revenue Bond Series 1998	2,255,000	(225,000)		2,030,000	232,000
C.C. Recreation & Transportation SSD Promissoty Note	200,000	(200,000)			
	<u>\$ 5,659,500</u>	<u>\$(1,091,206)</u>	<u>\$ ...</u>	<u>\$ 4,568,294</u>	<u>\$ 925,437</u>

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

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

The County maintains a cash and investment pool that is used by all funds. Each major fund's portion of this pool, and the aggregate portion of the pool relating to non-major funds, is displayed on the Balance Sheet for Governmental Funds and the Statement of Net Assets for proprietary funds, respectively, as "cash and investments." Total non-fiduciary cash and investments are also reflected on the government-wide Statement of Net Assets. The fiduciary fund's portion is found on the Statement of Fiduciary Assets and Liabilities. Income from the investment of the pooled cash is allocated based on each fund's balance in the pool. In addition, cash is separately held by several funds.

##### ***Custodial Credit Risk-Deposits***

The Act requires the depositing of public funds only in a "qualified depository" or a "permitted depository". A "qualified depository" is a Utah depository institution, which complies with capital ratios and public deposit limits established by rule of the Council and which has been certified by the State Commissioner of Financial Institutions for deposit of public funds. A "permitted depository" is an out-of-state financial institution that meets quality criteria established by rule of the Council. The custodial credit risk for deposits is the risk that in the event of a bank failure, the County's deposits may not be recovered.

The County's deposits are insured up to \$100,000, per account by the Federal Deposit Insurance Corporation. The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Uninsured deposits are not collateralized nor are they required to be by State statute. At December 31, 2007, the bank balance of the County's deposits was \$6,717,105.

##### ***Investments***

Investments are recorded at fair value or at cost where there is no material difference from fair value based upon quoted market prices as of December 31, 2007, with the difference between the purchase price and market price being recorded as interest income.

The Act also defines the types of securities allowed as appropriate investments for the County and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories, certified dealers, or directly with the issuer of the securities.

Allowable investments under the Act include:

- Negotiable or nonnegotiable deposits of qualified depositories and permitted depositories.
- Repurchase agreements with qualified depositories or government security dealers certified by the director of the State Division of Securities as meeting quality criteria established by the State Money Management Council.



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

Allowable investments under the Act include (Continued):

- Commercial paper, which has a remaining term of 270 days or less, which is classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Service or Standard and Poor’s.
- Bankers’ acceptances that are eligible for discount at a Federal reserve bank and which have a remaining term of 270 days or less.
- Obligations of the United States Treasury, including bills, notes, and bonds.
- Obligations other than mortgage pools and other mortgage derivative products issued by or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Farm Credit banks, Federal Home Loan banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Federal Agriculture Mortgage Corporation, and Tennessee Valley Authority.
- Corporate obligations maturing in two years or less, which are rated “A” or higher by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Service or Standard and Poor’s.
- Shares or certificates in a money market mutual fund that comply with Rule 2a-7 of the Securities Exchange Commission.
- Utah Public Treasurer’s Investment Fund.

The carrying amount and fair value of the County’s investments at December 31, 2007 is as follows:

<u>Investment Type</u>	Carrying Amount and Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Debt Securities:					
Repurchase Agreements	\$ 4,127,156	\$ 4,127,156			
	\$ 4,127,156	<u>\$ 4,127,156</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>
Other Investments:					
Utah Public Treas. Invest. Fund	7,231,674				
Total investments	<u>\$ 11,358,830</u>				

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

The Utah Public Treasurer's Investment Fund ("the Pool") is a voluntary external Local Government Investment Pool managed by the Utah State Treasurer to improve investment efficiency and yield. These monies are invested in securities permitted by the Act and contain no withdrawal restrictions other than timely notice of intent to withdraw an amount greater than \$2,000,000. Investment activity of the State Treasurer in the management of the Pool is reviewed monthly by the Council and is audited by the Utah State Auditor. Monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds.

Government and agency securities consist of U.S. Treasury bonds, notes and bills, Federal Home notes and government mutual funds with underlying securities that are U.S. Treasury bonds, notes and bills.

##### ***Interest Rate Risk-Investments***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The County's policy for managing interest rate risk is to comply with the Utah 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 and bankers' acceptances to 270 days or less and to 365 days or less for fixed rate negotiable deposits, and fixed rate corporate obligations. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

##### ***Credit Risk of Debt Securities***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County and Component Units follows the Utah Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk.

The County's rated debt investments as of December 31, 2007 were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale.

	Carrying Amount and Fair Value	Quality Rating
<b><u>Debt Securities</u></b>		
Repurchase Agreements	\$ 4,127,156	Not Rated



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

##### *Custodial Credit Risk-Investment*

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the County will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The County complies with the custody requirements of the Utah Money Management Act and Rules of the Money Management Council. All investment securities are required to be held by the public treasurer, in safekeeping by a bank or trust company, or in a book-entry-only record maintained by a securities depository, in the Federal Book Entry system or in the book-entry records of the issuer of the security in the name of the public entity. All investment securities are held in a qualified depository certified by the Commissioner of Financial Institutions as adhering to the rules of the Utah Money Management Council or in the book entry records of the issuer of the security.

The County's investments at December 31, 2007 were held by the County or in the County's name by the County's custodial banks except for repurchase agreements with qualified depositories totaling \$4,127,155 where the underlying securities were uninsured and held by the investment's counterparty, not in the name of the County.

##### *Concentration of Credit Risk-Investment*

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The County's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between 5% and 10% depending upon the total dollar amount held in the portfolio. The Money Management Council limitations do not apply to securities issued by the United States government and its agencies. The County complies with the concentration limits of Rule 17 of the Utah Money Management Act.

##### Total Reconciliation

Description	Primary Government	Component Units	Fiduciary Funds
Cash and cash equivalents	\$ 11,029,326	6,351,299	\$ 1,793,536
Restricted cash and cash equivalents		4,511,559	
Cash deficit	(514,433)		
	<u>\$ 10,514,893</u>	<u>\$ 10,862,858</u>	<u>\$ 1,793,536</u>
Deposits	\$ (442,002)	\$ 844,000	\$ 1,351,796
Investments (includes PTIF and Sweep accts.)	<u>10,956,895</u>	<u>10,018,858</u>	<u>441,740</u>
	<u>\$ 10,514,893</u>	<u>\$ 10,862,858</u>	<u>\$ 1,793,536</u>

## 5. RETIREMENT PLAN - PRIMARY GOVERNMENT

### CARBON COUNTY

Plan Description. Carbon County contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers with Social Security coverage, administered by the Utah Retirement Systems. Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, and Public Safety Retirement System for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Funding Policy: Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee) and Carbon County is required to contribute 7.58% of their annual covered salary from January to June and 7.61% from July to December. In the Local Governmental Noncontributory Retirement System Carbon County is required to contribute 11.59% of their annual covered salary from January to June and 11.62% from July to December. In the Public Safety Retirement System, Carbon County is required to contribute 22.38% with an increase to 22.61% effective July 1, 2006, of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Carbon County contributions to the Local Governmental Contributory Retirement System for the years ending December 31, 2007, 2006 and 2005 were \$22,100.17, \$19,804.31 and \$18,902.26 respectively and for the Noncontributory Retirement System the contributions for December 31, 2007, 2006 and 2005 were \$436,665.90, \$397,144.82 and \$374,818.99 respectively and for the Public Safety Retirement System the contributions for December 31, 2007, 2006 and 2005 were \$344,947.71, \$296,043.79 and \$246,119.73 respectively. The contributions were equal to the required contributions for each year.

