

CARBON COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

		<u>PAGE</u>
<u>OPINION</u>	Independent Auditors' Report	1-2
<u>MD&A</u>	Management's Discussion and Analysis	3-11
<u>BASIC FINANCIAL STATEMENTS</u>		
Government-wide Financial Statements:		
EXHIBIT 1	Statement of Net Assets	12-13
EXHIBIT 2	Statement of Activities	14
Governmental Fund Financial Statements:		
EXHIBIT 3	Balance Sheet - Governmental Funds	15
EXHIBIT 4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	16
EXHIBIT 5	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
EXHIBIT 6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Proprietary Fund Financial Statements:		
EXHIBIT 7	Statement of Net Assets - Proprietary Funds	19
EXHIBIT 8	Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	20
EXHIBIT 9	Statement of Cash Flows - Proprietary Funds	21-22
Fiduciary Fund Financial Statements:		
EXHIBIT 10	Statement of Fiduciary Net Assets - Fiduciary Funds	23
Component Unit Fund Financial Statements:		
EXHIBIT 11	Statement of Net Assets - Component Units	24
EXHIBIT 12	Statement of Activities - Component Units	25
	Notes to the Financial Statements	26-59

**CARBON COUNTY
FINANCIAL STATEMENTS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>PAGE</u>
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
EXHIBIT 13 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	60-64
EXHIBIT 14 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Southeastern Utah District Health Department	65
EXHIBIT 15 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Municipal Services Fund	66
<u>SUPPLEMENTARY INFORMATION</u>	
Combining Fund Statements and Schedules:	
SCHEDULE 1 Combining Balance Sheet - Nonmajor Governmental Funds	67
SCHEDULE 2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	68
SCHEDULE 3 Combining Statement of Net Assets - Fiduciary Funds	69
SCHEDULE 4 Schedule of Current Taxes Levied, Collected and Treasurer's Relief	70
SCHEDULE 5 Schedule of Contract Revenues/Expenditures - Southeastern Utah District Health Department	71-75
<u>SUPPLEMENTAL STATE COMPLIANCE</u>	
Auditors' Report on State Compliance for State Grants	76-78
SCHEDULE 6 Schedule of Transient Room Tax Expenditures	79
<u>AUDITORS' REPORTS AND SUPPLEMENTARY SCHEDULES ACCORDING TO SINGLE AUDIT ACT AND GOVERNMENT AUDIT STANDARDS</u>	
Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	80-81

**CARBON COUNTY
FINANCIAL STATEMENTS
TABLE OF CONTENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>PAGE</u>
<u>AUDITORS' REPORTS AND SUPPLEMENTARY SCHEDULES ACCORDING TO SINGLE AUDIT ACT AND GOVERNMENT AUDIT STANDARDS (Continued)</u>	
Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	82-83
Schedule of Findings and Questioned Costs	84-88
SCHEDULE 7 Schedule of Expenditures of Federal Awards	89-92
Notes to Schedule of Expenditures of Federal Awards	93
Summary Schedule of Prior Audit Findings	94

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

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

MEMBERS

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

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Carbon County
Price, Utah 84501

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County, as of December 31, 2009, 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof 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 9, 2010 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

A handwritten signature in black ink, appearing to read "Smuin, Rich & Marsing", written in a cursive style.

Price, Utah

July 9, 2010

**CARBON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2009**

This discussion of Carbon County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2009. 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, 2009 by \$109,644,289 (net assets). Of this amount, \$15,245,703 (unrestricted net assets) may be used to meet the governments' ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$4,258,025. Net assets increased by \$9,709,278 in the prior year. A decrease of \$5,451,253, attributable to expenses for many projects.
- At the close of the current year, the Carbon County governmental funds reported combined ending fund balances of \$16,886,365, an increase of \$1,913,299 in comparison with the prior year. Approximately 95 percent of this total amount, \$16,011,675 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 \$12,478,379, or approximately 95 percent of total general funds' fund balance.
- Carbon County's total debt decreased during the current year, because of debt payments and no new debt obligations.

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 \$109,644,289 at December 31, 2009.

