

**CARBON COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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## 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, 2008, 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 the 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.

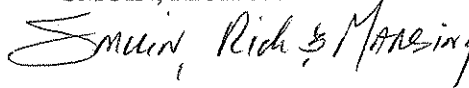
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County as of December 31, 2008, 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, 2009 on our consideration of Carbon County's internal control over financial reporting and on 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



Price, Utah

July 18, 2009

**CARBON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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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, 2008. 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, 2008 by \$105,795,079 (net assets). Of this amount, \$12,221,517 (unrestricted net assets) may be used to meet the governments' ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$9,709,278. 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 \$14,973,066, an increase of \$4,267,883 in comparison with the prior year. Approximately 86 percent of this total amount, \$12,818,398 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 \$9,726,207, or approximately 93.9 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 \$105,794,079 at December 31, 2008.

By far the largest portion of Carbon County's net assets (86.4 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 2008	Business-Type Activities 2007	Business-Type Activities 2008	Total Primary Government 2007	Total Primary Government 2008
Current and other assets	\$ 12,714,411	\$ 16,333,407	\$ 44,399	\$ 593,406	\$ 12,758,810	\$ 16,926,813
Capital assets	69,741,943	69,789,823	32,095,147	38,505,128	101,837,090	108,294,951
Total assets	<u>\$ 82,456,354</u>	<u>\$ 86,123,230</u>	<u>\$ 32,139,546</u>	<u>\$ 39,098,534</u>	<u>\$ 114,595,900</u>	<u>\$ 125,221,764</u>
Long-term debt outstanding	\$ 729,039	\$ 739,028	\$ 14,485,947	\$ 15,167,527	\$ 15,214,986	\$ 15,906,555
Other liabilities	2,032,366	1,384,413	1,262,748	2,135,717	3,295,114	3,520,130
Total liabilities	<u>\$ 2,761,405</u>	<u>\$ 2,123,441</u>	<u>\$ 15,748,695</u>	<u>\$ 17,303,244</u>	<u>\$ 18,510,100</u>	<u>\$ 19,426,685</u>
Net assets:						
Investment in capital assets, net of debt	\$ 69,610,730	\$ 69,026,723	\$ 16,909,911	\$ 22,391,171	\$ 86,520,641	\$ 91,417,894
Restricted	3,364,494	2,154,668			3,364,494	2,154,668
Unrestricted (Deficit)	6,719,725	12,818,398	(519,060)	(596,881)	6,200,665	12,221,517
Total net assets	<u>\$ 79,694,949</u>	<u>\$ 83,999,789</u>	<u>\$ 16,390,851</u>	<u>\$ 21,794,290</u>	<u>\$ 96,085,800</u>	<u>\$ 105,794,079</u>

A portion of Carbon County's net assets (2.03 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$12,221,517 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 \$4,954,212. Key elements of this increase are as follows:

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2008	2007	2008	2007	2008
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 7,242,926	\$ 7,583,503	\$ 398,785	\$ 903,089	\$ 7,641,711	\$ 8,486,592
Operating grants and cont.	3,883,154	4,057,146			3,883,154	4,057,146
Capital grants and cont.	2,858,793	2,080,222	4,615,774	4,842,074	7,474,567	6,922,296
General Revenues:						
Property taxes	6,286,522	6,708,635			6,286,522	6,708,635
Sales taxes	2,324,945	2,210,640			2,324,945	2,210,640
Other general revenues	6,168,533	7,635,824	231,349	107,280	6,399,882	7,743,104
<b>Total revenues</b>	<b>\$ 28,764,873</b>	<b>\$ 30,275,970</b>	<b>\$ 5,245,908</b>	<b>\$ 5,852,443</b>	<b>\$ 34,010,781</b>	<b>\$ 36,128,413</b>
<b>Program expenses</b>						
General government	\$ 4,779,018	\$ 5,278,929			\$ 4,779,018	\$ 5,278,929
Public safety	5,920,672	6,900,043			5,920,672	6,900,043
Public health	4,232,955	4,278,032			4,232,955	4,278,032
Highways and public improve.	7,488,902	6,878,982			7,488,902	6,878,982
Parks and recreation	483,140	1,295,724			483,140	1,295,724
Conservation & Econ. Dev.	984,515	584,557			984,515	584,557
Contributions and Misc.	130,549	105,491	\$ 87,839		218,388	105,491
MBA			525,801	\$ 987,298	525,801	987,298
County Court Complex			88,315	110,079	88,315	110,079
<b>Total expenses</b>	<b>\$ 24,019,751</b>	<b>\$ 25,321,758</b>	<b>\$ 701,955</b>	<b>\$ 1,097,377</b>	<b>\$ 24,721,706</b>	<b>\$ 26,419,135</b>
Excess (deficiency) before transfers	\$ 4,745,122	\$ 4,954,212	\$ 4,543,953	\$ 4,755,066	\$ 9,289,075	\$ 9,709,278
Transfers						
<b>Change in net assets</b>	<b>\$ 4,745,122</b>	<b>\$ 4,954,212</b>	<b>\$ 4,543,953</b>	<b>\$ 4,755,066</b>	<b>\$ 9,289,075</b>	<b>\$ 9,709,278</b>
Net assets - beginning	\$ 74,949,827	\$ 79,694,949	\$ 11,846,898	\$ 16,390,851	\$ 86,796,725	\$ 96,085,800
Prior period adjustment		(649,373)		649,373		
Net assets - ending	<u>79,694,949</u>	<u>83,999,788</u>	<u>16,390,851</u>	<u>21,145,917</u>	<u>96,085,800</u>	<u>105,795,078</u>
<b>Change in net assets</b>	<b>\$ 4,745,122</b>	<b>\$ 4,304,839</b>	<b>\$ 4,543,953</b>	<b>\$ 4,755,066</b>	<b>\$ 9,289,075</b>	<b>\$ 9,709,278</b>

## Government-wide financial analysis (Continued)

For 2008 Carbon County experienced negative growth totaling \$172,429,912 as reported to the State Tax Commission on form TC 714. This decrease in growth is due to the value of centrally assessed property falling from \$1,496,247,404 in 2007 to \$1,296,683,410 in 2008. This represents a \$172,497,912 drop in property values by the largest value property holders in Carbon County. Certified tax rates had to increase to offset this decrease in centrally assessed values, which would yield General Fund property tax revenues constant for the County in 2009 as compared to 2008.

Business-type activities increased Carbon County's net assets by \$4,755,066. 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 \$14,973,066, which is an increase of \$4,267,883 in comparison with the prior year. Approximately, 85 percent or \$12,818,398 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 \$9,726,207.

- 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 \$(596,881) deficit.

## General Fund Budgetary Highlights

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

<u>Function</u>	<u>Original</u>	<u>Final</u>	<u>Change Inc. (Dec.)</u>
General Government	\$ 5,298,651	\$ 5,698,851	\$ 400,200
Public Safety	2,858,562	3,093,562	235,000
Public Health	232,290	234,290	2,000
Highway and Public Improvements	1,322,907	1,342,907	20,000
Parks, recreation and public property	265,532	275,532	10,000
Conservation and Economic Development	246,825	246,825	
Contributions and miscellaneous	288,987	288,987	
Net			<u>\$ 667,200</u>

## Capital Asset and Debt Administration

### Capital Assets

Carbon County's investment in capital assets for its governmental activities as of December 31, 2008, amounts to \$69,789,823 (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 \$47,880.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2008	2007	2008	2007	2008
Right of ways	\$ 1,361,829	\$ 1,361,829			\$ 1,361,829	\$ 1,361,829
Land	1,290,228	1,290,228	\$ 367,492	\$ 367,492	1,657,720	1,657,720
Buildings	1,680,490	1,726,789	25,708,445	28,220,144	27,388,935	29,946,933
Improvements other than buildings	6,990,864	9,531,835			6,990,864	9,531,835
Machinery and equipment	6,685,001	6,905,920	810,886	745,170	7,495,887	7,651,090
Infrastructure	51,587,531	48,827,222	5,208,324	9,172,323	56,795,855	57,999,545
Water stock	146,000	146,000			146,000	146,000
	<u>\$ 69,741,943</u>	<u>\$ 69,789,823</u>	<u>\$ 32,095,147</u>	<u>\$ 38,505,129</u>	<u>\$ 101,837,090</u>	<u>\$ 108,294,952</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 \$16,835,005, 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	2008	2007	2008	2007	2008
Revenue Bonds			\$ 15,185,236	\$ 16,071,905	\$ 15,185,236	\$ 16,071,905
Capital Leases	\$ 123,138	\$ 108,075			123,138	108,075
Compensated Absences	620,964	655,025			620,964	655,025
	<u>\$ 744,102</u>	<u>\$ 763,100</u>	<u>\$ 15,185,236</u>	<u>\$ 16,071,905</u>	<u>\$ 15,929,338</u>	<u>\$ 16,835,005</u>

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

The unemployment rate for Carbon County in 2008 was 4.3%, and increase of 0.5% from 2007. This is higher than the state's average unemployment rate of 3.4% but lower than the national average of 7.2%. Employment in Carbon County has risen from 9,532 jobs in January 2008 to 9,659 jobs in May 2009. 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. Population in Carbon County dropped slightly for 2008 closing in at 19,549.

The value of new construction decreased from \$19,634,990 in 2007 to \$16,550,971 in 2008. This represents a 15.7% decrease from the previous year. This decrease is largely due to a slump in residential and commercial construction. The completion of the Carbon County Salt and Equipment buildings, the Carbon County Search and Rescue building, the Carbon County Expo Center and the Carbon County Public Safety Annex were responsible for over 50% of the \$16,550,997.

The value of centrally assessed property in Carbon County decreased nearly \$200 million in 2008. This was almost totally responsible for the negative New Growth of \$172,429,912.

Coal mining and oil and gas production remained relatively constant for 2008 and helped hold the negative growth figure to the \$172 million. All of these factors were considered in preparing Carbon County's budget for the 2009 year.

### **Requests for Information**

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

**CARBON COUNTY**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2008**

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<u>ASSETS</u>				
Cash and cash equivalents	\$ 9,363,479	\$ 485,330	\$ 9,848,809	\$ 8,703,496
Restricted - Cash and cash equivalents	3,600,034		3,600,034	3,595,559
Taxes receivable	334,549		334,549	
Other receivables	1,316,583	108,076	1,424,659	2,033,873
Due from other funds	1,333,622		1,333,622	
Inventory of supplies	7,257		7,257	
Prepaid expenses	377,883		377,883	
Capital assets (net of accumulated depreciation):				
Land	1,290,228	367,492	1,657,720	1,421,614
Rights-of-way	1,361,829		1,361,829	
Water stock	146,000		146,000	110,000
Buildings	1,726,789	28,220,144	29,946,933	95,713
Improvements other than buildings	9,531,835		9,531,835	1,341,838
Fixtures and equipment	6,905,920	745,170	7,651,090	388,989
Infrastructure	48,827,222	9,172,322	57,999,544	
Total assets	\$ 86,123,230	\$ 39,098,534	\$ 125,221,764	\$ 17,691,082
<u>LIABILITIES</u>				
Accounts payable	\$ 633,711	\$ 16,183	\$ 649,894	
Accrued payroll	258,926		258,926	
Accrued liabilities	215,601		215,601	\$ 620
Deferred revenue	5,760		5,760	
Due to other funds	246,343	1,087,279	1,333,622	
Cash deficit		86,825	86,825	
Bond interest payable		41,052	41,052	57,765
Capital leases payable - Due within one year	24,072		24,072	
Revenue bonds payable - Due within one year		904,378	904,378	1,060,232
Capital leases payable - Due in more than one year	84,003		84,003	
Revenue bonds payable - Due in more than one year		15,167,527	15,167,527	2,582,625
Compensated absences	655,025		655,025	
Total liabilities	\$ 2,123,441	\$ 17,303,244	\$ 19,426,685	\$ 3,701,242

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



CARBON COUNTY  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2008

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	\$ 69,026,723	\$ 22,433,223	\$ 91,459,946	\$ 3,310,856
Restricted for:				
Economic development	781,306		781,306	
Municipal services	1,461,283		1,461,283	
Health care	481,808		481,808	
Landfill	26,618		26,618	
Capital projects	(596,347)		(596,347)	3,084,798
Debt service				3,595,559
Unrestricted	12,818,398	(637,933)	12,180,465	3,998,627
Total net assets	\$ 83,999,789	\$ 21,795,290	\$ 105,795,079	\$ 13,989,840