### SOUTHEASTERN UTAH DISTRICT HEALTH

Plan Description. Southeastern Utah District Health contributes to the Local Governmental Contributory Retirement System. Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.



5. **RETIREMENT PLAN - PRIMARY GOVERNMENT (Continued)**

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Funding Policy. Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee) and Southeastern Utah District Health is required to contribute 7.58% of their annual covered salary from January to June and 7.61% from July to December. In the Local Governmental Noncontributory Retirement System, Southeastern Utah District Health is required to contribute 11.59% of their annual covered salary from January to June and 11.62% from July to December. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Southeastern Utah District Health contributions to Local Governmental Contributory Retirement System for the years ending December 31, 2007, 2006 and 2005 were \$9,611.00, \$9,237.14 and \$8,552.87 respectively and for the Noncontributory Retirement System the contributions for December 31, 2007, 2006 and 2005 were \$150,942.18, \$143,311.44 and \$136,205.49 respectively. The contributions were equal to the required contributions for each year.

6. **CONTINGENT LIABILITIES**

The County and certain of its officials are defendants in a variety of legal actions involving matters of contract, property, tort, taxation and civil rights. The resolution of these matters is not expected to have a material effect on the County's financial position and have not been provided for the accompanying financial statements.

7. **PROPERTY TAXES**

The County adopts, by June 22, the proposed tax rates as part of its budget for the current year, which began January 1. Property taxes attach as an enforceable lien on property as of January 1. Taxes are payable on or before November 30.

The County Treasurer collects property taxes levied by the County and other taxing entities within the County (such as the school district). These tax collections are accounted for in the Treasurer's Tax Collection Trust. The Treasurer apportions and remits collected taxes to the Funds of the County and to other taxing entities periodically.

8. **OFF BALANCE SHEET RISK**

Carbon County, the Primary Government, and its Component Units have many bank accounts with various banking institutions. Some of the bank account balances are substantially over \$100,000. By maintaining several accounts with the same bank with balances exceeding \$100,000, the County has amounts that exceed the FDIC insurance limitation. Consequently, there is a potential loss to the extent that amounts are not insured.

9. **RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1992, the County joined together with other counties in the State to form the Utah Association of Counties (UAC), a public entity risk pool currently operating as a common risk management and insurance program for member Counties. The County pays an annual premium to UAC for its general insurance coverage. The agreement for formation of the UAC provides that UAC will be self-sustaining through member premiums and will reinsure through commercial companies.

The County continues to carry commercial insurance for workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past two years.

10. **MUNICIPAL SOLID WASTE LANDFILLS**

Carbon County has a landfill that operates within the County. The County has filed with the State for operating permits for the landfill and has received a written approval.

Carbon County has obtained information necessary to determine the nature and source of landfill closure and postclosure care requirements. An amount of liability for closure and postclosure care costs, estimated total current cost of closure and postclosure care remaining to be recognized, percentage of landfill capacity used to date and the nature of the estimates and the potential for changes due to inflation or deflation, technology, or applicable laws or regulations has been calculated by the County and the engineers. The County has set aside an amount of \$26,618 to be put into an account held by the Utah Public Treasurer's Investment Pool.

11. **RECONCILIATION OF INTERFUND TRANSFERS**

The following table provides a reconciliation of all interfund transfers:

Fund	Transfers In	Transfers Out
General	\$ 1,700,000	\$ 1,870,713
Municipal Services		1,700,000
Tax Stability	100,000	
Other Governmental	1,785,713	15,000
	<u>\$ 3,585,713</u>	<u>\$ 3,585,713</u>



**12. BUDGETARY COMPLIANCE**

Unfavorable budget variances were incurred in the following funds:

**GENERAL FUND -**

Public defender  
Attorney - Childrens Justice  
Ambulance services  
Water development

**MUNICIPAL SERVICES FUND -**

Highways and public improvements  
Public safety  
Parks, recreation and public improvements

**CAPITAL PROJECTS FUND**

**13. JOINT VENTURE**

The County is a member of a joint venture known as Four Corners Community Mental Health Center.

Under Utah State Code Sections 17A-3-600 and 17A-3-700, the State has given substance abuse and mental health authorities to counties to provide mental health and substance abuse services to persons living within their boundaries. To comply with Utah State Code, Carbon, Emery and Grand counties have joined together and created Four Corners Community Mental Health Center. The Center is the entity created by the counties to hold the mental health and substance abuse authorities and provide services required by the State of Utah. The Center has been organized as a non-profit corporation and the governing boards of three counties appointed the original board of directors. The Center contracts with the counties to provide mental health and substance abuse services to the citizens of the three-county area. As part of this contract, the counties provide funds to the Center by contracting for grants with the State of Utah and passing proceeds through to the Center, and by each county making additional local contributions. Because of these agreements, the three counties have an ongoing financial responsibility.

Four Corners Community Mental Health Center was audited for the fiscal year ended June 30, 2007, by Wiggins & Company, Ogden, Utah.

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

**GENERAL FUND -**

\$499,888 is the balance of Restaurant tax collected, to be used for the promotion of tourism and related activity within the county and surrounding area.

\$26,618 is reserved to cover the estimated costs of the landfill closure at some future date.

**14. FUND BALANCE RESERVATIONS/NET ASSETS RESTRICTIONS (Continued)**

**MUNICIPAL SERVICES FUND –**

\$2,870,866 is the balance of Municipal Services Fund and has been reserved for the purpose of meeting sinking fund and reserve requirements of bond covenants and because bond funds received are to be held for construction projects such the North Springs Shooting Range.

\$474,585 is the restricted fund balance of Southeastern Utah Health District and represents amounts that are legally restricted for specific purposes by external contracts.

The remaining reserved fund balances simply represents the balance of funds available for expenditures related to the purpose for which the fund was created.