By far the largest portion of Carbon County's net assets (85.3 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 2008	Governmental Activities 2009	Business-Type Activities 2008	Business-Type Activities 2009	Total Primary Government 2008	Total Primary Government 2009
Current and other assets	\$ 16,333,407	\$ 19,154,005	\$ 593,406	\$ 698,073	\$ 16,926,813	\$ 19,852,078
Capital assets	69,789,823	68,076,969	38,505,128	40,853,390	108,294,951	108,930,359
Total assets	<u>\$ 86,123,230</u>	<u>\$ 87,230,974</u>	<u>\$ 39,098,534</u>	<u>\$ 41,551,463</u>	<u>\$ 125,221,764</u>	<u>\$ 128,782,437</u>
Long-term debt outstanding	\$ 739,028	\$ 775,464	\$ 15,167,527	\$ 15,524,081	\$ 15,906,555	\$ 16,299,545
Other liabilities	1,384,413	2,292,645	2,135,717	545,958	3,520,130	2,838,603
Total liabilities	<u>\$ 2,123,441</u>	<u>\$ 3,068,109</u>	<u>\$ 17,303,244</u>	<u>\$ 16,070,039</u>	<u>\$ 19,426,685</u>	<u>\$ 19,138,148</u>
Net assets:						
Investment in capital assets, net of debt	\$ 69,026,723	\$ 67,992,966	\$ 22,433,223	\$ 25,530,930	\$ 91,459,946	\$ 93,523,896
Restricted	2,154,668	874,690			2,154,668	874,690
Unrestricted (Deficit)	12,818,398	15,295,209	(637,933)	(49,506)	12,180,465	15,245,703
Total net assets	<u>\$ 83,999,789</u>	<u>\$ 84,162,865</u>	<u>\$ 21,795,290</u>	<u>\$ 25,481,424</u>	<u>\$ 105,795,079</u>	<u>\$ 109,644,289</u>

A portion of Carbon County's net assets (0.80 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$15,245,703 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 \$571,871. Key elements of this increase are as follows:

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2009	2008	2009	2008	2009
Revenues						
Program Revenues:						
Charges for services	\$ 7,583,503	\$ 7,349,084	\$ 903,089	\$ 755,207	\$ 8,486,592	\$ 8,104,291
Operating grants and cont.	4,057,146	4,772,446			4,057,146	4,772,446
Capital grants and cont.	2,080,222	603,749	4,842,074	4,103,079	6,922,296	4,706,828
General Revenues:						
Property taxes	6,708,635	6,703,848			6,708,635	6,703,848
Sales taxes	2,210,640	1,945,025			2,210,640	1,945,025
Other general revenues	7,635,824	5,453,852	107,280	28,678	7,743,104	5,482,530
Total revenues	\$ 30,275,970	\$ 26,828,004	\$ 5,852,443	\$ 4,886,964	\$ 36,128,413	\$ 31,714,968
Program expenses						
General government	\$ 5,278,929	\$ 4,982,630			\$ 5,278,929	\$ 4,982,630
Public safety	6,900,043	7,363,781			6,900,043	7,363,781
Public health	4,278,032	4,468,069			4,278,032	4,468,069
Highways and public improve.	6,878,982	5,696,656			6,878,982	5,696,656
Parks and recreation	1,295,724	1,505,485			1,295,724	1,505,485
Conservation & Econ. Dev.	584,557	943,647			584,557	943,647
Contributions and Misc.	105,491	186,439			105,491	186,439
Capital outlay		1,109,426				1,109,426
MBA			\$ 987,298	\$ 1,088,455	987,298	1,088,455
County Court Complex			110,079	112,355	110,079	112,355
Total expenses	\$ 25,321,758	\$ 26,256,133	\$ 1,097,377	\$ 1,200,810	\$ 26,419,135	\$ 27,456,943
Excess (deficiency) before transfers	\$ 4,954,212	\$ 571,871	\$ 4,755,066	\$ 3,686,154	\$ 9,709,278	\$ 4,258,025
Change in net assets	\$ 4,954,212	\$ 571,871	\$ 4,755,066	\$ 3,686,154	\$ 9,709,278	\$ 4,258,025
Net assets - beginning	\$ 79,694,949	\$ 83,999,788	\$ 16,390,851	\$ 21,795,290	\$ 96,085,800	\$ 105,795,078
Prior period adjustment	(649,373)	(408,794)	649,373			(408,794)
Net assets - ending	83,999,788	84,162,865	21,145,917	25,481,444	105,795,078	109,644,309
Change in net assets	\$ 4,954,212	\$ 571,871	\$ 4,755,066	\$ 3,686,154	\$ 9,709,278	\$ 4,258,025