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

**CARBON COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	COMPONENTS UNITS
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 5,278,929	\$ 249,606	\$ 18,323		\$ (5,010,800)	\$ (5,010,800)	
Public safety	6,900,043	1,953,835	473,441		(4,472,767)	(4,472,767)	
Highways and public improvements	6,878,982	4,147,073	1,014,396	\$ 2,080,222	362,709	362,709	
Public health	4,278,032	945,275	2,495,799		(836,958)	(836,958)	
Parks and recreation	1,295,724	287,714			(1,008,010)	(1,008,010)	
Conservation and economic development	584,557		54,987		(529,570)	(529,570)	
Contributions and miscellaneous	105,491				(105,491)	(105,491)	
<b>Total governmental activities</b>	<b>\$ 25,321,758</b>	<b>\$ 7,583,503</b>	<b>\$ 4,057,146</b>	<b>\$ 2,080,222</b>	<b>\$ (11,600,887)</b>	<b>\$ (11,600,887)</b>	
<b>Business-type activities:</b>							
Municipal Building Authority	\$ 906,245	\$ 723,315		\$ 4,842,074		\$ 4,659,144	\$ 4,659,144
County Court Complex	110,079	179,774				69,695	69,695
<b>Total business-type activities</b>	<b>\$ 1,016,324</b>	<b>\$ 903,089</b>	<b>\$</b>	<b>\$ 4,842,074</b>	<b>\$</b>	<b>\$ 4,728,839</b>	<b>\$ 4,728,839</b>
<b>Total primary government</b>	<b>\$ 26,338,082</b>	<b>\$ 8,486,592</b>	<b>\$ 4,057,146</b>	<b>\$ 6,922,296</b>	<b>\$ (11,600,887)</b>	<b>\$ 4,728,839</b>	<b>\$ (6,872,048)</b>
<b>Component Units:</b>							
Carbon County Recreation & Transportation							\$ 3,068,346
Special Service District							(15,554)
Scofield Reservoir Special Service District							
<b>Total component units</b>							<b>\$ 3,052,792</b>
<b>General revenues:</b>							
Property taxes				\$ 6,708,635		\$ 6,708,635	
Federal PILT				997,038		997,038	
Sales taxes				2,210,640		2,210,640	
Miscellaneous taxes				345,264		345,264	
Grants and contributions not restricted to specific program				490,681		490,681	
Unrestricted investment earnings				244,479	\$ 107,280	351,759	
Royalties				185,435		185,435	
Gain/(Loss) on sale of fixed assets				(218,783)		(218,783)	
Miscellaneous				285,003		285,003	
Mineral reserve monies				5,306,707		5,306,707	
Interest expense					(81,053)	(81,053)	
<b>Total general revenues and transfers</b>				<b>\$ 16,555,099</b>	<b>\$ 26,227</b>	<b>\$ 16,581,326</b>	<b>\$</b>
<b>Change in net assets</b>				<b>\$ 4,954,212</b>	<b>\$ 4,755,066</b>	<b>\$ 9,709,278</b>	<b>\$ 3,052,792</b>
<b>Net assets - beginning</b>				<b>79,694,949</b>	<b>16,390,851</b>	<b>96,085,800</b>	<b>10,898,738</b>
<b>Prior period adjustment</b>				<b>(649,373)</b>	<b>649,373</b>	<b></b>	<b>38,310</b>
<b>Net assets - ending</b>				<b>\$ 83,999,788</b>	<b>\$ 21,795,290</b>	<b>\$ 105,795,078</b>	<b>\$ 13,989,840</b>

\*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, 2008**

	SOUTHEASTERN UTAH					TOTAL		
	GENERAL FUND	DISTRICT HEALTH	MUNICIPAL SERVICES	TAX STABILITY	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	GOVERNMENTAL FUNDS	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 4,707,419	\$ 261,428	\$ 1,285,800	\$ 2,056,205		\$ 1,052,627	\$	9,363,479
Restricted cash and cash equivalents	3,600,034							3,600,034
Receivables (net):								
Taxes	310,077		24,472					334,549
Other	574,759	369,327	251,758		\$ 86,790	33,949		1,316,583
Due from other funds	1,333,622							1,333,622
Inventories		7,257						7,257
Prepaid expenses	377,883							377,883
Total assets	\$ 10,903,794	\$ 638,012	\$ 1,562,030	\$ 2,056,205	\$ 86,790	\$ 1,086,576	\$	\$ 16,333,407
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 36,517	\$ 113,677	\$ 27,156		\$ 436,794	\$ 19,567	\$	633,711
Accrued payroll	227,903					31,023		258,926
Accrued liabilities	105,243	42,527	67,831					215,601
Due to other funds					246,343			246,343
Deferred revenue			5,760					5,760
Total liabilities	\$ 369,663	\$ 156,204	\$ 100,747	\$	\$ 683,137	\$ 50,590	\$	\$ 1,360,341
Fund balances:								
Reserved for:			\$ 1,461,283				\$	1,461,283
Municipal services								(596,347)
Capital projects					\$ (596,347)			781,306
Economic development	\$ 781,306							26,618
Landfill	26,618							481,808
Health care		\$ 481,808						
Unreserved, reported in:								
General fund	9,726,207							9,726,207
Special revenue funds						\$ 1,035,986		1,035,986
Permanent funds				\$ 2,056,205				2,056,205
Total fund balances	\$ 10,534,131	\$ 481,808	\$ 1,461,283	\$ 2,056,205	\$ (596,347)	\$ 1,035,986	\$	\$ 14,973,066
Total liabilities and fund balances	\$ 10,903,794	\$ 638,012	\$ 1,562,030	\$ 2,056,205	\$ 86,790	\$ 1,086,576	\$	\$ 16,333,407

"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, 2008**

Total fund balances - governmental fund types:

\$ 14,973,066

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		1,726,789
Improvements other than buildings		9,531,835
Fixtures and equipment		6,905,920
Infrastructure		<u>48,827,222</u>

Total

69,789,823

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	\$	(24,072)
Capital leases payable - Due in more than one year		(84,003)
Compensated absences		<u>(655,025)</u>

Total

(763,100)

Net assets of government activities

\$ 83,999,789

"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, 2008**

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	TAX STABILITY	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>							
Taxes	\$ 7,792,502		\$ 1,228,963			\$ 236,623	\$ 9,258,088
Licenses and permits	38,642		66,191				104,833
Intergovernmental revenues	5,629,822	\$ 2,254,223	6,051,720		\$ 1,013,181	419,860	15,368,806
Charges for services	1,158,159	750,474	168,117			428,720	2,505,470
Fines and forfeitures	347,480						347,480
Interest income	162,740	8,553	379,595	\$ 62,190	1,067,041	1,500	233,483
Contributions						228,634	1,448,136
Miscellaneous	996,798	13,491	14,433				1,253,356
Total revenues	\$ 16,126,143	\$ 3,026,741	\$ 7,909,019	\$ 62,190	\$ 2,080,222	\$ 1,315,337	\$ 30,519,652
<b>EXPENDITURES:</b>							
Current:							
General government	\$ 5,250,928		\$ 412,866				\$ 5,663,794
Public safety	3,045,614		3,715,068			\$ 189,994	6,948,676
Highways and public improvements	1,320,172		3,412,941				4,733,113
Public health	237,627	\$ 3,085,975				1,055,077	4,378,679
Parks, recreation, and public property	256,582		77,727		\$ 41,938	1,377,664	1,753,911
Conservation and economic development	148,690					458,704	607,394
Capital outlay					2,060,711		2,060,711
Contributions and miscellaneous	105,491						105,491
Total expenditures	\$ 10,363,104	\$ 3,085,975	\$ 7,618,602	\$	\$ 2,102,649	\$ 3,081,439	\$ 26,251,769
Excess revenues over (under) expenditures	\$ 5,763,039	\$ (59,234)	\$ 290,417	\$ 62,190	\$ (22,427)	\$ (1,766,102)	\$ 4,267,883
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	\$ 1,700,000		\$ (1,700,000)	\$ 100,000		\$ 1,831,575	\$ 1,931,575
Transfers out	(1,931,575)						(1,931,575)
Total other financing sources (uses)	\$ (231,575)	\$	\$ (1,700,000)	\$ 100,000	\$	\$ 1,831,575	\$
Excess of revenues and other sources over (under) expenditures and other uses	\$ 5,531,464	\$ (59,234)	\$ (1,409,583)	\$ 162,190	\$ (22,427)	\$ 65,473	\$ 4,267,883
<b>FUND BALANCES - beginning of year</b>	5,002,667	541,042	2,870,866	1,894,015	(573,920)	970,513	10,705,183
<b>FUND BALANCES - end of year</b>	\$ 10,534,131	\$ 481,808	\$ 1,461,283	\$ 2,056,205	\$ (596,347)	\$ 1,035,986	\$ 14,973,066

"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, 2008**

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

Net changes in fund balances - total governmental funds \$ 4,267,883

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	\$ 506,852
Public safety	360,874
Public health	130,864
Highways	2,082,728
Parks and recreation	1,314,029
Conservation	<u>32,187</u>
Total assets shown as expenditures	\$ 4,427,534
Less: depreciation	<u>(3,511,354)</u>
Difference between expenditure and depreciation	916,180
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donation) is to decrease net assets.	(218,928)
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.	23,138
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).	<u>(34,061)</u>
Change in net assets of governmental activities	<u><u>\$ 4,954,212</u></u>

"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, 2008**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
REVENUES				
Taxes:				
General property taxes - current year	\$ 4,615,000	\$ 4,615,000	\$ 4,692,551	\$ 77,551
General property taxes - assessing & collecting	855,000	855,000	847,162	(7,838)
Prior year taxes - delinquent	80,000	80,000	141,665	61,665
General sales and use taxes	950,000	950,000	1,054,636	104,636
Fees in lieu of taxes	475,000	475,000	717,676	242,676
Franchise taxes	35,000	35,000	24,353	(10,647)
Restaurant tax	210,000	210,000	313,974	103,974
Miscellaneous taxes	3,000	3,000	485	(2,515)
Total taxes	\$ 7,223,000	\$ 7,223,000	\$ 7,792,502	\$ 569,502
Licenses and Permits:				
Business licenses and permits	\$ 39,000	\$ 39,000	\$ 36,411	\$ (2,589)
Non-business licenses and permits	3,000	3,000	2,231	(769)
Total licenses and permits	\$ 42,000	\$ 42,000	\$ 38,642	\$ (3,358)
Intergovernmental Revenues:				
Federal sources -				
Children's Justice	\$ 318,000	\$ 318,000	\$ 55,435	\$ (262,565)
Victim's Rights	41,000	41,000	30,970	(10,030)
Forest Reserve			7,006	7,006
Total federal sources	\$ 359,000	\$ 359,000	\$ 93,411	\$ (265,589)
State sources -				
Payment in lieu of tax	\$ 95,000	\$ 95,000	\$ 6,451	\$ (88,549)
Jail reimbursements	120,000	120,000	154,650	34,650
EMS Grant	40,000	40,000	50,080	10,080
Mineral reserve funds	5,000	5,000	5,306,707	5,301,707
Miscellaneous	32,327	32,327	18,523	(13,804)
Total state sources	\$ 292,327	\$ 292,327	\$ 5,536,411	\$ 5,244,084
Total intergovernmental revenues	\$ 651,327	\$ 651,327	\$ 5,629,822	\$ 4,978,495