**15. DEFICIT FUND BALANCE**

The Capital Project fund, non-major, had a deficit fund balance of \$573,920, at December 31, 2007.

The Castle County Travel fund, a non-major special revenue fund, had a deficit fund balance of \$25,482, at December 31, 2007.



CARBON COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2007

	SPECIAL REVENUE FUNDS										TOTAL NONMAJOR GOVERNMENTAL FUNDS
	CASTLE COUNTRY TRAVEL BUREAU	FAIR GROUNDS	CARBON LEISURE SERVICES	EMERGENCY TELEPHONE	CARBON COUNTRY RDA	CARBON COUNTRY FUTURE	R.S.V.P.	CASTLE COUNTRY TRAVEL	COUNCIL ON AGING	NUTRITION	
REVENUES:											
Taxes	\$ 253,071				\$ 42,562	\$ 53,800	\$ 65,207	\$ 305,496	\$ 65,706	\$ 117,617	\$ 295,633
Intergovernmental	60,775		\$ 69,960								738,561
Charges for services		\$ 43,339	152,743	\$ 155,207							351,289
Contributions		3,973									3,973
Miscellaneous	8			32,064			23,232	6,250	17,919	131,575	211,048
Total revenues	\$ 313,854	\$ 47,312	\$ 222,703	\$ 187,271	\$ 42,562	\$ 53,800	\$ 88,439	\$ 311,746	\$ 83,625	\$ 249,192	\$ 1,600,504
EXPENDITURES:											
Public safety											\$ 177,967
Parks, recreation and public property											1,096,255
Public health	\$ 219,717	\$ 698,993	\$ 397,262	\$ 177,967			\$ 109,322	\$ 326,079	\$ 242,023	\$ 637,464	988,809
Conservation and economic development					\$ 29,000						677,733
Highways and public improvements											29,000
Total expenditures	\$ 219,717	\$ 698,993	\$ 397,262	\$ 177,967	\$ 29,000		\$ 109,322	\$ 326,079	\$ 242,023	\$ 637,464	\$ 2,969,764
Excess of revenues over (under) expenditures	\$ 94,137	\$ (651,681)	\$ (174,559)	\$ 9,304	\$ 13,562	\$ (78,137)	\$ (20,883)	\$ (14,333)	\$ (158,398)	\$ (388,272)	\$ (1,369,260)
Other financing sources (uses):											
Transfers in		\$ 830,723	\$ 248,645			\$ 71,608	\$ 25,856	\$ 15,000	\$ 193,102	\$ 400,779	\$ 1,785,713
Transfers out	\$ (15,000)										(15,000)
Total other financing sources (uses)	\$ (15,000)	\$ 830,723	\$ 248,645	\$ ...	\$ ...	\$ 71,608	\$ 25,856	\$ 15,000	\$ 193,102	\$ 400,779	\$ 1,770,713
Excess of revenues and other sources over (under) expenditures and other uses	\$ 79,137	\$ 179,042	\$ 74,086	\$ 9,304	\$ 13,562	\$ (6,529)	\$ 4,973	\$ 667	\$ 34,704	\$ 12,507	\$ 401,453
Fund Balances - Beginning of year	141,259	(68,168)	60,634	198,703		36,812	42,301	(26,149)	92,442	91,226	569,060
Fund Balances - End of year	\$ 220,396	\$ 110,874	\$ 134,720	\$ 208,007	\$ 13,562	\$ 30,283	\$ 47,274	\$ (25,482)	\$ 127,146	\$ 103,733	\$ 970,513

CARBON COUNTY  
COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS  
DECEMBER 31, 2007

	HEUGLY AND CARBON COUNTY	SCOFIELD ASPEN COVE	SOUTHEASTERN UTAH DISTRICT HEALTH	FOUR CORNERS COMMUNITY BEHAVIORAL HEALTH	DISTRICT AND PRECINCT COURT	CLERK'S TRUST	COLLECTION TRUST	TOTAL ALL FIDUCIARY FUNDS
Cash and cash equivalents	\$ 35,285	\$ 96,048	\$ 371,818	\$ 251,557	\$ 128,025	\$ 1,514	\$ 909,289	\$ 1,793,536
Receivable - taxes							41,480	41,480
Miscellaneous Receivable							4,483	4,483
Total assets	\$ 35,285	\$ 96,048	\$ 371,818	\$ 251,557	\$ 128,025	\$ 1,514	\$ 955,252	\$ 1,839,499
LIABILITIES								
Accounts payable					\$ 82,801			\$ 82,801
Precinct fees, bail and bonds payable					45,224			45,224
Due to taxing units							\$ 955,252	955,252
Alimony, support and miscellaneous						\$ 1,514		1,514
Due to other agencies								754,708
Total liabilities	\$ 35,285	\$ 96,048	\$ 371,818	\$ 251,557	\$ 128,025	\$ 1,514	\$ 955,252	\$ 1,839,499



CARBON COUNTY  
SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF  
DECEMBER 31, 2007

TAX UNITS	ADJUSTED TAXABLE VALUE	TAX RATE	TREASURER'S RELIEF					OTHER COLLECTIONS				
			TOTAL TAXES LEVIED	UNPAID TAXES	ABATEMENTS	OTHER ADJUSTMENTS	TOTAL RELIEF	NET TAXES COLLECTED	PERCENT	FEES IN LIEU	MISCELLANEOUS	DELINQUENCIES TAXES PENALTY AND INTEREST
COUNTY FUNDS:												
General fund	\$ 2,117,929,661	0.002232	\$ 4,729,641	\$ 60,913	\$ 17,724	\$ 4,120	\$ 82,757	\$ 4,646,884	98.25%	\$ 398,136	\$ 74,030	\$ 105,587
Municipal services	1,620,036,874	0.000166	268,926	2,498	378	(927)	1,949	266,977	99.28%	19,046	2,851	2,213
Assessing and collecting	2,117,929,661	0.000414	878,390	11,301	3,287	762	15,350	863,040	98.25%	76,605	13,937	12,692
Total County Funds			\$ 5,876,957	\$ 74,712	\$ 21,389	\$ 3,955	\$ 100,056	\$ 5,776,901		\$ 493,787	\$ 90,818	\$ 120,492
SCHOOL DISTRICT:												
Carbon	2,117,929,661	0.005841	\$ 12,385,718	\$ 159,423	\$ 46,381	\$ 11,425	\$ 217,229	\$ 12,168,489	98.25%	\$ 1,062,986	\$ 19,305	\$ 176,638
CITIES AND TOWNS:												
Price City	292,959,079	0.002404	\$ 708,334	\$ 15,765	\$ 9,051	\$ 8,333	\$ 33,149	\$ 675,185	95.32%	\$ 96,096	\$ 20,658	\$ 22,886
Helper City	52,222,859	0.002198	115,268	4,203	2,407	4,651	11,261	104,007	90.23%	24,981	7,302	3,358
East Carbon City	42,368,799	0.006319	267,382	7,033	2,875	6,570	16,478	250,904	93.84%	24,404	12,476	11,279
Wellington City	49,317,833	0.002090	104,252	4,348	513	1,542	6,403	97,849	93.86%	17,297	2,964	4,941
Sunnyside	55,446,591	0.003176	176,133	1,085	321	907	2,313	173,820	98.69%	4,671	2,702	1,076
Scotfield Town	5,511,250	0.000689	3,799	162		38	200	3,599	94.71%	39	70	336
Total Cities and Towns			\$ 1,375,168	\$ 32,596	\$ 15,167	\$ 22,041	\$ 69,804	\$ 1,305,364		\$ 167,488	\$ 46,172	\$ 43,876
OTHER DISTRICTS:												
Price River Water Improvement	1,057,982,352	0.000876	\$ 928,506	\$ 14,347	\$ 6,469	\$ 3,292	\$ 24,108	\$ 904,398	97.40%	\$ 153,793	\$ 17,690	\$ 16,941
Carbon Water Conservancy	2,117,929,661	0.000118	250,058	3,220	937	246	4,403	245,655	98.24%	21,084	3,916	3,433
Total Other Districts			\$ 1,178,564	\$ 17,567	\$ 7,406	\$ 3,538	\$ 28,511	\$ 1,150,053		\$ 174,877	\$ 21,606	\$ 20,374
GRAND TOTAL			\$ 20,816,407	\$ 284,298	\$ 90,343	\$ 40,959	\$ 415,600	\$ 20,400,807		\$ 1,899,138	\$ 177,901	\$ 361,380