Government-wide financial analysis (Continued)

For 2009 Carbon County experienced negative growth totaling \$74,270,915 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 \$1,296,683,410 in 2008 to \$1,222,209,278 in 2009. This represents a \$74,474,132 drop in property values by the largest value property holders in Carbon County. Certified tax rates had to be increased to offset this decrease in centrally assessed values, which would yield General Fund property tax revenues constant for the County in 2010 as compared to 2009.

Business-type activities increased Carbon County's net assets by \$3,686,154. 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 \$16,886,365, which is an increase of \$1,913,299 in comparison with the prior year. Approximately, 94.8 percent or \$16,011,675 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 \$12,478,379.

- **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 \$(49,506) 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	\$ 5,866,826	\$ 5,972,786	\$ 105,960
Public Safety	3,261,579	3,267,579	6,000
Public Health	232,300	232,300	
Highway and Public Improvements	1,431,197	1,431,197	
Parks, recreation and public property	577,707	329,062	(248,645)
Conservation and Economic Development	325,655	525,655	200,000
Contributions and miscellaneous	319,079	261,684	(57,395)
Net			<u>\$ 5,920</u>

Capital Asset and Debt Administration

Capital Assets

Carbon County's investment in capital assets for its governmental activities as of December 31, 2009, amounts to \$68,076,969 (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 decrease in Carbon County's governmental activities capital assets for the current year was \$(1,712,854).

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2008	2009	2008	2009	2008	2009
Right of ways	\$ 1,361,829	\$ 1,361,829			\$ 1,361,829	\$ 1,361,829
Land	1,290,228	1,305,228	\$ 367,492	\$ 367,492	1,657,720	1,672,720
Buildings	1,726,789	1,655,047	28,220,144	29,518,786	29,946,933	31,173,833
Improvements other than buildings	9,531,835	9,963,651			9,531,835	9,963,651
Machinery and equipment	6,905,920	6,588,821	745,170	684,419	7,651,090	7,273,240
Infrastructure	48,827,222	47,056,393	9,172,323	10,282,693	57,999,545	57,339,086
Water stock	146,000	146,000			146,000	146,000
	<u>\$ 69,789,823</u>	<u>\$ 68,076,969</u>	<u>\$ 38,505,129</u>	<u>\$ 40,853,390</u>	<u>\$ 108,294,952</u>	<u>\$ 108,930,359</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 \$16,324,550, 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	
	2008	2009	2008	2009	2008	2009
Revenue Bonds			\$ 16,071,905	\$ 15,524,081	\$ 16,071,905	\$ 15,524,081
Capital Leases	\$ 108,075	\$ 84,003			108,075	84,003
Compensated Absences	655,025	716,466			655,025	716,466
	<u>\$ 763,100</u>	<u>\$ 800,469</u>	<u>\$ 16,071,905</u>	<u>\$ 15,524,081</u>	<u>\$ 16,835,005</u>	<u>\$ 16,324,550</u>

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for Carbon County in 2009 was 7.1%, an increase of 2.8% from 2008. This is higher than the state's average unemployment rate of 6.6%, but lower than the national average of 10.0%. Employment in Carbon County has declined from 9,917 jobs in January 2009 to 9,715 jobs in May 2010. 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 increased slightly for 2009 closing in at 19,989.

The value of new construction increased from \$16,550,971 in 2008 to \$18,683,698 in 2009. This represents a 12.88% increase from the previous year. This increase is largely due to an increase in residential and commercial construction.

The value of centrally assessed property in Carbon County decreased nearly \$74.5 million in 2009. This was almost totally responsible for the negative New Growth of \$74,270,915.