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, 2008**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Charges for Services:				
General government -				
Recorder fees	\$ 100,000	\$ 100,000	\$ 111,394	\$ 11,394
Auditor fees	16,000	16,000	13,387	(2,613)
Miscellaneous	8,500	8,500	3,207	(5,293)
Total general government	\$ 124,500	\$ 124,500	\$ 127,988	\$ 3,488
Public safety -				
Jail fees	\$ 4,000	\$ 4,000	\$ 16,485	\$ 12,485
Court costs and fees	78,000	78,000	75,712	(2,288)
Total public safety	\$ 82,000	\$ 82,000	\$ 92,197	\$ 10,197
Other charges for services -				
Parks and public property	\$ 22,000	\$ 22,000	\$ 17,329	\$ (4,671)
Ambulance fees	710,000	710,000	919,986	209,986
G.I.S. fees	1,000	1,000	659	(341)
Total other charges for services	\$ 733,000	\$ 733,000	\$ 937,974	\$ 204,974
Total charges for services	\$ 939,500	\$ 939,500	\$ 1,158,159	\$ 218,659
Fines and Forfeitures:				
Fines	\$ 350,000	\$ 350,000	\$ 347,480	\$ (2,520)
Total fines and forfeitures	\$ 350,000	\$ 350,000	\$ 347,480	\$ (2,520)
Miscellaneous Revenues:				
Interest	\$ 170,000	\$ 170,000	\$ 162,740	\$ (7,260)
Rents and concessions	49,110	49,110	49,830	720
Royalties	120,000	120,000	185,435	65,435
Sale of fixed assets	10,000	10,000	145	(9,855)
Airport fees and fuel sales	273,800	273,800	308,821	35,021
Tippage fees - ECDC	25,000	25,000	84,994	59,994
Sale of materials and supplies	7,000	7,000	13,701	6,701
CJC network	17,000	17,000	184,107	167,107
Miscellaneous	50,000	50,000	169,765	119,765
Total miscellaneous revenues	\$ 721,910	\$ 721,910	\$ 1,159,538	\$ 437,628
Total Revenues	\$ 9,927,737	\$ 9,927,737	\$ 16,126,143	\$ 6,198,406

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, 2008**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
EXPENDITURES				
Current:				
General Government:				
Commission	\$ 295,320	\$ 305,320	\$ 281,756	\$ 23,564
Justice court	302,350	302,350	290,548	11,802
District court	7,000	7,000	1,866	5,134
Public defender	244,000	314,000	301,054	12,946
Personel	164,890	174,890	161,579	13,311
Clerk/Auditor	278,835	278,835	268,387	10,448
Treasurer	133,825	133,825	126,668	7,157
Recorder	224,610	234,610	224,148	10,462
Attorney	587,290	587,290	559,932	27,358
Assessor	390,370	390,370	377,488	12,882
Non-Departmental	580,000	580,000	537,950	42,050
Data processing	694,560	694,560	598,240	96,320
Law library	2,000	2,200	2,238	(38)
Central purchasing	10,000	20,000	2,268	17,732
Micro filming	18,925	18,925	163	18,762
Central mailing	32,000	32,000	26,583	5,417
Communications	144,740	149,740	138,082	11,658
Attorney - Childrens Justice	328,056	328,056	312,290	15,766
Building and grounds	137,800	387,800	371,872	15,928
Engineering	281,085	281,085	253,246	27,839
Safety	92,150	92,150	83,144	9,006
Elections	67,000	67,000	29,334	37,666
Graphical information service	198,840	223,840	215,718	8,122
Industrial park	83,005	93,005	86,374	6,631
Total general government	\$ 5,298,651	\$ 5,698,851	\$ 5,250,928	\$ 447,923
Public Safety:				
Victims rights	\$ 41,622	\$ 21,622	\$ 6,489	\$ 15,133
Dispatch	175,000	210,000	206,300	3,700
Ambulance service	829,785	1,029,785	1,028,061	1,724
Jail complex	1,812,155	1,832,155	1,802,764	29,391
Total public safety	\$ 2,858,562	\$ 3,093,562	\$ 3,043,614	\$ 49,948

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, 2008**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Public Health:				
Indigent	\$ 6,500	\$ 6,500	\$ 6,000	\$ 500
Public health	124,660	126,660	126,268	392
Mental health	101,130	101,130	105,359	(4,229)
Total public health	\$ 232,290	\$ 234,290	\$ 237,627	\$ (3,337)
Highways and Public Improvements:				
Landfill	\$ 458,455	\$ 458,455	\$ 391,545	\$ 66,910
Maintenance and abatement	464,745	484,745	483,739	1,006
Airport	399,707	399,707	444,888	(45,181)
Total highways and public improvements	\$ 1,322,907	\$ 1,342,907	\$ 1,320,172	\$ 22,735
Parks, Recreation and Public Property:				
Recreation - Television	\$ 151,320	\$ 161,320	\$ 161,270	\$ 50
Library	114,212	114,212	95,312	18,900
Total parks, recreation and public property	\$ 265,532	\$ 275,532	\$ 256,582	\$ 18,950
Conservation and Economic Development:				
Agriculture and extension services	\$ 61,825	\$ 61,825	\$ 57,380	\$ 4,445
Water development	50,000	50,000	58,753	(8,753)
Economic development - restaurant tax	135,000	135,000	32,557	102,443
Total conservation and economic development	\$ 246,825	\$ 246,825	\$ 148,690	\$ 98,135
Contributions and Miscellaneous:				
Contributions to other governmental agencies	\$ 244,542	\$ 244,542	\$ 60,886	\$ 183,656
Miscellaneous	44,445	44,445	44,605	(160)
Total contributions and miscellaneous	\$ 288,987	\$ 288,987	\$ 105,491	\$ 183,496
Total expenditures	\$ 10,513,754	\$ 11,180,954	\$ 10,363,104	\$ 817,850
Excess of revenues over (under) expenditures	\$ (586,017)	\$ (1,253,217)	\$ 5,763,039	\$ 5,380,556

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, 2008**

	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	817,592			
Transfers out	(1,931,575)	(1,931,575)	(1,931,575)	
Total other financing sources (uses)	\$ 586,017	\$ (231,575)	\$ (231,575)	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses			\$ 5,531,464	\$ 5,531,464
Fund balance - beginning of year			5,002,667	5,002,667
Fund balance - end of year	\$ ...	\$ ...	\$ 10,534,131	\$ 10,534,131

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, 2008**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
<b>REVENUES</b>				
Intergovernmental				
Federal, State and Local funds	\$ 3,103,408	\$ 3,103,408	\$ 2,254,223	\$ (849,185)
Total Intergovernmental	\$ 3,103,408	\$ 3,103,408	\$ 2,254,223	\$ (849,185)
Charges for services				
Charges for services	\$ 755,875	\$ 755,875	\$ 750,474	\$ (5,401)
Total Charges for services	\$ 755,875	\$ 755,875	\$ 750,474	\$ (5,401)
Miscellaneous				
Miscellaneous	\$ 9,500	\$ 9,500	\$ 13,491	\$ 3,991
Investment earnings			8,553	8,553
Total miscellaneous	\$ 9,500	\$ 9,500	\$ 22,044	\$ 12,544
Total Revenues	\$ 3,868,783	\$ 3,868,783	\$ 3,026,741	\$ (842,042)
<b>EXPENDITURES</b>				
Current:				
Public health	\$ 3,868,783	\$ 3,868,783	\$ 3,085,975	\$ 782,808
Total public health	\$ 3,868,783	\$ 3,868,783	\$ 3,085,975	\$ 782,808
Total expenditures	\$ 3,868,783	\$ 3,868,783	\$ 3,085,975	\$ 782,808
Excess of revenue over (under)				
expenditures			\$ (59,234)	\$ (59,234)
Fund balance - beginning of year			541,042	541,042
Fund balance - end of year	\$ ...	\$ ...	\$ 481,808	\$ 481,808

"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, 2008**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u> <u>AMOUNTS</u>	<u>VARIANCE WITH</u> <u>FINAL BUDGET</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES:</b>				
Taxes	\$ 1,188,500	\$ 1,188,500	\$ 1,228,963	\$ 40,463
Licenses and permits	102,000	102,000	66,191	(35,809)
Intergovernmental	5,717,500	5,717,500	6,051,720	334,220
Charges for services	144,000	144,000	168,117	24,117
Miscellaneous	12,000	12,000	14,433	2,433
Contributions other agencies			379,595	379,595
Contributions - surplus	1,158,728	2,240,728		(2,240,728)
Total Revenues	\$ 8,322,728	\$ 9,404,728	\$ 7,909,019	\$ (1,495,709)
<b>EXPENDITURES:</b>				
General government	\$ 309,115	\$ 416,115	\$ 412,866	\$ 3,249
Public safety	3,676,738	4,046,738	3,715,068	331,670
Parks, recreation and public property	96,195	96,195	77,727	18,468
Highways and public improvements	2,540,680	3,145,680	3,412,941	(267,261)
Total expenditures	\$ 6,622,728	\$ 7,704,728	\$ 7,618,602	\$ 86,126
Excess of revenue over (under) expenditures	\$ 1,700,000	\$ 1,700,000	\$ 290,417	\$ (1,409,583)
<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			\$ (1,409,583)	\$ (1,409,583)
Fund balance - beginning of year		\$ 991,325	2,870,866	1,879,541
Fund balance - end of year	\$ ...	\$ 991,325	\$ 1,461,283	\$ 469,958

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

**CARBON COUNTY**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2008**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTAs
<u>ASSETS</u>			
Current assets:			
Cash		\$ 485,330	\$ 485,330
Receivables - net			
Miscellaneous	\$ 108,076		108,076
Total current assets	\$ 108,076	\$ 485,330	\$ 593,406
Noncurrent assets:			
Land	\$ 169,492	\$ 198,000	\$ 367,492
Roads	9,383,845		9,383,845
Buildings	30,299,198	1,576,152	31,875,350
Furniture, fixtures and equipment	952,214	255,558	1,207,772
Less: accumulated depreciation	(3,355,512)	(973,819)	(4,329,331)
Total noncurrent assets	\$ 37,449,237	\$ 1,055,891	\$ 38,505,128
Total assets	\$ 37,557,313	\$ 1,541,221	\$ 39,098,534
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 16,167	\$ 16	\$ 16,183
Deferred rents		86,825	86,825
Due to other funds	1,087,279		1,087,279
Accrued interest payable	41,052		41,052
Total current liabilities	\$ 1,144,498	\$ 86,841	\$ 1,231,339
Noncurrent liabilities:			
Revenue bonds payable	\$ 16,071,905		\$ 16,071,905
Total noncurrent liabilities	\$ 16,071,905	\$ ...	\$ 16,071,905
Total liabilities	\$ 17,216,403	\$ 86,841	\$ 17,303,244
Net Assets:			
Invested in capital assets, net of related debt	\$ 21,336,280	\$ 1,055,891	\$ 22,392,171
Unrestricted (Deficit)	(995,390)	398,489	(596,901)
Total net assets	\$ 20,340,890	\$ 1,454,380	\$ 21,795,270

"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, 2008**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTAs
Operating revenues:			
Rental income	\$ 723,315	\$ 179,774	\$ 903,089
Total operating revenues	\$ 723,315	\$ 179,774	\$ 903,089
Operating expenses:			
Utilities		\$ 33,332	\$ 33,332
Repairs and maintenance		23,329	23,329
Depreciation	\$ 906,245	53,418	959,663
Total operating expenses	\$ 906,245	\$ 110,079	\$ 1,016,324
Operating income (loss)	\$ (182,930)	\$ 69,695	\$ (113,235)
Nonoperating revenues (expenses):			
Interest revenue	\$ 107,280		\$ 107,280
Interest expense	(81,053)		(81,053)
Contributions from other agencies	2,369,410		2,369,410
Grants	2,472,664		2,472,664
Total nonoperating revenues (expenses)	\$ 4,868,301	\$ ...	\$ 4,868,301
Income (loss) before contributions and transfers	\$ 4,685,371	\$ 69,695	\$ 4,755,066
Transfers:			
Transfers in (out)			
Total transfers in (out)	\$ ...	\$ ...	\$ ...
Change in net assets	\$ 4,685,371	\$ 69,695	\$ 4,755,066
Total net assets - beginning	15,006,166	1,384,685	16,390,851
Prior period adjustment	649,373		649,373
Total net assets - ending	\$ 20,340,910	\$ 1,454,380	\$ 21,795,290