**CARBON COUNTY**  
**SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	GENERAL HEALTH	IMMUNIZATIONS NON VFC	WIC	MCH BLOCK	FLU	CANCER CONTROL
Revenues:						
State Reimbursement	\$ 260,555		\$ 399,571	\$ 87,610		\$ 22,766
General Health	130,690	\$ 93,627		4,802	\$ 76,064	606
County	305,842					
School Nurses	2,250					
Miscellaneous	19,989					
Occupancy allocation	1,757	184	2,759	515	96	224
Grants and other government resources		2,162		15,703	1,810	
Total Revenues	\$ 721,083	\$ 95,973	\$ 402,330	\$ 108,630	\$ 77,970	\$ 23,596
Expenditures:						
Salaries	\$ 145,528	\$ 15,842	\$ 236,487	\$ 44,680	\$ 13,217	\$ 19,046
Fringe Benefits	73,030	6,678	110,765	21,408	5,318	9,306
Consultants	1,472	153	2,440	497	4	200
Contract - MD	1,558	62	2,962	168	40	73
Contract - Travel			4,658	2,017		
Patient care	975			18,830		720
Pharmacy	1,448			7,419		
Supplies - Medical	3,837	96,084	601	1,263	59,466	1,187
Travel	21,958	246	6,869		206	635
Dues - Periodicals	707	40	948	158	9	46
Education - Training	2,624	29	1,016	86	8	1,420
Capital Purchases	35,347	24	352	269		36
Utilities	2,403	246	3,740	717	180	294
Maintenance - Repairs	5,545	471	7,793	1,493	403	698
Insurance	1,731	202	3,232	427	179	115
Data Processing	1,185	792	131	403	1,661	13
Postage	1,622	122	1,893	336	167	138
Printing - Binding	1,297	20	73	267	9	716
Supplies - Office	6,841	225	4,165	1,212	141	1,368
Laboratory	8,368			1,494		
Telephone	4,444	288	9,419	842	216	357
Other	11,751	163	213	361	91	11
Interest	5,404					
Debt payment	23,201					
State match						
Rent	1,997	206	3,061	578	163	245
Advertising	1,229		271	59		291
Mini Grants						
Total Expenditures	\$ 365,502	\$ 121,893	\$ 401,089	\$ 104,984	\$ 81,478	\$ 36,915
Net Revenues/(Expenditures)	\$ 355,581	\$ (25,920)	\$ 1,241	\$ 3,646	\$ (3,508)	\$ (13,319)



CARBON COUNTY  
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	TOBACCO PREVENTION	INDOOR CLEAN AIR	TOBACCO VIOLATIONS	TUBERCULOSIS ELIMINATION	EARLY INTER- VENTION	SENIOR HEALTH
Revenues:						
State Reimbursement	\$ 77,708	\$ 2,522		\$ 5,687	\$ 157,348	\$ 5,467
General Health	1,648		\$ 3,450		154,591	
County						
School Nurses						
Miscellaneous						
Occupancy allocation	501	24		100	1,803	29
Grants and other government resources						
Total Revenues	\$ 79,857	\$ 2,546	\$ 3,450	\$ 5,787	\$ 313,742	\$ 5,496
Expenditures:						
Salaries	\$ 45,239	\$ 2,191		\$ 8,624	\$ 158,600	\$ 1,836
Fringe Benefits	27,820	907		3,827	81,576	937
Consultants	478	16		86	1,585	66
Contract - MD	569	8		33	29,216	
Contract - Travel		37			19,901	
Patient Care						
Pharmacy				49		
Supplies - Medical					270	
Travel	2,290			166		52
Dues - Periodicals	244	8		23	460	1
Education - Training	2,909	3		15	657	4
Capital Purchases	77	3		14	233	3,706
Utilities	725	35		123	2,123	25
Maintenance - Repairs	1,492	69		284	4,751	70
Insurance	441	19		79	1,758	8
Data Processing	32	2		165	474	1
Postage	328	15		56	1,091	16
Printing - Binding	373	1		69	444	48
Supplies - Office	943	31		99	3,716	528
Laboratory						
Telephone	840	129		160	3,212	34
Other	232	2		16	405	1
Interest						
Debt payment						
State match						
Rent	584	28		111	2,110	23
Advertising	7,108	3		11	350	
Mini Grants	200					
Total Expenditures	\$ 92,924	\$ 3,507	\$ ...	\$ 14,010	\$ 312,932	\$ 7,356
Net Revenues/(Expenditures)	\$ (13,067)	\$ (961)	\$ 3,450	\$ (8,223)	\$ 810	\$ (1,860)