Coal mining and oil and gas production remained relatively constant for 2009 and helped hold the negative growth figure to the \$74.5 million. All of these factors were considered in preparing Carbon County's budget for the 2010 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, 2009

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<u>ASSETS</u>				
Cash and cash equivalents	\$ 14,175,827	\$ 614,069	\$ 14,789,896	\$ 7,461,979
Restricted - Cash and cash equivalents	3,693,031		3,693,031	12,058,322
Taxes receivable	195,605		195,605	
Miscellaneous receivables	1,081,168	84,004	1,165,172	
Due from other governments				1,335,024
Inventory of supplies	8,374		8,374	
Capital assets (net of accumulated depreciation):				
Land	1,305,228	367,492	1,672,720	1,431,614
Rights-of-way	1,361,829		1,361,829	
Water stock	146,000		146,000	110,000
Buildings	1,655,047	29,518,786	31,173,833	92,173
Improvements other than buildings	9,963,651		9,963,651	1,262,395
Fixtures and equipment	6,588,821	684,419	7,273,240	358,068
Work in progress				2,742,557
Infrastructure	47,056,393	10,282,693	57,339,086	
Total assets	\$ 87,230,974	\$ 41,551,463	\$ 128,782,437	\$ 26,852,132
<u>LIABILITIES</u>				
Accounts payable	\$ 1,016,059	\$ 399,984	\$ 1,416,043	\$ 1,101,730
Accrued payroll	240,227		240,227	
Accrued liabilities	326,210		326,210	1,167
Deferred revenue		86,825	86,825	
Cash deficit	685,144	21,705	706,849	
Bond interest payable		37,444	37,444	45,724
Capital leases payable - Due within one year	25,005		25,005	
Revenue bonds payable - Due within one year		500,000	500,000	606,914
Capital leases payable - Due in more than one year	58,998		58,998	
Revenue bonds payable - Due in more than one year		15,024,081	15,024,081	6,175,711
Compensated absences	716,466		716,466	
Total liabilities	\$ 3,068,109	\$ 16,070,039	\$ 19,138,148	\$ 7,931,246

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

CARBON COUNTY
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	\$ 67,992,966	\$ 25,530,930	\$ 93,523,896	\$ 5,959,182
Restricted for:				
Class "B" roads	3,217		3,217	
Economic development	626,889		626,889	
Municipal services	287,314		287,314	
Health care	622,167		622,167	
Landfill	27,262		27,262	
Capital projects	(692,159)		(692,159)	7,302,057
Debt service				2,342,056
Unrestricted	15,295,209	(49,506)	15,245,703	3,317,591
Total net assets	<u>\$ 84,162,865</u>	<u>\$ 25,481,424</u>	<u>\$ 109,644,289</u>	<u>\$ 18,920,886</u>

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

CARBON COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

Function/Programs	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		COMPONENTS UNITS
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Primary government:							
Governmental activities:							
General government	\$ 4,982,630	\$ 247,927	\$ 7,377		\$ (4,727,426)	\$ (4,727,426)	\$ (3,090,152)
Public safety	7,363,781	2,110,080	954,100		(4,299,601)	(4,299,601)	(4,299,601)
Highways and public improvements	5,696,656	3,743,079	946,319	\$ 603,749	(403,509)	(403,509)	(403,509)
Public health	4,468,069	958,258	2,786,021		(723,790)	(723,790)	(723,790)
Parks and recreation	1,505,485	289,740			(1,215,745)	(1,215,745)	(765,321)
Conservation and economic development	943,647		78,729		(864,918)	(864,918)	(864,918)
Contributions and miscellaneous	186,439				(186,439)	(186,439)	(186,439)
Intergovernmental							
Interest on long-term liabilities							(5,053,759)
Capital outlay	1,109,426				(1,109,426)	(1,109,426)	(105,412)
Total governmental activities	\$26,256,133	\$7,349,084	\$ 4,772,446	\$ 603,749	\$ (13,530,854)	\$	\$ (9,014,644)
Business-type activities:							
Municipal Building Authority	\$ 1,017,562	\$ 569,290		\$ 4,103,079		\$ 3,654,807	\$ 3,654,807
County Court Complex	112,355	185,897				73,542	73,542
Total business-type activities	\$ 1,129,917	\$ 755,187	\$	\$ 4,103,079	\$	\$ 3,728,349	\$ 3,728,349
Total primary government	\$27,386,050	\$8,104,271	\$ 4,772,446	\$ 4,706,828	\$ (13,530,854)	\$ (9,802,505)	\$ (9,802,505)
Component Units:							
Carbon County Recreation & Transportation							\$ 7,506,907
Special Service District							(18,037)
Scofield Reservoir Special Service District							
Total component units	\$	\$	\$	\$	\$	\$	\$ 7,488,870
General revenues:							
Property taxes				\$ 6,703,848	\$ 6,703,848		\$ 117,710
State PILT							
Federal PILT				1,020,705	1,020,705		
Sales taxes				1,945,025	1,945,025		
Miscellaneous taxes				255,893	255,893		
Grants and contributions not restricted to specific program				758,013	758,013		
Unrestricted investment earnings				116,308	116,308		
Royalties				189,292	189,292		
Gain/(Loss) on sale of fixed assets				(6,545)	(6,545)		
Miscellaneous				281,949	281,949		
Mineral reserve monies				2,838,237	2,838,237		
Interest expense					(70,893)		
Total general revenues and transfers				\$ 14,102,725	\$ (42,215)	\$ 14,060,510	\$ 6,456,820
Change in net assets							
Net assets - beginning				\$ 571,871	\$ 3,686,134	\$ 4,258,005	\$ 4,931,046
Prior period adjustment				83,999,788	21,795,290	105,795,078	13,989,840
				(408,794)		(408,794)	
Net assets - ending				\$ 84,162,865	\$ 25,481,424	\$ 109,644,289	\$ 18,920,886