"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, 2008**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTA's
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers	\$ 746,452	\$ 179,774	\$ 926,226
Payments to suppliers		(56,644)	(56,644)
Net cash provided (used) by operating activities	\$ 746,452	\$ 123,130	\$ 869,582
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Purchase of capital assets	\$ (7,136,916)		\$ (7,136,916)
Principal paid on capital debt	(1,146,331)		(1,146,331)
Interest paid on capital debt	(83,824)		(83,824)
Contributions from other agencies	2,369,410		2,369,410
Proceeds from bonds issued	2,033,000		2,033,000
Grants	2,472,664		2,472,664
Loans from other funds	1,087,279		1,087,279
Net cash provided (used) by capital and related financing activities	\$ (404,718)	\$ ...	\$ (404,718)
<b>Cash Flows From Investing Activities:</b>			
Interest and dividends received	\$ 107,280		\$ 107,280
Net cash provided (used) by investing activities	\$ 107,280	\$ ...	\$ 107,280
Net increase (decrease) in cash and cash equivalents	\$ 449,014	\$ 123,130	\$ 572,144
Cash and cash equivalents, January 1	(449,014)	362,200	(86,814)
Cash and cash equivalents, December 31	\$ ...	\$ 485,330	\$ 485,330

"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, 2008**

	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)	\$ (182,930)	\$ 69,695	\$ (113,235)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 906,245	\$ 53,418	\$ 959,663
Increase (Decrease) in accounts payable		17	17
Increase (Decrease) in accounts receivable	23,137		23,137
Total adjustments	\$ 929,382	\$ 53,435	\$ 982,817
Net cash provided (used) by operating activities	\$ 746,452	\$ 123,130	\$ 869,582

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

**CARBON COUNTY**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2008**

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash	\$ 2,427,326
Receivables (net):	
Taxes	46,514
Miscellaneous	<u>22,619</u>
Total assets	<u>\$ 2,496,459</u>
<u>LIABILITIES</u>	
Precinct fees, bail and bonds payable	\$ 55,916
Accounts payable	787
Due to other governments and agencies	330,296
Due taxing units	2,087,728
Alimony support and miscellaneous	<u>1,732</u>
Total liabilities	<u>\$ 2,476,459</u>

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

**CARBON COUNTY  
STATEMENT OF NET ASSETS  
COMPONENT UNITS  
DECEMBER 31, 2008**

	SCOFIELD RESERVIOR SPECIAL SERVICE DISTRICT	CARBON COUNTY RECREATION & TRANSPORTATION SPECIAL SERVICE DISTRICT	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 252,655	\$ 8,450,841	\$ 8,703,496
Restricted - Cash and cash equivalents		3,595,559	3,595,559
Due from other governments		2,033,873	2,033,873
Capital assets (net of accumulated depreciation):			
Land	16,128	1,405,486	1,421,614
Buildings		95,713	95,713
Equipment		388,989	388,989
Sewer systems and improvements	650,249	691,589	1,341,838
Water stock		110,000	110,000
Total assets	<u>\$ 919,032</u>	<u>\$ 16,772,050</u>	<u>\$ 17,691,082</u>
<u>LIABILITIES</u>			
Accrued liabilities		\$ 620	\$ 620
Bond interest payable	\$ 334	57,431	57,765
Revenue bonds payable - Due within one year	9,673	1,050,559	1,060,232
Revenue bonds payable - Due in more than one year	37,625	2,545,000	2,582,625
Total liabilities	<u>\$ 47,632</u>	<u>\$ 3,653,610</u>	<u>\$ 3,701,242</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	\$ 619,079	\$ 2,691,777	\$ 3,310,856
Restricted for:			
Capital projects		3,084,798	3,084,798
Debt Service		3,595,559	3,595,559
Unrestricted	252,321	3,746,306	3,998,627
Total net assets	<u>\$ 871,400</u>	<u>\$ 13,118,440</u>	<u>\$ 13,989,840</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, 2008**

Function/Programs	EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS		TOTAL
			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	\$ 3,593,922	\$ 578,613		\$ (3,015,309)	\$ (3,015,309)
Parks, recreation and public improvements	919,078			(919,078)	(919,078)
Intergovernmental	3,808,423			(3,808,423)	(3,808,423)
Interest on long term liabilities	146,584			(146,584)	(146,584)
Total governmental activities	\$ 8,468,007	\$ 578,613	\$ ...	\$ (7,889,394)	\$ (7,889,394)
<b>Business-type activities:</b>					
Scofield Reservoir Special Service District			\$ (15,554)		\$ (15,554)
Total business-type activities	\$ ...	\$ ...	\$ (15,554)	\$ ...	\$ (15,554)
Total component units	\$ 8,468,007	\$ 578,613	\$ (15,554)	\$ (7,889,394)	\$ (7,904,948)
<b>General revenues:</b>					
Mineral lease revenue				\$ 10,527,825	\$ 10,527,825
Investment earnings				340,767	340,767
State PILT				94,923	94,923
Other revenue and lossess				(5,775)	(5,775)
Total general revenues and transfers			\$ ...	\$ 10,957,740	\$ 10,957,740
Change in net assets			\$ (15,554)	\$ 3,068,346	\$ 3,052,792
Net assets - beginning			886,954	10,011,784	10,898,738
Prior period adjustment				38,310	38,310
Net assets - ending			\$ 871,400	\$ 13,118,440	\$ 13,989,840

"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, 2008**

**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. The non-major special revenue funds account for specific revenue sources that are legally restricted to expenditures, for specified purposes.

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

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



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 \$655,025.

**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, 2008 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	\$ 1,290,228			\$ 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>\$ 2,798,057</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 2,798,057</u>
Capital assets being depreciated:				
Buildings	\$ 4,067,456	\$ 132,080	\$ (10,000)	\$ 4,189,536
Improvements other than buildings	12,135,201	2,929,259	(65,036)	14,999,424
Machinery and equipment	14,368,406	1,366,195	(345,957)	15,388,644
Infrastructure (Roads & Bridges)	122,358,380		(834,661)	121,523,719
Total capital assets being depreciated	<u>\$ 152,929,443</u>	<u>\$ 4,427,534</u>	<u>\$(1,255,654)</u>	<u>\$ 156,101,323</u>
Less accumulated depreciation for:				
Buildings	\$ 2,386,966	\$ 85,781	\$ (10,000)	\$ 2,462,747
Improvements other than buildings	5,144,337	388,288	(65,036)	5,467,589
Machinery and equipment	7,683,405	1,111,637	(312,318)	8,482,724
Infrastructure (Roads & Bridges)	70,770,849	1,925,648		72,696,497
Total accumulated depreciation	<u>\$ 85,985,557</u>	<u>\$ 3,511,354</u>	<u>\$ (387,354)</u>	<u>\$ 89,109,557</u>
Total capital assets, being depreciated, net	<u>\$ 66,943,886</u>	<u>\$ 916,180</u>	<u>\$ (868,300)</u>	<u>\$ 66,991,766</u>
Governmental activities capital assets, net	<u>\$ 69,741,943</u>	<u>\$ 916,180</u>	<u>\$ (868,300)</u>	<u>\$ 69,789,823</u>

## 2. CAPITAL ASSETS (Continued)

	BEGINNING BALANCE	PRIOR PERIOD ADJUST.	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	\$ 28,623,228		\$ 3,252,122		\$ 31,875,350
Roads	5,260,933	654,762	3,468,150		9,383,845
Machinery and equipment	1,209,324			\$ (1,552)	1,207,772
Total capital assets being depreciated	\$ 35,093,485	\$ 654,762	\$ 6,720,272	\$ (1,552)	\$ 42,466,967
Less accumulated depreciation for:					
Buildings	\$ 2,914,782	\$ (74)	\$ 740,497		\$ 3,655,205
Roads	52,609	5,917	152,996		211,522
Machinery and equipment	398,439	(454)	66,170	\$ (1,551)	462,604
Total accumulated depreciation	\$ 3,365,830	\$ 5,389	\$ 959,663	\$ (1,551)	\$ 4,329,331
Total capital assets, being depreciated, net	\$ 31,727,655	\$ 649,373	\$ 5,760,609	\$ ...	\$ 38,137,636
Business-type activities capital assets, net	\$ 32,095,147	\$ 649,373	\$ 5,760,609	\$ ...	\$ 38,505,128
Depreciation expense was charged to functions/programs of the primary government as follows:					
Governmental activities:					
General government				\$ 116,682	
Public safety				302,779	
Public Health				73,171	
Highways and public improvements				2,804,321	
Parks and recreation				207,340	
Conservation and economic development				7,061	
Total depreciation expense - governmental activities				\$ 3,511,354	
Business-type activities:					
County Court Complex				\$ 53,418	
Municipal building authority				906,245	
Total depreciation expense - Business-Type Activities				\$ 959,663	
Total depreciation expense				\$ 4,471,017	

2. **CAPITAL ASSETS (Continued)**

<b>Component units:</b>	<b><u>BEGINNING BALANCE</u></b>	<b><u>INCREASES</u></b>	<b><u>DECREASES</u></b>	<b><u>ENDING BALANCE</u></b>
Capital assets not being depreciated:				
Land	\$ 1,421,614			\$ 1,421,614
Water stock	110,000			110,000
Total capital assets not being depreciated	<u>\$ 1,531,614</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 1,531,614</u>
Capital assets being depreciated:				
Buildings	\$ 141,618			\$ 141,618
Improvements other than buildings	2,591,671	\$ 30,000		2,621,671
Machinery and equipment	580,239	101,410	\$ (12,700)	668,949
Total capital assets being depreciated	<u>\$ 3,313,528</u>	<u>\$ 131,410</u>	<u>\$ (12,700)</u>	<u>\$ 3,432,238</u>
Less accumulated depreciation for:				
Buildings	\$ 42,364	\$ 3,541		\$ 45,905
Improvements other than buildings	1,201,142	78,691		1,279,833
Machinery and equipment	233,359	50,588	\$ (3,987)	279,960
Total accumulated depreciation	<u>\$ 1,476,865</u>	<u>\$ 132,820</u>	<u>\$ (3,987)</u>	<u>\$ 1,605,698</u>
Total capital assets, being depreciated, net	<u>\$ 1,836,663</u>	<u>\$ (1,410)</u>	<u>\$ (8,713)</u>	<u>\$ 1,826,540</u>
Component units capital assets, net	<u><u>\$ 3,368,277</u></u>	<u><u>\$ (1,410)</u></u>	<u><u>\$ (8,713)</u></u>	<u><u>\$ 3,358,154</u></u>

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

Carbon County Recreation & Transportation Special Service District	\$ 100,320
Scofield Reservoir Special Service District	<u>32,500</u>
Total depreciation expense	<u><u>\$ 132,820</u></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>
2009	\$ 24,072	\$ 3,783	\$ 27,855	879,497	74,335	953,832
2010	25,005	2,940	27,945	956,708	68,292	1,025,000
2011	28,992	2,065	31,057	936,927	60,185	997,112
2012	30,006	1,050	31,056	944,150	52,742	996,892
2013				950,379	45,053	995,432
2014-2018				4,488,054	113,344	4,601,398
2019-2023				3,579,000		3,579,000
2024-2028				2,732,190		2,732,190
2029-2034				405,000		405,000
2035-2039				200,000		200,000
	<u>\$ 108,075</u>	<u>\$ 9,838</u>	<u>\$ 117,913</u>	<u>\$16,071,905</u>	<u>\$ 413,951</u>	<u>\$16,485,856</u>

**Revenue Bonds** – Revenue Bonds payable at December 31, 2008, 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>
01-01-10	\$ 1,820	\$ 26,000	\$ 27,820
01-01-11	910	27,000	27,910
	<u>\$ 2,730</u>	<u>\$ 53,000</u>	<u>\$ 55,730</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>
07-01-09	\$ 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
07-01-13	29,365	128,000	157,365
2014-2018	76,335	711,000	787,335
	<u>\$ 265,160</u>	<u>\$ 1,311,000</u>	<u>\$ 1,576,160</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>
07-01-09	\$ 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
07-01-13	14,140	62,000	76,140
2014-2018	36,715	342,000	378,715
	<u>\$ 127,715</u>	<u>\$ 632,000</u>	<u>\$ 759,715</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>
02-01-09	\$ 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>\$ 15,000</u>	<u>\$ 164,000</u>	<u>\$ 179,000</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>
07-01-09	\$ 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
07-01-13	528	9,378	9,906
2014-2017	294	10,054	10,348
	<u>\$ 5,166</u>	<u>\$ 54,715</u>	<u>\$ 59,881</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>
09-01-09		\$ 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
09-01-13		16,000	16,000
2014-2018		80,000	80,000
2019-2023		80,000	80,000
2024-2028		47,190	47,190
	<u>\$ ...</u>	<u>\$ 287,190</u>	<u>\$ 287,190</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>
09-01-09		\$ 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
09-01-13		6,000	6,000
2014-2018		30,000	30,000
2019-2023		24,000	24,000
	<u>\$ ...</u>	<u>\$ 84,000</u>	<u>\$ 84,000</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>
01-01-09		\$ 14,000	\$ 14,000
01-01-10		14,000	14,000
01-01-11		14,000	14,000
01-01-12		14,000	14,000
01-01-13		14,000	14,000
2014-2018		70,000	70,000
2019-2023		70,000	70,000
2024-2028		37,000	37,000
	<u>\$ ...</u>	<u>\$ 247,000</u>	<u>\$ 247,000</u>