CARBON COUNTY  
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	IMMUNIZATIONS	BIOTERRORISM	PREVENTION BLOCK	HIV	ENVIRON- MENTAL HEALTH CHS	EPSDT/ CHEC
Revenues:						
State Reimbursement	\$ 43,986	\$ 225,520	\$ 64,479	\$ 1,000	\$ 12,500	\$ 22,980
General Health	19,652	2,161	725		81,470	
County						
School Nurses						
Miscellaneous						
Occupancy allocation	1,075	1,216	446	19	1,650	214
Grants and other government resources	42,648					
Total Revenues	\$ 107,361	\$ 228,897	\$ 65,650	\$ 1,019	\$ 95,620	\$ 23,194
Expenditures:						
Salaries	\$ 96,500	\$ 86,962	\$ 38,371	\$ 1,824	\$ 141,092	\$ 18,100
Fringe Benefits	54,988	42,584	19,019	884	59,087	8,886
Consultants	967	1,316	747	10	1,474	107
Contract - MD	356	477		6	542	64
Contract - Travel	2,883	81				
Patient Care						
Pharmacy						
Supplies - Medical	7,508	851				891
Travel		36,169	4,122	27	8,761	475
Dues - Periodicals	276	565	140	8	450	58
Education - Training	346	9,745	5,895	3	256	36
Capital Purchases	624	10,870	72	3	190	29
Utilities	1,736	1,371	612	31	2,238	290
Maintenance - Repairs	3,158	3,700	1,255	48	4,549	595
Insurance	991	758	496	24	1,753	167
Data Processing	2,482	2,458	26	2	87	465
Postage	699	702	278	15	1,052	132
Printing - Binding	161	8	203		11	101
Supplies - Office	1,525	15,883	855	27	2,669	275
Laboratory						
Telephone	1,759	10,560	701	34	2,376	534
Other	185	3,536	74	1	498	10
Interest						
Debt payment						
State match						
Rent	1,247	1,249	497	23	2,059	234
Advertising	225	81	80	3	164	23
Mini Grants			3,877			
Total Expenditures	\$ 178,616	\$ 229,926	\$ 77,320	\$ 2,973	\$ 229,308	\$ 31,472
Net Revenues/(Expenditures)	\$ (71,255)	\$ (1,029)	\$ (11,670)	\$ (1,954)	\$ (133,688)	\$ (8,278)



**CARBON COUNTY**  
**SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>CARDIO-CDC</u>	<u>TOBACCO BUYS</u>	<u>CARE-A-VAN</u>	<u>PANDEMIC FLU</u>	<u>ALL COUNTIES SCHOOL NURSE</u>	<u>NEWBORN CARE</u>
Revenues:						
State Reimbursement	\$ 25,844			\$ 39,362		
General Health County		\$ 15,750	\$ 15,441			\$ 43,910
School Nurses					\$ 80,436	
Miscellaneous						
Occupancy allocation	79	128	533	234	684	177
Grants and other government resources			51,437			
<b>Total Revenues</b>	<b>\$ 25,923</b>	<b>\$ 15,878</b>	<b>\$ 67,411</b>	<b>\$ 39,596</b>	<b>\$ 81,120</b>	<b>\$ 44,087</b>
Expenditures:						
Salaries	\$ 5,790	\$ 8,582	\$ 46,682	\$ 21,279	\$ 66,116	\$ 14,424
Fringe Benefits	3,042	5,186	15,381	10,712	28,270	6,798
Consultants	55	47	477	322	506	191
Contract - MD	23	43	175	74	229	54
Contract - Travel						
Patient Care						
Pharmacy						
Supplies - Medical	736				12	
Travel	354	1,292	18,892	5,058	5,128	983
Dues - Periodicals	626	15	142	252	771	37
Education - Training	13	11	112	2,299	572	29
Capital Purchases	13,538	13	65	45	128	11
Utilities	104	134	734	357	1,058	223
Maintenance - Repairs	181	415	1,516	796	2,207	445
Insurance		100	550	3	573	213
Data Processing	9	4	27	66	46	249
Postage	37	69	346	128	465	113
Printing - Binding	6	1	4	845	27	1
Supplies - Office	1,153	109	948	603	1,025	225
Laboratory						
Telephone	132	156	2,242	841	1,896	273
Other		2,631	230	3	2,816	12
Interest						
Debt payment						
State match			6,748			14,313
Rent	73	112	604	386	854	189
Advertising		10	349	32	96	13
Mini Grants						
<b>Total Expenditures</b>	<b>\$ 25,872</b>	<b>\$ 18,930</b>	<b>\$ 96,224</b>	<b>\$ 44,101</b>	<b>\$ 112,795</b>	<b>\$ 38,796</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ 51</b>	<b>\$ (3,052)</b>	<b>\$ (28,813)</b>	<b>\$ (4,505)</b>	<b>\$ (31,675)</b>	<b>\$ 5,291</b>

CARBON COUNTY  
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2007

	EPIDEMIOLOGIST	MEDICAL RESPONSE CORP	CASE MANAGEMENT	ENVIRONMENTAL HEALTH DEQ	COMMUNITY BASED SERVICES	TOTAL
Revenues:						
State Reimbursement	\$ 1,950	\$ 17,114	\$ 51,899	\$ 99,224	\$ 111,502	\$ 1,736,594
General Health		11,000		45,433		701,020
County						305,842
School Nurses						82,686
Miscellaneous						19,989
Occupancy allocation		7	446	1,294	819	17,013
Grants and other government resources						113,760
Total Revenues	\$ 1,950	\$ 28,121	\$ 52,345	\$ 145,951	\$ 112,321	\$ 2,976,904
Expenditures:						
Salaries		\$ 338	\$ 33,882	\$ 115,848	\$ 81,071	\$ 1,468,151
Fringe Benefits		211	11,634	55,845	31,220	695,319
Consultants			374	1,136	783	15,509
Contract - MD		5,797	143	424	284	43,380
Contract - Travel		3,643				33,220
Patient Care						20,525
Pharmacy						8,916
Supplies - Medical		4,268				176,974
Travel			602	8,712	1,068	124,065
Dues - Periodicals		1	70	320	329	6,704
Education - Training		1,608	74	216	115	30,101
Capital Purchases			559	178	594	66,980
Utilities		5	523	1,773	1,297	23,097
Maintenance - Repairs		9	1,106	3,717	2,654	49,420
Insurance			290	1,131	1,044	16,284
Data Processing		35	15	65	63	10,958
Postage		8	255	840	679	11,602
Printing - Binding			2	10	60	4,757
Supplies - Office		2,378	561	1,563	1,534	50,602
Laboratory				2,965		12,827
Telephone		7	529	2,672	1,653	46,306
Other		69	20	77	541	23,949
Interest						5,404
Debt payment						23,201
State match						21,061
Rent		4	438	1,331	1,049	19,455
Advertising			38	139	89	10,664
Mini Grants						4,077
Total Expenditures	\$ ...	\$ 18,381	\$ 51,115	\$ 198,962	\$ 126,127	\$ 3,023,508
Net Revenues/(Expenditures)	\$ 1,950	\$ 9,740	\$ 1,230	\$ (53,011)	\$ (13,806)	\$ (46,604)



**SMUIN, RICH & MARSING**

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**MEMBERS**

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

Board of County Commissioners  
Carbon County  
Price, Utah 84501

Re: Report on Legal Compliance with Applicable  
Utah State Laws and Regulations

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County, for the year ended December 31, 2007, and have issued our report thereon dated July 18, 2008. As part of our audit, we have audited Carbon County's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended December 31, 2007. The County received the following major State assistance programs from the State of Utah:

- General Health – Minimum Performance (Department of Health)
- B Road Funds (Department of Transportation)
- Liquor Allotment (State Tax Commission)
- CIB Grant (Department of Community and Economic Development)
- CIB Loan (Department of Community and Economic Development)

The County also received the following nonmajor grants, which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of Carbon County's financial statements.)