"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, 2009**

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>					
Cash and cash equivalents	\$ 12,699,629		\$ 119,831	\$ 1,356,367	\$ 14,175,827
Restricted cash and cash equivalents	654,151	\$ 572,028	290,531	2,176,321	3,693,031
Receivables (net):					
Taxes	188,551		7,054		195,605
Other	184,286	270,419	224,580	401,883	1,081,168
Inventories		8,374			8,374
Total assets	<u>\$ 13,726,617</u>	<u>\$ 850,821</u>	<u>\$ 641,996</u>	<u>\$ 3,934,571</u>	<u>\$ 19,154,005</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Cash deficit				\$ 685,144	\$ 685,144
Accounts payable	\$ 214,269	\$ 168,029	\$ 262,803	370,958	1,016,059
Accrued payroll	240,227				240,227
Accrued liabilities	139,591	60,625	88,662	37,332	326,210
Total liabilities	<u>\$ 594,087</u>	<u>\$ 228,654</u>	<u>\$ 351,465</u>	<u>\$ 1,093,434</u>	<u>\$ 2,267,640</u>
Fund balances:					
Reserved for:					
Class "B" Road			\$ 3,217		\$ 3,217
Municipal services			287,314		287,314
Capital projects				\$ (692,159)	(692,159)
Economic development	\$ 626,889				626,889
Landfill	27,262				27,262
Health care		\$ 622,167			622,167
Unreserved, reported in:					
General fund	12,478,379				12,478,379
Special revenue funds				1,356,975	1,356,975
Permanent funds				2,176,321	2,176,321
Total fund balances	<u>\$ 13,132,530</u>	<u>\$ 622,167</u>	<u>\$ 290,531</u>	<u>\$ 2,841,137</u>	<u>\$ 16,886,365</u>
Total liabilities and fund balances	<u>\$ 13,726,617</u>	<u>\$ 850,821</u>	<u>\$ 641,996</u>	<u>\$ 3,934,571</u>	<u>\$ 19,154,005</u>

"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, 2009

Total fund balances - governmental fund types: \$ 16,886,365

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	\$ 1,305,228	
Rights of Way	1,361,829	
Water stock	146,000	
Buildings	1,655,047	
Improvements other than buildings	9,963,651	
Fixtures and equipment	6,588,821	
Infrastructure	<u>47,056,393</u>	
 Total		 68,076,969

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	\$ (25,005)	
Capital leases payable - Due in more than one year	(58,998)	
Compensated absences	<u>(716,466)</u>	
 Total		 <u>(800,469)</u>