**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>
01-01-09		\$ 108,000	\$ 108,000
01-01-10		108,000	108,000
01-01-11		108,000	108,000
01-01-12		108,000	108,000
01-01-13		108,000	108,000
2014-2018		540,000	540,000
2019-2023		540,000	540,000
2024-2028		330,000	330,000
	<u>\$ ...</u>	<u>\$ 1,950,000</u>	<u>\$ 1,950,000</u>

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>
01-01-09		\$ 61,000	\$ 61,000
01-01-10		61,000	61,000
01-01-11		61,000	61,000
01-01-12		61,000	61,000
01-01-13		61,000	61,000
2014-2018		305,000	305,000
2019-2023		305,000	305,000
2024-2028		305,000	305,000
2029-2031		183,000	183,000
	<u>\$ ...</u>	<u>\$ 1,403,000</u>	<u>\$ 1,403,000</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>
01-01-09		\$ 65,000	\$ 65,000
01-01-10		65,000	65,000
01-01-11		65,000	65,000
01-01-12		65,000	65,000
01-01-13		65,000	65,000
2014-2018		325,000	325,000
2019-2023		325,000	325,000
2024-2028		185,000	185,000
	<u>\$ ...</u>	<u>\$ 1,160,000</u>	<u>\$ 1,160,000</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>
01-01-09		\$ 50,000	\$ 50,000
01-01-10		50,000	50,000
01-01-11		50,000	50,000
01-01-12		50,000	50,000
01-01-13		50,000	50,000
2014-2018		250,000	250,000
2019-2023		250,000	250,000
2024-2026		148,000	148,000
	<u>\$ . . .</u>	<u>\$ 898,000</u>	<u>\$ 898,000</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>
04-01-09		\$ 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
04-01-13		155,000	155,000
2014-2018		775,000	775,000
2019-2023		775,000	775,000
2024-2028		620,000	620,000
	<u>\$ . . .</u>	<u>\$ 2,945,000</u>	<u>\$ 2,945,000</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>
01-01-10		\$ 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
01-01-14		150,000	150,000
2015-2019		750,000	750,000
2020-2024		750,000	750,000
2025-2029		600,000	600,000
	<u>\$ ...</u>	<u>\$ 2,850,000</u>	<u>\$ 2,850,000</u>

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE  
REVENUE BONDS SERIES 2008B (PUBLIC SERVICE ANNEX BUILDING)**

The Municipal Building Authority of Carbon County Utah sold \$573,000 in revenue bonds. The proceeds from the bonds will be used to construct a commercial building. The bonds are non-interest bearing.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
04-01-10		\$ 29,000	\$ 29,000
04-01-11		29,000	29,000
04-01-12		29,000	29,000
04-01-13		29,000	29,000
04-01-14		29,000	29,000
2015-2019		145,000	145,000
2020-2024		145,000	145,000
2025-2029		138,000	138,000
	<u>\$ ...</u>	<u>\$ 573,000</u>	<u>\$ 573,000</u>

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

#### MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE REVENUE BONDS SERIES 2008C (EQUIPMENT STORAGE SHOP)

The Municipal Building Authority of Carbon County Utah sold \$460,000 in revenue bonds. The proceeds from the bonds will be used to construct a commercial building. The bonds are non-interest bearing.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
10-01-09		\$ 23,000	\$ 23,000
10-01-10		23,000	23,000
10-01-11		23,000	23,000
10-01-12		23,000	23,000
10-01-13		23,000	23,000
2014-2018		115,000	115,000
2019-2023		115,000	115,000
2024-2028		115,000	115,000
	<u>\$ ...</u>	<u>\$ 460,000</u>	<u>\$ 460,000</u>

#### MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE REVENUE BONDS SERIES 2008 (CARBONVILLE ROAD PROJECT)

The Municipal Building Authority of Carbon County Utah sold \$1,000,000 in revenue bonds. The proceeds from the bonds will be used to make major road improvements. The bonds are non-interest bearing.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-10		\$ 40,000	\$ 40,000
01-01-11		40,000	40,000
01-01-12		40,000	40,000
01-01-13		40,000	40,000
01-01-14		40,000	40,000
2015-2019		200,000	200,000
2020-2024		200,000	200,000
2025-2029		200,000	200,000
2030-2034		200,000	200,000
	<u>\$ ...</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>



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

**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>
01-01-09	\$ 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	30,006	31,056
	<u>\$ 9,838</u>	<u>\$ 108,075</u>	<u>\$ 117,913</u>

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

#### SUMMARY OF NET CHANGES - PRIMARY GOVERNMENT

<u>Description</u>	<u>Balance 01-01-08</u>	<u>Retired</u>	<u>Issued</u>	<u>Balance 12-31-08</u>	<u>Due Within One Year</u>
<u>Business-type Activities</u>					
MBA Lease Revenue 1997	\$ 194,000	\$ (30,000)		\$ 164,000	\$ 31,000
Lease Series 1990	78,000	(25,000)		53,000	26,000
Lease Revenue 1992A	1,419,000	(108,000)		1,311,000	128,000
Lease Revenue 1992B	684,000	(52,000)		632,000	62,000
MBA Lease Revenue 1998	63,047	(8,332)		54,715	9,378
Lease Revenue 2001A	303,189	(15,999)		287,190	16,000
Lease Revenue 2001B	90,000	(6,000)		84,000	6,000
MBA Lease Revenue 2006A	275,000	(28,000)		247,000	14,000
MBA Lease Revenue 2006B	2,166,000	(216,000)		1,950,000	108,000
MBA Lease Revenue 2006C	1,525,000	(122,000)		1,403,000	61,000
MBA Lease Revenue 2006D	1,290,000	(130,000)		1,160,000	65,000
MBA Lease Revenue 2006E	998,000	(100,000)		898,000	50,000
MBA Lease Revenue 2006F	3,100,000	(155,000)		2,945,000	155,000
MBA Lease Revenue 2007	3,000,000	(150,000)		2,850,000	150,000
MBA Lease Revenue 2008B			\$ 573,000	573,000	
MBA Lease Revenue 2008C			460,000	460,000	23,000
MBA Lease Revenue 2008			1,000,000	1,000,000	
	<u>\$ 15,185,236</u>	<u>\$(1,146,331)</u>	<u>\$ 2,033,000</u>	<u>\$ 16,071,905</u>	<u>\$ 904,378</u>
<u>Governmental Activities</u>					
Lease Series 1988					
SEUDH Capital Lease	<u>\$ 131,213</u>	<u>\$ (23,138)</u>	<u>\$ ...</u>	<u>\$ 108,075</u>	<u>\$ 24,072</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>
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>\$ 3,642,857</u>	<u>\$ 433,715</u>	<u>\$ 4,076,572</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>
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>\$ 47,298</u>	<u>\$ 3,433</u>	<u>\$ 50,731</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:

DATE PAYMENT DUE	PRINCIPAL DUE	INTEREST CHARGES	TOTAL
2009	\$ 478,559	\$ 14,357	\$ 492,916
Total	<u>\$ 478,559</u>	<u>\$ 14,357</u>	<u>\$ 492,916</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:

DATE PAYMENT DUE	PRINCIPAL DUE	INTEREST CHARGES	TOTAL
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
April 1, 2013		9,028	9,028
October 1, 2013	296,000	9,028	305,028
	<u>\$ 1,319,000</u>	<u>\$ 250,955</u>	<u>\$ 1,569,955</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>
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>\$ 1,798,000</u>	<u>\$ 164,970</u>	<u>\$ 1,962,970</u>

### SUMMARY OF NET CHANGES - COMPONENT UNITS

<u>Description</u>	<u>Balance 01-01-08</u>	<u>Retired</u>	<u>Issued</u>	<u>Balance 12-31-08</u>	<u>Due Within One Year</u>
Scofield Reservoir SSD Impact Bonus Loan	\$ 56,735	\$ (9,437)		\$ 47,298	\$ 9,673
C.C. Roads SSD Revenue Refunding Series 1994	943,559	(465,000)		478,559	478,559
C.C. Recreation & Transportation SSD Highway Revenue Bond Series 1998	1,538,000	(219,000)		1,319,000	233,000
C.C. Recreation & Transportation SSD Toll Road Revenue Bond Series 1998	2,030,000	(232,000)		1,798,000	339,000
	<u>\$ 4,568,294</u>	<u>\$ (925,437)</u>	<u>\$ ...</u>	<u>\$ 3,642,857</u>	<u>\$ 1,060,232</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 \$250,000, per account by the Federal Deposit Insurance Corporation. The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Uninsured deposits are not collateralized nor are they required to be by State statute. At December 31, 2008, the bank balance of the County's deposits was \$2,373,732.

##### ***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, 2008, 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, 2008 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	\$ 6,302,990	\$ 6,302,990			
	\$ 6,302,990	\$ 6,302,990	\$ ...	\$ ...	\$ ...
Other Investments:					
Utah Public Treas. Invest. Fund	8,145,269				
Total investments	\$ 14,448,259				

#### 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, 2008 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	\$ 6,302,990	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, 2008 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 \$6,302,990 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	\$ 9,848,809	\$ 8,703,496	\$ 2,427,326
Restricted cash and cash equivalents	3,600,034	3,595,559	
Cash deficit	(86,825)		
	<u>\$ 13,362,018</u>	<u>\$ 12,299,055</u>	<u>\$ 2,427,326</u>
Deposits	\$ 1,636,819	\$ 799,521	\$ 1,981,477
Investments (includes PTIF and Sweep accts.)	11,725,199	11,499,534	445,849
	<u>\$ 13,362,018</u>	<u>\$ 12,299,055</u>	<u>\$ 2,427,326</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 7.61% of their annual covered salary. In the Local Governmental Noncontributory Retirement System Carbon County is required to contribute 11.62% of their annual covered salary. In the Public Safety Retirement System, Carbon County is required to contribute 22.61 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, 2008, 2007 and 2006 were \$23,090.88, \$22,100.17 and \$19,804.31 respectively and for the Noncontributory Retirement System the contributions for December 31, 2008, 2007 and 2006 were \$478,185.52, \$436,665.90 and \$397,144.82 respectively and for the Public Safety Retirement System the contributions for December 31, 2008, 2007 and 2006 were \$354,769.43, \$344,947.71 and \$296,043.79 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 7.61% of their annual covered salary. In the Local Governmental Noncontributory Retirement System, Southeastern Utah District Health is required to contribute 11.62% of their annual covered salary. 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, 2008, 2007 and 2006 were \$9,933.58, \$9,611.00 and \$9,237.14 respectively and for the Noncontributory Retirement System the contributions for December 31, 2008, 2007 and 2006 were \$154,067.10, \$150,942.18 and \$143,311.44 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 \$250,000. By maintaining several accounts with the same bank with balances exceeding \$250,000, the County has amounts that exceed the FDIC insurance limitation. Consequently, there is a potential loss to the extent that amounts are not insured.

9. **RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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	Transfers
	In	Out
General	\$ 1,700,000	\$ 1,931,575
Municipal Services		1,700,000
Tax Stability	100,000	
Other Governmental	1,831,575	
	<u>\$ 3,631,575</u>	<u>\$ 3,631,575</u>

12. **BUDGETARY COMPLIANCE**

Unfavorable budget variances were incurred in the following funds:

GENERAL FUND -

Mental Health	\$	229
Airport	\$	45,181
Water development	\$	8,753
Law Library	\$	38

MUNICIPAL SERVICES FUND -

Highways and public improvements	\$	267,261
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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, 2008, by Wiggins & Company, Ogden, Utah.