- Early Intervention (Department of Health and Human Services)
- Environment Health DEQ (Department of Health and Human Services)
- T/B Medication (Department of Health and Human Services)
- Cancer Promotion and Control (Department of Health and Human Services)
- Indoor Clean Air (Department of Health and Human Services)
- PILT State (State Tax Commission)
- Retired Senior Volunteer Program (Department of Health and Human Services)
- Emergency Medical Services (Department of Health and Human Services)
- Library Bookmobile (Department of Community and Economic Development)
- CHEC (Department of Health and Human Services)
- HMEP (Department of Health and Human Services)
- Tobacco Prevention (Department of Health and Human Services)
- Emergency Mosquito Control (Department of Health and Human Services)
- Predator Control (Department of Natural Resources)
- Fire Control (Department of Natural Resources)
- LHD Environmental Services (Department of Health and Human Services)
- Children Justice Services (Department of Child and Family Services)
- Consumer Education and Assistance (Department of Health and Human Services)

Election Grant (Department of Community and Economic Development)  
Mapping Grant (Department of Community and Economic Development)  
State Planning Grant (Department of Community and Economic Development)  
Early Intervention (Department of Health and Human Services)

Our audit also included testwork on the County's compliance with those general compliance requirements identified in the Compliance Manual for Audits of Local Governments in Utah including:

Public Debt  
Transient Room Tax  
Statement of Taxes Charged,  
Collected and Disbursed  
Assessing & Collecting of Property Taxes  
B & C Road Funds  
Uniform Building Code

Liquor Law Enforcement  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Justice Courts  
Truth in Taxation &  
Property Tax Limitations  
Other Compliance Requirements

The management of Carbon County is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Carbon County, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2007.

SMUIN, RICH & MARSING



Price, Utah

July 18, 2008



**CARBON COUNTY**  
**SCHEDULE OF TRANSIENT ROOM TAX EXPENDITURE BREAKDOWN**  
**AUDIT DECEMBER 31, 2007**

SUMMARY OF EXPENDITURES

ESTABLISHING AND PROMOTING:

Tourism	<u>\$ 134,048</u>
Total Transient Room Tax Expenditures	<u>\$ 134,048</u>

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UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners  
Carbon County  
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  
Government Auditing Standards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County as of and for the year ended December 31, 2007, which collectively comprise Carbon County's basis financial statements and have issued our report thereon dated July 18, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.



Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 2007-1, 2007-2 and 2007-3.

We noted certain matters that we reported to management of the County in a separate letter dated August 15, 2008.

Carbon County's response to the findings identified in our audit, are described in the accompanying schedule of findings and questioned costs or in the management letter. We did not audit the County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

SMUIN, RICH & MARSING

A handwritten signature in cursive script, appearing to read "Laura Rich Marsing".

Price, Utah

July 18, 2008

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## MEMBERS

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

Board of County Commissioners  
Carbon County  
Price, Utah 84501

RE: Report on Compliance With Requirements  
Applicable to Each Major Program and  
Internal Control Over Compliance in  
Accordance With OMB Circular A-133

### Compliance

We have audited the compliance of Carbon County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2007.

The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements, laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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-Profit 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 County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.



## Internal Control Over Compliance

The management of Carbon County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in the County's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

SMUIN, RICH & MARSING



Price, Utah

July 18, 2008

**CARBON COUNTY/SEUDHD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of Carbon County.
2. There were no significant deficiencies or material weaknesses disclosed in internal control by the audit over the financial statements.
3. No instances of noncompliance material to the financial statements of Carbon County were disclosed by the audit.
4. There were no significant deficiencies or material weaknesses in internal control over major programs disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs for Carbon County expresses an unqualified opinion.
6. The audit of Carbon County's major programs disclosed no audit findings relating to major programs that the auditor is required to report.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA#</u>
WIC Administration and Nutrition/Food Vouchers	10.557
Bioterrorism	93.283
Cancer Promotion and Comprehensive Tobacco	93.283
Bioterrorism	93.889

8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Carbon County was determined to be a low-risk auditee.

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT**

**FINDING 2007-1 EXPENDITURES IN EXCESS OF BUDGET**

**Statement of Condition:**

During the year ended December 31, 2007, the County over spent its adopted budget in the General fund in the Public Defender department, Attorney – Childrens Justice department, Ambulance services department, and Water development department. Municipal Services Fund – in the Highways and Public Improvements department, Public Safety department and in Parks, Recreation and Public Improvements department. Capital Projects Fund.



**Criteria:**

Governmental compliance requirements state that officers and employees of governmental entities shall not incur expenditures or encumbrances in excess of the total budgeted appropriations. The level of compliance is on the department basis for Counties.

**Cause of Condition:**

During the year the County made expenditures that the County had every intention of having a public hearing to adjust the budget to make the expenditures possible. The County failed to recognize that during the course of their public hearing, the budget figures did not reflect all of the possible expenditures that were in the process of occurring before the calendar year end. Although the County is aware that all expenditures need to be budgeted, some of the items were not identified as unbudgeted expenditures.

**Effect or Possible Effect of Condition:**

The budget is the legal authorization for the County to spend funds. Citizens of the County could question the allowability of expenditures in excess of the budget, because the public did not authorize or have an opportunity to voice their opinion on the expenditure.

**Recommendation:**

We recommend the County monitor more closely the expenditures as compared to the approved budget to make sure they are in compliance with budgetary requirements.

**County's Response:**

The County is aware of the requirements to stay within their adopted budget and will continue to monitor expenditures as compared to the budget.

**FINDING 2007-2 DEFICIT FUND BALANCES**

**Statement of Condition:**

As of the year ended December 31, 2007, the County had deficit fund balances in the Capital Projects fund and the Castle Country Travel fund.

**Criteria:**

Governmental compliance requirements state that appropriation in the final budgets may not be made for any fund in excess of the estimated expendable revenues for the budget year. Deficits in any fund are illegal.