Net assets of government activities \$ 84,162,865

"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, 2009

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Taxes	\$ 7,405,135		\$ 1,141,950	\$ 232,538	\$ 8,779,623
Licenses and permits	40,075		56,332		96,407
Intergovernmental revenues	3,544,742	\$ 2,530,771	2,420,452	1,323,430	9,819,395
Charges for services	1,272,334	753,641	3,644,337	651,680	6,321,992
Fines and forfeitures	333,942				333,942
Interest income	87,310	5,423			92,733
Contributions				606,432	606,432
Miscellaneous	612,640	35,545	72,361	66,700	787,246
Total revenues	\$ 13,296,178	\$ 3,325,380	\$ 7,335,432	\$ 2,880,780	\$ 26,837,770
EXPENDITURES:					
Current:					
General government	\$ 4,986,803		\$ 139,339		\$ 5,126,142
Public safety	3,061,818		3,940,422	\$ 479,567	7,481,807
Highways and public improvements	1,139,356		2,667,191		3,806,547
Public health	231,674	\$ 3,185,021		1,023,000	4,439,695
Parks, recreation, and public property	271,657		5,000	1,558,487	1,835,144
Conservation and economic development	519,610			419,661	939,271
Capital outlay				1,109,426	1,109,426
Contributions and miscellaneous	132,207		54,232		186,439
Total expenditures	\$ 10,343,125	\$ 3,185,021	\$ 6,806,184	\$ 4,590,141	\$ 24,924,471
Excess revenues over (under) expenditures	\$ 2,953,053	\$ 140,359	\$ 529,248	\$ (1,709,361)	\$ 1,913,299
OTHER FINANCING SOURCES (USES):					
Transfers in	\$ 1,700,000		\$ (1,700,000)	\$ 2,054,654	\$ 2,054,654
Transfers out	(2,054,654)				(2,054,654)
Total other financing sources (uses)	\$ (354,654)	\$...	\$ (1,700,000)	\$ 2,054,654	\$...
Excess of revenues and other sources over (under) expenditures and other uses	\$ 2,598,399	\$ 140,359	\$ (1,170,752)	\$ 345,293	\$ 1,913,299
FUND BALANCES - beginning of year	10,534,131	481,808	1,461,283	2,495,844	14,973,066
FUND BALANCES - end of year	\$ 13,132,530	\$ 622,167	\$ 290,531	\$ 2,841,137	\$ 16,886,365

"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, 2009

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

Net changes in fund balances - total governmental funds \$ 1,913,299

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	\$	311,232	
Public safety		469,463	
Public health		61,293	
Highways		1,003,335	
Parks and recreation		560,996	
Conservation		<u>5,375</u>	
 Total assets shown as expenditures	 \$	 2,411,694	
Less: depreciation		<u>(3,705,987)</u>	
 Difference between expenditure and depreciation			 (1,294,293)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donation) is to increase net assets. (9,766)

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. 24,072

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). (61,441)

Change in net assets of governmental activities \$ 571,871

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

**CARBON COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTAs
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents		\$ 614,069	\$ 614,069
Receivables - net			
Miscellaneous	\$ 84,004		84,004
Total current assets	\$ 84,004	\$ 614,069	\$ 698,073
Noncurrent assets:			
Land	\$ 169,492	\$ 198,000	\$ 367,492
Roads	10,687,366		10,687,366
Buildings	32,391,244	1,576,152	33,967,396
Furniture, fixtures and equipment	957,965	255,558	1,213,523
Less: accumulated depreciation	(4,355,370)	(1,027,017)	(5,382,387)
Total noncurrent assets	\$ 39,850,697	\$ 1,002,693	\$ 40,853,390
Total assets	\$ 39,934,701	\$ 1,616,762	\$ 41,551,463
<u>LIABILITIES</u>			
Current liabilities:			
Cash deficit	\$ 21,705		\$ 21,705
Accounts payable	397,969	\$ 2,015	399,984
Deferred rents		86,825	86,825
Accrued interest payable	37,444		37,444
Current portion of long-term liabilities	500,000		500,000
Total current liabilities	\$ 957,118	\$ 88,840	\$ 1,045,958
Noncurrent liabilities:			
Revenue bonds payable	\$ 15,024,081		\$ 15,024,081
Total noncurrent liabilities	\$ 15,024,081	\$...	\$ 15,024,081
Total liabilities	\$ 15,981,199	\$ 88,840	\$ 16,070,039
Net Assets:			
Invested in capital assets, net of related debt	\$ 24,326,616	\$ 1,204,314	\$ 25,530,930
Unrestricted (Deficit)	(373,114)	323,608	(49,506)
Total net assets	\$ 23,953,502	\$ 1,527,922	\$ 25,481,424