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

GENERAL FUND -

\$781,306 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 –**

\$1,461,283 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.

\$481,808 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 \$596,347, at December 31, 2008.

**16. PRIOR PERIOD ADJUSTMENT**

In the prior year, \$649,373 was record as assets purchased in the Capital Projects Fund and recorded in the General Fixed Assets of the County. These assets were actually purchased in the Municipal Building Authority of Carbon County. Consequently, a prior period adjustment was necessary to present the assets in the proper fund.

CARBON COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2008

	SPECIAL REVENUE FUNDS										TOTAL NONMAJOR GOVERNMENTAL FUND
	CASTLE COUNTRY TRAVEL BUREAU	FAIR GROUNDS	CARBON LEISURE SERVICES	EMERGENCY TELEPHONE	CARBON COUNTY RDA	CARBON COUNTY FUTURE	R.S.V.P.	CASTLE COUNTRY TRAVEL	COUNCIL ON AGING	NUTRITION	
Cash	\$ 179,621	\$ 172,990	\$ 155,985	\$ 163,709	\$ 13,562	\$ 55,799	\$ 50,961		\$141,722	\$ 118,278	\$ 1,052,627
Receivables - other	6,140			12,639					4,173	10,997	33,949
Total assets	\$ 185,761	\$ 172,990	\$ 155,985	\$ 176,348	\$ 13,562	\$ 55,799	\$ 50,961	\$ ...	\$145,895	\$ 129,275	\$ 1,086,576
LIABILITIES AND FUND BALANCES											
LIABILITIES:											
Accounts payable	\$ 7,339	\$ 4,180	\$ 907				\$ 31		\$ 39	\$ 7,071	\$ 19,567
Accrued liabilities	2,805	9,874	5,693			\$ 1,703	845		2,616	7,487	31,023
Total liabilities	\$ 10,144	\$ 14,054	\$ 6,600	\$ ...	\$ ...	\$ 1,703	\$ 876	\$ ...	\$ 2,655	\$ 14,558	\$ 50,590
FUND BALANCES:											
Unreserved, reported in:											
Special revenue fund	\$ 175,617	\$ 158,936	\$ 149,385	\$ 176,348	\$ 13,562	\$ 54,096	\$ 50,085		\$143,240	\$ 114,717	\$ 1,035,986
Total fund balances	\$ 175,617	\$ 158,936	\$ 149,385	\$ 176,348	\$ 13,562	\$ 54,096	\$ 50,085	\$ ...	\$143,240	\$ 114,717	\$ 1,035,986
Total liabilities and fund equity	\$ 185,761	\$ 172,990	\$ 155,985	\$ 176,348	\$ 13,562	\$ 55,799	\$ 50,961	\$ ...	\$145,895	\$ 129,275	\$ 1,086,576

**CARBON COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	SPECIAL REVENUE FUNDS										TOTAL NONMAJOR GOVERNMENTAL FUNDS
	CASTLE COUNTRY TRAVEL BUREAU	FAIR GROUNDS	CARBON LEISURE SERVICES	EMERGENCY TELEPHONE	CARBON COUNTY RDA	CARBON COUNTY FUTURE	R.S.V.P.	CASTLE COUNTRY TRAVEL	COUNCIL ON AGING	NUTRITION	
<b>REVENUES:</b>											
Taxes	\$ 236,623		\$ 78,386			\$ 31,200	\$ 59,833		\$ 69,251	\$ 126,203	\$ 236,623
Intergovernmental	54,987		162,515	\$ 158,335							419,860
Charges for services		\$ 107,870									428,720
Contributions		1,500									1,500
Miscellaneous	36,280						23,043		19,269	150,042	228,634
Total revenues	\$ 327,890	\$ 109,370	\$ 240,901	\$ 158,335	\$	\$ 31,200	\$ 82,876	\$	\$ 88,520	\$ 276,245	\$ 1,315,337
<b>EXPENDITURES:</b>											
Public safety				\$ 189,994							\$ 189,994
Parks, recreation and public property		\$ 902,783	\$ 474,881				\$ 104,665		\$ 296,981	\$ 653,431	1,377,664
Public health						\$ 86,517					1,055,077
Conservation and economic development	\$ 372,187										458,704
Total expenditures	\$ 372,187	\$ 902,783	\$ 474,881	\$ 189,994	\$	\$ 86,517	\$ 104,665	\$	\$ 296,981	\$ 653,431	\$ 3,081,439
Excess of revenues over (under) expenditures	\$ (44,297)	\$ (793,413)	\$ (233,980)	\$ (31,659)	\$	\$ (55,317)	\$ (21,789)	\$	\$ (208,461)	\$ (377,186)	\$ (1,766,102)
Other financing sources (uses):											
Transfers in	25,000	\$ 841,475	\$ 248,645			\$ 79,130	\$ 24,600		\$ 224,555	\$ 388,170	\$ 1,831,575
Transfers out	\$ (25,482)							\$ 25,482			
Total other financing sources (uses)	\$ (482)	\$ 841,475	\$ 248,645	\$	\$	\$ 79,130	\$ 24,600	\$ 25,482	\$ 224,555	\$ 388,170	\$ 1,831,575
Excess of revenues and other sources over (under) expenditures and other uses	\$ (44,779)	\$ 48,062	\$ 14,665	\$ (31,659)		\$ 23,813	\$ 2,811	\$ 25,482	\$ 16,094	\$ 10,984	\$ 65,473
Fund Balances - Beginning of year	220,396	110,874	134,720	208,007	\$ 13,562	30,283	47,274	(25,482)	127,146	103,733	970,513
Fund Balances - End of year	\$ 175,617	\$ 158,936	\$ 149,385	\$ 176,348	\$ 13,562	\$ 54,096	\$ 50,085	\$	\$ 143,240	\$ 114,717	\$ 1,035,986



CARBON COUNTY  
COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS  
DECEMBER 31, 2008

	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
<u>ASSETS</u>								
Cash and cash equivalents	\$ 11,111		\$ 89,948	\$ 229,237	\$ 56,703	\$ 1,732	\$ 2,038,595	\$ 2,427,326
Receivable - taxes							46,514	46,514
Miscellaneous Receivable							2,619	2,619
Total assets	\$ 11,111	\$ ...	\$ 89,948	\$ 229,237	\$ 56,703	\$ 1,732	\$ 2,087,728	\$ 2,476,459
<u>LIABILITIES</u>								
Accounts payable					\$ 787			\$ 787
Precinct fees, bail and bonds payable					55,916			55,916
Due to taxing units							\$ 2,087,728	2,087,728
Alimony, support and miscellaneous						\$ 1,732		1,732
Due to other agencies	\$ 11,111		\$ 89,948	\$ 229,237				330,296
Total liabilities	\$ 11,111	\$ ...	\$ 89,948	\$ 229,237	\$ 56,703	\$ 1,732	\$ 2,087,728	\$ 2,476,459

**CARBON COUNTY**  
**SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF**  
**DECEMBER 31, 2008**

TAX UNITS	TREASURER'S RELIEF						OTHER COLLECTIONS					
	ADJUSTED TAXABLE VALUE	TAX RATE	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	\$ 2,341,967,526	0.002149	\$ 5,039,835	\$ 159,842	\$ 22,533	\$ 2,483	\$ 184,858	\$ 4,854,977	96.33%	\$ 408,334	\$ 48,475	\$ 132,905
Municipal services	1,781,939,450	0.000165	294,057	9,380	514	(1,248)	8,646	285,411	97.06%	18,700	2,148	4,160
Assessing and collecting	2,341,967,526	0.000403	944,734	29,975	4,226	(773)	33,428	911,306	96.46%	75,739	9,022	16,601
Total County Funds			\$ 6,278,626	\$ 199,197	\$ 27,273	\$ 462	\$ 226,932	\$ 6,051,694		\$ 502,773	\$ 59,645	\$ 153,666
SCHOOL DISTRICT:												
Carbon	2,341,967,526	0.005633	\$ 13,209,713	\$ 418,982	\$ 59,064	\$ 3,787	\$ 481,833	\$ 12,727,880	96.35%	\$ 1,068,584	\$ 126,668	\$ 232,851
CITIES AND TOWNS:												
Price City	337,075,511	0.002085	\$ 712,537	\$ 17,502	\$ 10,024	\$ 21,253	\$ 48,779	\$ 663,758	93.15%	\$ 104,801	\$ 9,134	\$ 18,467
Helper City	63,407,120	0.001871	119,556	5,967	2,746	5,458	14,171	105,385	88.15%	24,943	4,682	5,359
East Carbon City	44,333,182	0.006165	273,865	10,088	3,550	5,080	18,718	255,147	93.17%	31,761	7,159	8,796
Wellington City	53,958,254	0.001896	103,642	6,238	766	2,000	9,004	94,638	91.31%	18,247	1,455	3,413
Sunnyside	55,640,770	0.003169	176,342	2,269	362	(259)	2,372	173,970	98.65%	4,945	1,846	1,496
Scofield Town	5,615,239	0.000678	3,808	206		2	208	3,600	94.54%	27	45	182
Total Cities and Towns			\$ 1,389,750	\$ 42,270	\$ 17,448	\$ 33,534	\$ 93,252	\$ 1,296,498		\$ 184,724	\$ 24,321	\$ 37,713
OTHER DISTRICTS:												
Price River Water Improvement	1,180,591,110	0.000805	\$ 955,447	\$ 20,404	\$ 7,877	\$ 12,968	\$ 41,249	\$ 914,198	95.68%	\$ 154,317	\$ 11,000	\$ 16,512
Carbon Water Conservancy	2,341,967,526	0.000114	267,319	8,479	1,195	22	9,696	257,623	96.37%	21,588	2,567	4,601
Total Other Districts			\$ 1,222,766	\$ 28,883	\$ 9,072	\$ 12,990	\$ 50,945	\$ 1,171,821		\$ 175,905	\$ 13,567	\$ 21,113
GRAND TOTAL			\$ 22,100,855	\$ 689,332	\$ 112,857	\$ 50,773	\$ 852,962	\$ 21,247,893		\$ 1,931,986	\$ 224,201	\$ 445,343

**CARBON COUNTY**  
**SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>GENERAL HEALTH</u>	<u>IMMUNIZATIONS NON VFC</u>	<u>WIC</u>	<u>MCH BLOCK</u>	<u>FLU</u>	<u>CANCER CONTROL</u>
Revenues:						
State Reimbursement	\$ 299,445		\$ 392,989	\$ 87,610		\$ 20,878
General Health	121,140	\$ 88,748	777	5,138	\$ 94,876	461
County	295,067					
School Nurses						
Miscellaneous	19,776					
Occupancy allocation	2,432	207	3,556	682	203	206
Grants and other government resources		2,175		21,274	2,257	
<b>Total Revenues</b>	<b>\$ 737,859</b>	<b>\$ 91,130</b>	<b>\$ 397,322</b>	<b>\$ 114,704</b>	<b>\$ 97,335</b>	<b>\$ 21,545</b>
Expenditures:						
Salaries	\$ 163,529	\$ 14,087	\$ 250,444	\$ 54,991	\$ 12,699	\$ 13,868
Fringe Benefits	98,798	5,801	115,215	25,060	5,434	6,974
Consultants	1,342	145	3,330	374	0	87
Contract - MD	3,952	50	720	203	41	54
Contract - Travel			6,091			
Patient care	2,101			6,730	42,857	540
Pharmacy	1,471			4,316		
Supplies - Medical	25	67,983	1,347	1,368	4,252	1,289
Travel	22,197	248	7,567	2,137	212	334
Dues - Periodicals	2,337	143	2,305	480	6	112
Education - Training	4,805	26	2,101	86	33	2,202
Capital Purchases	37,599	1	303	2	0	1
Utilities	3,056	229	4,038	885	187	227
Maintenance - Repairs	6,641	489	8,289	1,795	324	465
Insurance	2,215	155	2,869	474	134	176
Data Processing	723	1,167	278	662	3,515	13
Postage	2,289	108	1,951	423	86	102
Printing - Binding	1,939	33	257	23	8	5
Supplies - Office	6,079	161	4,011	847	215	165
Laboratory	9,712			1,774		
Telephone	4,504	239	7,751	1,019	212	231
Other	8,950	553	330	58	26	18
Interest	4,592					
Debt payment	23,138					
State match						
Rent	2,524	206	3,660	729	180	205
Advertising	1,831		467	129		174
Mini Grants						
<b>Total Expenditures</b>	<b>\$ 416,351</b>	<b>\$ 91,823</b>	<b>\$ 423,322</b>	<b>\$ 104,565</b>	<b>\$ 70,421</b>	<b>\$ 27,240</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ 321,508</b>	<b>\$ (693)</b>	<b>\$ (26,000)</b>	<b>\$ 10,139</b>	<b>\$ 26,915</b>	<b>\$ (5,695)</b>