**Cause of Condition:**

During the year, the County made expenditures in both of these funds that were anticipated to be covered with additional revenue from other funding sources. The County failed to recognize that the additional funds had not been recorded or available for the funds until after the calendar year had ended. Although the County is aware that overspending funds is an illegal act, the County had all intentions of recording sufficient additional revenues in these funds to avoid the deficits.

**Effect or Possible Effect of Condition:**

The availability of expendable revenues in any fund is the legal right of that fund to expend and only those estimated expendable revenues. Overspending of these available funds means that the County has used other funds that have not been designated or budgeted to be spent in other funds. Because the public did not authorize or have an opportunity to voice their opinion on the expenditure, those who are charged with governance could have a legal financial obligation owed to the County.

**Recommendation:**

We recommend the County review the fund balance deficits and correct the funds in the current calendar year. Current financial information should be reviewed to determine the impact of transactions that have occurred since the audit and ensure that additional funds needed to correct the fund deficit will be sufficient.

**County's Response:**

The County is aware of the requirements to maintain a fund balance that is within the limitations established by State Code. We will correct the fund balance deficits in the current year.

**FINDING 2007-3 ACCOUNTS RECEIVABLE INTERNAL CONTROLS**

**Statement of Condition:**

As of the year ended December 31, 2007, Southeastern Utah District Health Department (SEUDHD) had accounts receivable and revenue adjustments, which resulted in significant changes to the financial statements.

**Criteria:**

Internal controls should be adopted and implemented over significant accounts or processes that will enable SEUDHD the availability to correctly report financial amounts in the financial statements.

**Cause of Condition:**

The cause of the failure to record accounts receivable and revenues accurately appears to be a lack of adequate internal controls over accounts receivable and revenue recognition. SEUDHD records monthly transactions for revenue received and accrues accounts receivable on a monthly basis, but does not always review the transactions for accuracy after they have been recorded. Input errors or miscoding are generally not identified on a timely basis, mainly because internal controls are not established that require a review of these transactions.

**Effect or Possible Effect of Condition:**

Without implementing proper internal controls over accounts receivable and recording revenue properly, SEUDHD's financial statements could be prepared incorrectly and could be materially misstated.



**Recommendation:**

We recommend SEUDHD implement proper internal control procedures over all significant account balances and revenue processes to aide in the proper recording of financial transactions and report accurate financial statement.

**SEUDHD's Response:**

SEUDHD will review the current internal controls over all significant account balances and revenue processes. We will implement additional internal controls, if necessary, to make sure all financial data is reflected accurately in the financial statements.

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

None

**CARBON COUNTY/SEUDHD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2007	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2007
<b>U.S. DEPARTMENT OF AGRICULTURE</b>							
Direct Program:							
Forest Reserve Grant	10.670		\$ 7,500	\$ 1,875	\$ 1,875		
Pass Through State Department:							
WIC Administration and Nutrition (Note 2)	10.557	C7-I	395,600	192,234	192,234		
WIC Administration and Nutrition (Note 2)	10.557	C7-I	406,881	207,337	207,337		
WIC Food Vouchers (Note 2)	10.557	C7-I	755,900	594,288	594,288		
WIC Food Vouchers (Note 2)	10.557	C7-I	778,500	222,460	222,460		
Summer Food	10.559	C6-II	400	400	400		
Forest Reserve Grant to Counties	10.666		1,943	1,943	1,943		
Pass Through Southeastern Utah Association of Governments:							
USDA Cash in Lieu	10.550	N/A	75,000	37,291	37,291		
Total U.S. Department of Agriculture			\$ 2,421,724	\$ 1,257,828	\$ 1,257,828		\$ ...
<b>U.S. DEPARTMENT OF INTERIOR</b>							
Direct Program:							
Noxious Weed Act	15.224			\$ 19,704	\$ 19,704		
Total U.S. Department of Housing and Urban Development				\$ 19,704	\$ 19,704		\$ ...
<b>U.S. DEPARTMENT OF JUSTICE</b>							
Direct Program:							
Victims of Crime	16.575	98-VOCA-06		\$ 23,011	\$ 23,011		
National Children's Alliance	16.543			7,009	7,009		
Pass through State Department:							
Criminal Justice Center	16.540			116,830	116,830		
Total U.S. Department of Justice				\$ 146,850	\$ 146,850		\$ ...
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>							
Pass through State Department:							
Highway Safety Project	20.600		\$ 14,000	\$ 4,285	\$ 4,285		
Scenic Byway Grant	20.205			231,188	231,188		
Total U.S. Department of Transportation			\$ 14,000	\$ 235,473	\$ 235,473		\$ ...

\* Major Programs



CARBON COUNTY/SEUDHD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2007

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCURED (DEFERRED) REVENUE AT JANUARY 1, 2007	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCURED (DEFERRED) REVENUE AT DECEMBER 31, 2007
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass through State Department:							
TB Elimination	93.116	C5-I	\$ 5,638	\$	\$ 5,638	\$ 5,638	
Immunizations	93.268	C4-II	45,536		21,993	21,993	
Immunizations	93.268	C4-II	22,835		21,993	21,993	
Immunization Vaccine	93.268	N/A	285,301		285,301	285,301	
Cancer Promotion	93.283	C3-I	32,965		9,036	9,036	
Cancer Promotion	93.283	C3-I	24,975		11,532	11,532	
Bioterrorism	93.283	08-0940	264,441		125,748	125,748	
Bioterrorism	93.283	07-1141	304,961		141,084	141,084	
Comprehensive Tobacco	93.283	C3-V	33,990		20,728	20,728	
Comprehensive Tobacco	93.283	C3-V	33,000		7,237	7,237	
Bioterrorism	93.889	07-1595	20,832		17,114	17,114	
Social Services Block Grant - XX	93.667	N/A	5,400		5,200	5,200	
CHEC	93.778	C1-I	23,612		9,489	9,489	
CHEC	93.778	C1-I	17,888		6,023	6,023	
Cons. Education & Assistance	93.778	C1-II	42,612		21,994	21,994	
Cons. Education & Assistance	93.778	C1-II	36,554		20,048	20,048	
HIV Counseling/Education	93.940	C5-III	1,000		1,000	1,000	
HDSP - CDC Cooperative	93.945	C3-II	35,000		23,445	23,445	
Sexually Transmitted Disease	93.977	C5-II	496		496	496	
Health Insurance Information Program	93.990	N/A	3,500		3,500	3,500	
Cancer Promotion	93.919	C3-I	3,000		1,325	1,325	
HDSP - Preventative Block Grant	93.991	C3-II	23,893		12,773	12,773	
HDSP - Preventative Block Grant	93.991	C3-II	23,333		12,885	12,885	
PBG Injury Prevention	93.991	C3-III	11,196		7,798	7,798	
PBG Injury Prevention	93.991	C3-III	11,196		3,332	3,332	
MCH Injury Prevention	93.994	C3-III	31,328		9,484	9,484	
MCH Injury Prevention	93.994	C3-III	31,328		20,605	20,605	
P-5 Home Visitation	93.994	C4-I	16,000		11,521	11,521	
P-5 Home Visitation	93.994	C4-I	16,000		11,485	11,485	
Community Based Services	93.994	C2-I	100,000		45,093	45,093	
Community Based Services	93.994	C2-I	100,000		59,868	59,868	
General Health	93.994	C4-I	87,610		43,805	43,805	
General Health	93.994	C4-I	87,610		43,805	43,805	