"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, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTAs
Operating revenues:			
Rental income	\$ 569,290	\$ 185,897	\$ 755,187
Total operating revenues	\$ 569,290	\$ 185,897	\$ 755,187
Operating expenses:			
Utilities		\$ 34,491	\$ 34,491
Repairs and maintenance	\$ 17,703	24,667	42,370
Depreciation	999,859	53,197	1,053,056
Total operating expenses	\$ 1,017,562	\$ 112,355	\$ 1,129,917
Operating income (loss)	\$ (448,272)	\$ 73,542	\$ (374,730)
Nonoperating revenues (expenses):			
Interest revenue	\$ 28,678		\$ 28,678
Interest expense	(70,893)		(70,893)
Contributions from other agencies	2,449,086		2,449,086
Contributions to other agencies	(346,007)		(346,007)
Grants	2,000,000		2,000,000
Total nonoperating revenues (expenses)	\$ 4,060,864	\$...	\$ 4,060,864
Income (loss) before contributions and transfers	\$ 3,612,592	\$ 73,542	\$ 3,686,134
Change in net assets	\$ 3,612,592	\$ 73,542	\$ 3,686,134
Total net assets - beginning	20,340,910	1,454,380	21,795,290
Total net assets - ending	\$ 23,953,502	\$ 1,527,922	\$ 25,481,424

"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, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTA's
Cash Flows From Operating Activities:			
Receipts from customers	\$ 593,382	\$ 185,897	\$ 779,279
Payments to suppliers	(33,870)	(57,158)	(91,028)
Net cash provided (used) by operating activities	\$ 559,512	\$ 128,739	\$ 688,251
Cash Flows From Capital and Related Financing Activities:			
Purchase of capital assets	\$ (3,003,369)		\$ (3,003,369)
Principal paid on capital debt	(547,825)		(547,825)
Interest paid on capital debt	(74,501)		(74,501)
Contributions from other agencies	2,449,086		2,449,086
Contributions to other agencies	(346,007)		(346,007)
Grants	2,000,000		2,000,000
Loans payments to other funds	(1,087,279)		(1,087,279)
Net cash provided (used) by capital and related financing activities	\$ (609,895)	\$...	\$ (609,895)
Cash Flows From Investing Activities:			
Interest and dividends received	\$ 28,678		\$ 28,678
Net cash provided (used) by investing activities	\$ 28,678	\$...	\$ 28,678
Net increase (decrease) in cash and cash equivalents	\$ (21,705)	\$ 128,739	\$ 107,034
Cash and cash equivalents, January 1		485,330	485,330
Cash and cash equivalents, December 31	\$ (21,705)	\$ 614,069	\$ 592,364

"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, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTA's
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (448,252)	\$ 73,542	\$ (374,710)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 999,859	\$ 53,197	\$ 1,053,056
Increase (Decrease) in accounts payable	(16,167)	2,000	(14,167)
Increase (Decrease) in accounts receivable	24,072		24,072
Total adjustments	\$ 1,007,764	\$ 55,197	\$ 1,062,961
Net cash provided (used) by operating activities	\$ 559,512	\$ 128,739	\$ 688,251

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

CARBON COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash	\$ 1,552,597
Receivables (net):	
Taxes	64,483
Miscellaneous	<u>192</u>
Total assets	<u><u>\$ 1,617,272</u></u>
<u>LIABILITIES</u>	
Precinct fees, bail and bonds payable	\$ 87,352
Accounts payable	22,773
Due to other governments and agencies	632,115
Due taxing units	873,504
Alimony support and miscellaneous	<u>1,528</u>
Total liabilities	<u><u>\$ 1,617,272</u></u>