SCHEDULE 5  
(Continued)

CARBON COUNTY  
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2008

	TOBACCO PREVENTION	INDOOR CLEAN AIR	TOBACCO VIOLATIONS	TUBERCULOSIS ELIMINATION	EARLY INTER- VENTION	SENIOR HEALTH
Revenues:						
State Reimbursement	\$ 80,469	\$ 2,565		\$ 5,755	\$ 165,521	\$ 797
General Health	325		\$ 4,800		159,355	2,458
County						
School Nurses						
Miscellaneous						
Occupancy allocation	617	43		109	2,453	25
Grants and other government resources						
Total Revenues	\$ 81,411	\$ 2,608	\$ 4,800	\$ 5,864	\$ 327,329	\$ 3,280
Expenditures:						
Salaries	\$ 45,106	\$ 2,773		\$ 7,636	\$ 168,783	\$ 1,481
Fringe Benefits	26,995	1,082		3,609	89,549	765
Consultants	347	17		54	1,239	1
Contract - MD	1,070	10		29	29,974	118
Contract - Travel					7,356	
Patient Care						
Pharmacy				125		
Supplies - Medical					69	
Travel	2,964	79		129	12,092	21
Dues - Periodicals	323	17		63	1,408	6
Education - Training	1,688	4	150	13	5,028	617
Capital Purchases	2	0		0	4,688	1,724
Utilities	652	45		124	2,329	25
Maintenance - Repairs	1,596	92		253	5,135	86
Insurance	450	35		89	2,166	35
Data Processing	50	3		365	487	1
Postage	334	22		56	1,217	11
Printing - Binding	13	1		3	533	35
Supplies - Office	635	34	134	92	3,661	19
Laboratory						
Telephone	825	47		128	3,305	22
Other	116	3		9	305	2
Interest						
Debt payment						
State match						
Rent	597	41		112	2,485	23
Advertising	8,024	5		14	296	3
Mini Grants	550					
Total Expenditures	\$ 92,338	\$ 4,309	\$ 284	\$ 12,902	\$ 342,105	\$ 4,994
Net Revenues/(Expenditures)	\$ (10,927)	\$ (1,701)	\$ 4,516	\$ (7,038)	\$ (14,776)	\$ (1,713)

**CARBON COUNTY**  
**SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	IMMUNIZATIONS	BIOTERRORISM	PREVENTION BLOCK	HIV	ENVIRON- MENTAL HEALTH CHS	EPSDT/ CHEC
Revenues:						
State Reimbursement	\$ 44,170	\$ 233,586	\$ 68,490	\$ 1,000	\$ 12,500	\$ 37,119
General Health County	25,335	23	47		69,820	
School Nurses						
Miscellaneous						
Occupancy allocation	1,315	894	611	16	2,181	291
Grants and other government resources	48,077					
<b>Total Revenues</b>	<b>\$ 118,896</b>	<b>\$ 234,503</b>	<b>\$ 69,149</b>	<b>\$ 1,016</b>	<b>\$ 84,501</b>	<b>\$ 37,410</b>
Expenditures:						
Salaries	\$ 92,139	\$ 64,178	\$ 41,098	\$ 1,099	\$ 151,405	\$ 20,573
Fringe Benefits	48,436	28,363	20,336	528	60,153	9,351
Consultants	712	570	424	6	1,079	185
Contract - MD	342	756		4	550	78
Contract - Travel						
Patient Care						
Pharmacy	63					
Supplies - Medical	2,517	195		109		1,975
Travel	4,146	24,033	6,462	17	9,587	378
Dues - Periodicals	916	401	500	10	1,357	175
Education - Training	291	25,010	1,339	2	330	34
Capital Purchases	121	60,687	2	0	7	1,248
Utilities	1,486	1,025	654	17	2,449	326
Maintenance - Repairs	2,887	2,088	1,342	36	5,086	685
Insurance	1,081	1,206	464	3	1,928	170
Data Processing	4,205	4,154	46	1	167	668
Postage	685	16,077	319	8	1,127	150
Printing - Binding	241	2,286	16	0	60	8
Supplies - Office	1,225	5,905	588	13	2,621	326
Laboratory						
Telephone	1,551	5,148	673	20	2,514	356
Other	167	681	46	1	168	23
Interest						
Debt payment						
State match						
Rent	1,374	992	600	15	2,241	295
Advertising	252	104	94	2	316	43
Mini Grants			4,595			
<b>Total Expenditures</b>	<b>\$ 164,837</b>	<b>\$ 243,859</b>	<b>\$ 79,598</b>	<b>\$ 1,891</b>	<b>\$ 243,144</b>	<b>\$ 37,047</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ (45,941)</b>	<b>\$ (9,356)</b>	<b>\$ (10,449)</b>	<b>\$ (875)</b>	<b>\$ (158,643)</b>	<b>\$ 362</b>

**CARBON COUNTY**  
**SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<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	\$ 11,550		\$ 60,467		
General Health	150	\$ 14,535			\$ 47,078
County					
School Nurses				\$ 77,554	
Miscellaneous			2,268		
Occupancy allocation	99	734	345	803	378
Grants and other government resources		60,819			
Total Revenues	<u>\$ 11,799</u>	<u>\$ 76,088</u>	<u>\$ 63,080</u>	<u>\$ 78,357</u>	<u>\$ 47,456</u>
Expenditures:					
Salaries	\$ 6,389	\$ 50,873	\$ 18,013	\$ 55,181	\$ 24,582
Fringe Benefits	3,501	15,877	7,318	23,481	10,425
Consultants	58	361	2	301	172
Contract - MD	20	224		204	94
Contract - Travel					
Patient Care					
Pharmacy					
Supplies - Medical	2,979				
Travel	840	25,230	11,751	4,088	1,089
Dues - Periodicals	19	391	27	778	198
Education - Training	11	103	14,503	965	37
Capital Purchases	0	2	2,895	3	2
Utilities	167	819	287	893	404
Maintenance - Repairs	208	1,603	664	1,888	868
Insurance	192	627	5	613	287
Data Processing	7	54	24	65	234
Postage	50	378	139	392	179
Printing - Binding	2	20	3	24	9
Supplies - Office	75	1,054	878	827	287
Laboratory					
Telephone	113	2,217	318	1,666	413
Other	5	553	20	64	32
Interest					
Debt payment					
State match		6,131			10,432
Rent	85	697	242	923	393
Advertising	14	419	49	107	39
Mini Grants					
Total Expenditures	<u>\$ 14,736</u>	<u>\$ 107,633</u>	<u>\$ 57,140</u>	<u>\$ 92,465</u>	<u>\$ 50,177</u>
Net Revenues/(Expenditures)	<u>\$ (2,937)</u>	<u>\$ (31,545)</u>	<u>\$ 5,940</u>	<u>\$ (14,108)</u>	<u>\$ (2,721)</u>

CARBON COUNTY  
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2008

	EPIDEMIOLOGIST	MEDICAL RESPONSE CORP	CASE MANAGEMENT	ENVIRONMENTAL HEALTH DEQ	COMMUNITY BASED SERVICES	TOTAL
Revenues:						
State Reimbursement	\$ 1,265	\$ 10,000	\$ 58,025	\$ 112,726	\$ 96,116	\$ 1,803,043
General Health		506		37,348		672,920
County						295,067
School Nurses						77,554
Miscellaneous						22,044
Occupancy allocation		3	555	1,655	1,098	21,511
Grants and other government resources						134,602
Total Revenues	\$ 1,265	\$ 10,509	\$ 58,580	\$ 151,730	\$ 97,214	\$ 3,026,741
Expenditures:						
Salaries		\$ 47	\$ 37,226	\$ 119,482	\$ 84,729	\$ 1,502,410
Fringe Benefits		81	12,417	56,105	33,062	708,716
Consultants		4	360	886	468	12,524
Contract - MD		6,047	132	429	313	45,414
Contract - Travel						13,447
Patient Care						52,229
Pharmacy						5,975
Supplies - Medical						84,109
Travel		2,114	1,027	8,349	1,316	148,407
Dues - Periodicals		11	307	918	592	13,802
Education - Training		1	67	195	127	59,766
Capital Purchases		2,235	1,249	4	550	113,326
Utilities		5	596	1,859	1,364	24,146
Maintenance - Repairs		13	1,382	3,732	2,729	50,375
Insurance		0	468	1,346	846	18,033
Data Processing			84	124	95	17,190
Postage		208	282	862	659	28,114
Printing - Binding		425	14	44	83	6,086
Supplies - Office		373	428	1,409	1,242	33,304
Laboratory				1,725		13,211
Telephone		29	626	2,567	1,440	37,932
Other		58	161	129	726	13,204
Interest						4,592
Debt payment						23,138
State match						16,564
Rent		4	551	1,580	1,222	21,976
Advertising		0.37	69.44	210	176	12,838
Mini Grants						5,145
Total Expenditures	\$ ...	\$ 11,656	\$ 57,445	\$ 201,954	\$ 131,740	\$ 3,085,975
Net Revenues/(Expenditures)	\$ 1,265	\$ (1,147)	\$ 1,135	\$ (50,224)	\$ (34,526)	\$ (59,234)

# 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, 2008, and have issued our report thereon dated July 18, 2009. 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, 2008. 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)
- CRP Grant (Department of Health)
- Early Intervention (Department of Health and Human Services)
- Children Justice Services (Department of Child and Family Services)

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.)

- 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)
- CHEC (Department of Health and Human Services)
- HMEP (Department of Health and Human Services)
- Tobacco Prevention (Department of Health and Human Services)
- Predator Control (Department of Natural Resources)
- LHD Environmental Services (Department of Health and Human Services)
- Consumer Education and Assistance (Department of Health and Human Services)
- 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)  
EOC Comp Grant (Department of Community and Economic Development)

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	Liquor Law Enforcement
Transient Room Tax	Cash Management
Statement of Taxes Charged, Collected and Disbursed	Purchasing Requirements
Assessing & Collecting of Property Taxes	Budgetary Compliance
B & C Road Funds	Justice Courts
Uniform Building Code	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.

Our audit does not provide a legal determination on the County's compliance with these requirements.

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, 2008.

The County's written response to the findings identified in our audit is described in the accompanying management letter. We did not audit the County's response and, accordingly, we express no opinion on it.

We have audited the basic financial statements of Carbon County for the year ended December 31, 2008. Our audit was performed for the purpose of forming opinions on the financial statements of Carbon County. The accompanying schedule of transient room tax is presented for purposes of additional analysis as required by the State of Utah and is not a required part of the basic financial statements of Carbon County. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required information and test of expenditures. However, we did not audit the information and express no opinion on it.

SMUIN, RICH & MARSING

*Smuin, Rich & Marsing*

Price, Utah

July 18, 2009

**CARBON COUNTY**  
**SCHEDULE OF TRANSIENT ROOM TAX EXPENDITURE BREAKDOWN**  
**AUDIT DECEMBER 31, 2008**

## SUMMARY OF EXPENDITURES

## ESTABLISHING AND PROMOTING:

Tourism	<u>\$ 397,669</u>
Total Transient Room Tax Expenditures	<u><u>\$ 397,669</u></u>

# 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 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, 2008, which collectively comprise Carbon County's basis financial statements and have issued our report thereon dated July 18, 2009. 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. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting as items 2008-2, 2008-3 and 2008-4.

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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

### 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 2008-1 and 2008-2.

We noted certain matters that we reported to management of the County in a separate letter dated August 15, 2009.