\* Major Programs

CARBON COUNTY/SEUDHD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2007

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCURED (DEFERRED) REVENUE AT JANUARY 1, 2007	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCURED (DEFERRED) REVENUE AT DECEMBER 31, 2007
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Pass Through Southeastern Utah Association of Governments: Special Program of Aging -							
Support Services	93 044	N/A	\$ 51,751	\$	24,795	\$ 24,795	
Support Services	93 044	N/A	47,953		23,976	23,976	
Title III, Nutrition	93 045	N/A	76,728		38,364	38,364	
Title III, Nutrition	93 045	N/A	77,704		38,852	38,852	
Senior Health	93 043	AOG	5,467		5,467	5,467	
Title XIX, Early Childhood	93 778	N/A	63,000		10,191	10,191	
Title XIX, Early Childhood	93 778	N/A	44,892		16,871	16,871	
Social Services Block Grant - XX	93 667	AOG	8,356		4,178	4,178	
Social Services Block Grant - XX	93 667	AOG	8,195		4,098	4,098	
Social Services Block Grant - XX	93 667	N/A			1,900	1,900	
Total U.S. Department of Health and Human Services			\$ 2,167,076	\$	1,211,070	\$ 1,211,070	\$
CORPORATION FOR NATIONAL SERVICE							
Direct Program: Retired Senior Volunteer Program	94 002	440-P062/20	\$ 56,848	\$	50,007	\$ 50,007	\$
U.S. DEPARTMENT OF EDUCATION							
Pass through State Department: Early Intervention	84 181	C2-II	\$ 50,367	\$	29,715	\$ 29,715	
Early Intervention	84 181	C2-II	65,087		40,790	40,790	
Total U.S. Department of Education			\$ 115,454	\$	70,505	\$ 70,505	\$

\* Major Programs



CARBON COUNTY/SEUDHD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2007

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2007	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2007
FEDERAL EMERGENCY MANAGEMENT AGENCY Pass through State Department: FEMA	83.505		\$ 28,933	\$	\$ 28,933	\$ 28,933	\$
U. S. DEPARTMENT OF HOMELAND SECURITY Direct Program: Hazardous Material Restitution Home Land Security	97.021 97.067			\$	\$ 46,876 234,204	\$ 46,876 234,204	
Total U.S. Department of Homeland Security			\$	\$	\$ 281,080	\$ 281,080	\$
TOTAL FEDERAL ASSISTANCE			\$ 4,804,035	\$	\$ 3,301,450	\$ 3,301,450	\$

\* Major Programs

**CARBON COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AS OF DECEMBER 31, 2007**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**2. FOOD INSTRUMENTS**

Amounts shown on the schedule of expenditures of federal awards as WIC food vouchers are not direct cash expenditures of Carbon County. The Southeastern Utah Health District operates the Women, Infant and Children program. As part of this program the Health District distributes food instruments provided by the State of Utah that can be redeemed at local stores for food items. The dollar amounts, reported on the schedule of expenditures of federal awards, are the fair market value of the food instruments.

**3. VACCINES**

As part of the immunization program of the Southeastern Utah Health District, vaccines were provided by federal agencies. The fair market values of these vaccines have been reported on the schedule of expenditures of federal awards as immunization vaccines.

**4. MEDICAID CASE MANAGEMENT**

Medicaid Case Management is reimbursed on a fee for service basis. Because of this type of payment, the revenue exceeds the expenses for this program. In order not to have an accrued revenue amount for these programs, additional expenses have been recorded.



**CARBON COUNTY/SEUDHD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

Carbon County had no prior audit findings that were required to be reported in the current audited financial statements, for previous audited financial statements or previously audited Federal Awards.

CRAIG G. SMUIN, C.P.A.  
R. KIRT RICH, C.P.A.  
GREG MARSING, C.P.A.  
DOUGLAS RASMUSSEN, C.P.A.

**SMUIN, RICH & MARSING**  
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MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners - Carbon County  
Southeastern Utah District Health Department  
Price, Utah 84501

Ladies/Gentlemen:

The following comments and recommendations are a result of our review of the accounting procedures and internal controls in connection with our examination of the financial statements of Carbon County for the year ended December 31, 2007.

Since our review was made primarily to determine the scope of our auditing procedures and was not intended as a comprehensive study or evaluation of the systems and procedures, this memorandum should not be considered all inclusive.

We welcome the opportunity to discuss any items mentioned in this memorandum or any other accounting or procedural questions.

**CARBON COUNTY**

No further management comments.

**SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT**

**INVENTORY CONTROL SHEETS**

During our review of the inventory internal controls for the Health Department, we found that the Health Department has not updated all of their inventory control sheets and has not provided more detail on the individual sheets. Individual costs need to be identified with corresponding accurate inventory numbers. Each cost needs to be recorded at the time of purchase and the control sheet needs to indicate the proper date of purchase, amount and number (identified as to a single item or a box). Although the final accumulated dollar figure is not significant, the Health Department needs to accurately maintain the inventory control sheets to obtain proper inventory costs.

We recommend that the Health Department continue to implement controls and continue to check the inventory control sheets on a random basis. A follow-up of the inventory control sheets at year end will enable the Health Department to provide an accurate inventory dollar amount and record necessary changes or adjustments.



### ***Clients' Response***

*The Health Department will continue to make every effort to accurately maintain the inventory control sheets with current costs. This is partially being achieved and we will continue to improve the recording of all costs when supplies are received. A check of the inventory items will be performed to ensure the inventory process is accurately maintained and that ending figures are properly reflected.*

### **SUMMARY**

We feel the accounting procedures and internal control items mentioned above are some areas where Carbon County and Southeastern Utah District Health Department can make changes so as to further improve their internal control structures to safeguard the assets, check the accuracy and reliability of accounting data and promote operating efficiency.

Sincerely,

SMUIN, RICH & MARSING

A handwritten signature in cursive script that reads "Sam, Rich & Marsing".

Price, Utah

August 10, 2007