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



Price, Utah

July 18, 2009

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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, 2008.

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, 2008.

### 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, 2009

**CARBON COUNTY/SEUDHD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**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
FAA – Airport Improvements	20.106

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 2008-1 EXPENDITURES IN EXCESS OF BUDGET**

**Statement of Condition:**

During the year ended December 31, 2008, the County over spent its adopted budget in the General Fund in the Mental Health department, Airport department, Water Development department, and Law Library department. Municipal Services Fund – in the Highways and Public Improvements department.



**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 were not anticipated and did not recognize the additional expenditures would be in excess of the adopted budget. 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 2008-2 DEFICIT FUND BALANCES**

**Statement of Condition:**

As of the year ended December 31, 2008, the County had a deficit fund balance in the Capital Projects fund (a nonmajor 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 the fund that were anticipated to be covered with additional revenue from other funding sources. In addition to funding the current year expenditures, the County had planned on bringing the deficit fund balance to a positive balance in each of the previous years deficit funds. The County only accomplished this in the Castle county Travel Fund.

**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 try again to correct the fund balance deficits in the current year.

**FINDING 2008-3 APPLICATION AND PRESENTATION OF GAAP FINANCIAL STATEMENTS**

**Statement of Condition:**

Financial statements were not prepared in accordance with General Accepted Accounting Principles.

**Criteria:**

The County is required to prepare annual financial statements according to Generally Accepted Accounting Principles.

**Cause of Condition:**

County personnel were not aware of the impact of not recording certain transactions. Also, the County's internal control did not identify any changes that needed to occur in the financial statements to have them prepared according to Generally Accepted Accounting Principles.

**Effect or Possible Effect of Condition:**

The County has not been able to provide financial statements prepared according to Generally Accepted Accounting Principles and without proper recording of transactions affecting the County, the accounting records could be materially misstated.

**Recommendation:**

We recommend the County record all transactions that are under the legal responsibility of the County. This includes reconciling account classes with supporting documentation or subsidiary ledgers. We recommend that County personnel receive appropriate training to aide them in preparing proper financial statements in accordance with generally accepted accounting principles.

**County's Response:**

We will review all financial transactions that affect the County and ensure that all transactions are recorded properly. This will bring our financial statements into compliance with Generally Accepted Accounting Principles (GAAP). We will continue to obtain training in association with understanding the criteria for GAAP financial statements. We may continue to use our auditors for help and education as long as it does not impede their ability to maintain their independence.

**FINDING 2008-4 PROPER REVENUE RECOGNITION AND RECORDING**

**Statement of Condition:**

The County is not always recording reimbursement for payments that have been originally made by the County as additional revenue. Most of the additional revenue comes from other Government organizations in the form of grants or contributions.

**Criteria:**

The County is required to record all transactions in the financial statements accurately and adhere to Generally Accepted Accounting Principles (GAAP). This requires the revenue to be recorded as an increase in revenue and not as a reduction expenses.

**Cause of Condition:**

The County has had a different understanding on how to record some of the transactions that have been initiated at the County. It appears that additional training and a better understanding of the requirements needs to be implemented with County personnel.

**Effect or Possible Effect of Condition:**

Without proper revenue recognition the County's financial information is either incomplete or inaccurate. Also, without the proper recording of revenue, expense accounts do not reflect accurate amounts and as auditor adjustments are proposed, the properly reflected expenditure could cause a department or fund to be over budget. Also, the County Commissioner's would be unaware of the need to address a budget change, since the financial information presented for their review would not reflect proper balances.

**Recommendation:**

We recommend the County review their process of properly recording revenue and identify errors in the processing of these transactions. We also recommend the County have a responsible individual review the revenue transactions on a regular basis and propose adjustments (if needed) to the Clerk/Auditor.

**County's Response:**

We will make changes in the recording of revenue to proper accounts and assign a responsible individual to review the transactions. We may continue to use our auditors for training and education in this area, as long as it does not impede their ability to maintain their independence.

**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, 2008**

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, 2008	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2008
<b>U.S. DEPARTMENT OF AGRICULTURE</b>							
Direct Program:							
Council on Defense - HIMEP	10.670		\$ 2,500		\$ 2,500	\$ 2,500	
Pass Through State Department:							
WIC Administration and Nutrition (Note 2)	10.557	* C7-I	406,881		292,352	292,352	
WIC Administration and Nutrition (Note 2)	10.557	* C7-I	461,007		100,637	100,637	
WIC Food Vouchers (Note 2)	10.557	* C7-I	778,500		662,677	662,677	
WIC Food Vouchers (Note 2)	10.557	* C7-I	778,500		221,811	221,811	
Summer Food	10.559	C6-II	200		100	100	
Pass Through Southeastern Utah Association of Governments:							
USDA Cash in Lieu	10.550	N/A	75,000		37,186	37,186	
Total U.S. Department of Agriculture			\$ 2,502,588	\$	1,317,263	\$ 1,317,263	\$
<b>U.S. DEPARTMENT OF INTERIOR</b>							
Direct Program:							
Noxious Weed Act	15.224				\$ 7,006	\$ 7,006	
Total U.S. Department of Housing and Urban Development			\$	\$	\$ 7,006	\$ 7,006	\$
<b>U.S. DEPARTMENT OF JUSTICE</b>							
Direct Program:							
Victims of Crime	16.575	98-VOCA-07			\$ 30,970	\$ 30,970	
National Children's Alliance	16.543				9,677	9,677	
Total U.S. Department of Justice			\$	\$	\$ 40,647	\$ 40,647	\$
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>							
Direct Program:							
Federal Aviation Administration - Airport Improvements	20.106	* 3-49-0026-13	\$ 2,216,780		\$ 1,023,444	\$ 1,023,444	
Pass through State Department:							
Highway Safety Project	20.600		14,000		9,715	9,715	
Highway Safety Project	20.600		17,000		5,488	5,488	
Scenic Byway Grant	20.205						
Total U.S. Department of Transportation			\$ 2,247,780	\$	\$ 1,038,647	\$ 1,038,647	\$

\* Major Programs

SCHEDULE 7  
(Continued)

CARBON COUNTY/SEUDHD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

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, 2008	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2008
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	22,835		22,085	22,085	
Immunizations	93.268	C4-II	22,835		22,085		
Cancer Promotion	93.283	C3-I	22,475		10,054	10,054	
Cancer Promotion	93.283	C3-I	24,975		8,110	8,110	
Bioterrorism	93.283	08-0940	264,991		219,087	219,087	
Bioterrorism	93.283	09-1240	258,955		86,231	86,231	
Comprehensive Tobacco	93.283	C3-V	33,990		13,262	13,262	
Comprehensive Tobacco	93.283	C3-V	33,990		19,787	19,787	
Bioterrorism MRC Development	93.889	07-1595	10,000		10,000	10,000	
CHEC	93.778	C1-I	23,612		14,123	14,123	
CHEC	93.778	C1-I	23,612		10,933	10,933	
Cons. Education & Assistance	93.778	C1-II	42,612		20,274	20,274	
Cons. Education & Assistance	93.778	C1-II	43,917		21,218	21,218	
HIV Counseling/Education	93.940	C5-III	1,000		1,000	1,000	
HDSP - CDC Cooperative	93.945	C3-II	50,000		560	560	
Sexually Transmitted Disease	93.977	C5-II	496		496	496	
Title XIX, Early Childhood	93.778	C1-III	34,650		9,183	9,183	
Title XIX, Early Childhood	93.778	C1-III	44,892		16,710	16,710	
Cancer Promotion	93.919	C3-I	3,000		2,088	2,088	
HDSP - Preventative Block Grant	93.991	C3-II	23,333		10,560	10,560	
HDSP - Preventative Block Grant	93.991	C3-II	23,333		13,487	13,487	
PBG Injury Prevention	93.991	C3-III	11,056		7,738	7,738	
PBG Injury Prevention	93.991	C3-III	11,196		3,671	3,671	
MCH Injury Prevention	93.994	C3-III	31,468		22,024	22,024	
MCH Injury Prevention	93.994	C3-III	31,328		10,449	10,449	
P-5 Home Visitation	93.994	C4-I	16,000		12,095	12,095	
P-5 Home Visitation	93.994	C4-I	16,000		4,515	4,515	
Community Based Services	93.994	C2-I	100,000		62,525	62,525	
Community Based Services	93.994	C2-I	100,000		33,591	33,591	
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

**SCHEDULE 7**  
(Continued)

**CARBON COUNTY/SEUDHD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

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, 2008	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2008
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Pass Through Southeastern Utah Association of Governments:							
Special Program of Aging -							
Support Services	93.044		\$ 52,341		\$ 27,545	\$ 27,545	
Support Services	93.044		53,953		29,524	29,524	
Title III, Nutrition	93.045		76,728		38,642	38,642	
Title III, Nutrition	93.045		82,271		41,135	41,135	
Senior Health	93.043		5,467		3,255	3,255	
Social Services Block Grant - XX	93.667		5,100		2,550	2,550	
Social Services Block Grant - XX	93.667		5,000		2,900	2,900	
Social Services Block Grant - XX	93.667		8,195		4,098	4,098	
Social Services Block Grant - XX	93.667		8,195		4,098	4,098	
Social Services Block Grant - XX	93.667		1,900		1,900	1,900	
Total U.S. Department of Health and Human Services			\$ 1,806,559	\$	936,836	\$ 936,836	\$
<b>CORPORATION FOR NATIONAL SERVICE</b>							
Direct Program:							
Retired Senior Volunteer Program	94.002	440-F062/20	\$ 49,133		\$ 49,133	\$ 49,133	\$
<b>U.S. DEPARTMENT OF EDUCATION</b>							
Pass through State Department:							
Early Intervention	84.181	C2-II	\$ 50,367		\$ 20,652	\$ 20,652	
Early Intervention	84.181	C2-II	57,190		36,203	36,203	
Total U.S. Department of Education			\$ 107,557	\$	56,855	\$ 56,855	\$

\* Major Programs

SCHEDULE 7  
(Continued)

CARBON COUNTY/SEUDHD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCURED (DEFERRED) REVENUE AT JANUARY 1, 2008	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCURED (DEFERRED) REVENUE AT DECEMBER 31, 2008
FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE						
FEDERAL EMERGENCY MANAGEMENT AGENCY Pass through State Department: FEMA	83.505	\$ ...	\$ ...	\$ 25,014	\$ 25,014	\$ ...
U. S. DEPARTMENT OF HOMELAND SECURITY Direct Program: Hazardous Material Restitution Home Land Security	97.021 97.067			\$ 2,500 6,600	\$ 2,500 6,600	
Total U.S. Department of Homeland Security		\$ ...	\$ ...	\$ 9,100	\$ 9,100	\$ ...
TOTAL FEDERAL ASSISTANCE		\$ 6,713,617	\$ ...	\$ 3,480,501	\$ 3,480,501	\$ ...

\* Major Programs



**CARBON COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AS OF DECEMBER 31, 2008**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**2. FOOD INSTRUMENTS**

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

**3. MEDICAID CASE MANAGEMENT**

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

**CARBON COUNTY/SEUDHD**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

**Finding 2007-1 Expenditures in excess of budget**

See current year audit findings. Not corrected

**Finding 2007-2 Deficit fund balances**

See current year audit finding. Not corrected

**Finding 2007-3 Accounts receivable – internal controls**

Action has been taken and correction has been made.

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DOUGLAS RASMUSSEN, C.P.A.

## 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, 2008.

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

#### CASH RECEIPT BOOK

While reviewing the cash receipts, we found voided receipts that did not have the original document attached to the copy. While we understand that mistakes are made in the receipting process, internal controls should require the original copy of the receipt to be attached to the voided receipt for supporting documentation.

We recommend the Health Department follow prescribed practices when voiding a receipt. If the original receipt is not available, then someone other than the person who has voided the receipt should write down, verify the reason(s) for the voided receipt and sign the documentation.

### *Clients' Response*

*The Health Department will continue to make every effort to obtain the original copy of the receipt and attach this to the copy. If the original is not available, we will follow the advice of the auditor and get adequate documentation to support the voided transaction.*

### **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 "SMUIN, RICH & MARSING".

Price, Utah

August 15, 2009