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

**CARBON COUNTY
STATEMENT OF NET ASSETS
COMPONENT UNITS
DECEMBER 31, 2009**

	SCOFIELD RESERVIOR SPECIAL SERVICE DISTRICT	CARBON COUNTY RECREATION & TRANSPORTATION SPECIAL SERVICE DISTRICT	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 259,060	\$ 7,202,919	\$ 7,461,979
Restricted - Cash and cash equivalents		12,058,322	12,058,322
Due from other governments		1,335,024	1,335,024
Capital assets (net of accumulated depreciation):			
Land	16,128	1,415,486	1,431,614
Buildings		92,173	92,173
Equipment		358,068	358,068
Sewer systems and improvements	617,749	644,646	1,262,395
Work in progress		2,742,557	2,742,557
Water stock		110,000	110,000
Total assets	<u>\$ 892,937</u>	<u>\$ 25,959,195</u>	<u>\$ 26,852,132</u>
<u>LIABILITIES</u>			
<u>Accounts payable</u>		\$ 1,101,730	\$ 1,101,730
Accrued liabilities	\$ 337	830	1,167
Bond interest payable	237	45,487	45,724
Revenue bonds payable - Due within one year	9,914	597,000	606,914
Revenue bonds payable - Due in more than one year	27,711	6,148,000	6,175,711
Total liabilities	<u>\$ 38,199</u>	<u>\$ 7,893,047</u>	<u>\$ 7,931,246</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	\$ 596,252	\$ 5,362,930	\$ 5,959,182
Restricted for:			
Capital projects		7,302,057	7,302,057
Debt Service		2,342,056	2,342,056
Unrestricted	258,486	3,059,105	3,317,591
Total net assets	<u>\$ 854,738</u>	<u>\$ 18,066,148</u>	<u>\$ 18,920,886</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, 2009

Function/Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities:							
Carbon County Recreation & Transportation Special Service District							
Highways and public improvements	\$ 3,739,820	\$ 649,668		\$	(3,090,152)		\$ (3,090,152)
Parks, recreation and public improvements	765,321				(765,321)		(765,321)
Intergovernmental	5,053,759				(5,053,759)		(5,053,759)
Interest on long term liabilities	105,412				(105,412)		(105,412)
Total governmental activities	\$ 9,664,312	\$ 649,668	\$	\$	(9,014,644)	\$	\$ (9,014,644)
Business-type activities:							
Scofield Reservoir Special Service District							
CCR&TSSD - local building authority	\$ 73,797	\$ 55,760	\$	\$		(18,037)	\$ (18,037)
Total business-type activities	\$ 73,797	\$ 55,760	\$	\$		7,506,907	7,506,907
Total component units	\$ 9,738,109	\$ 705,428	\$	\$	(9,014,644)	\$	\$ (1,525,774)
General revenues:							
Mineral lease revenue		\$	6,190,960	\$			\$ 6,190,960
Investment earnings			126,883	\$		15,912	142,795
Interest expense						(1,048)	(1,048)
State PILT			117,710				117,710
Miscellaneous			17,011				17,011
Loss on disposal of fixed assets			(10,568)				(10,568)
Total general revenues and transfers			\$ 6,441,996	\$		14,864	\$ 6,456,860
Change in net assets			\$	\$	(2,572,648)	7,503,734	\$ 4,931,086
Net assets - beginning					13,118,400	871,400	13,989,800
Net assets - ending					\$ 10,545,752	\$ 8,375,134	\$ 18,920,886

"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, 2009

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)**

A. **Reporting Entity (Continued)**

Carbon County Recreation & Transportation Special Service District LBA

The District's Local Building Authority was created by the CCR & TSSD Board as a body politic for the purpose of financing, owning, leasing, or operating facilities to meet the needs of the District. It is comprised of a governing body that has been appointed by the District Board and may be removed and replaced at any time by its discretion.

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.

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

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

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.

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.

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

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

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.

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 \$716,466.

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, 2009 was as follows:

Primary Government Governmental activities:	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Capital assets not being depreciated:				
Land	\$ 1,290,228	\$ 15,000		\$ 1,305,228
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>\$ 15,000</u>	<u>\$...</u>	<u>\$ 2,813,057</u>
Capital assets being depreciated:				
Buildings	\$ 4,189,536		\$ (20,000)	\$ 4,169,536
Improvements other than buildings	14,999,424	\$ 1,293,054	(408,794)	15,883,684
Machinery and equipment	15,388,644	941,694	(486,620)	15,843,718
Infrastructure (Roads & Bridges)	121,523,719	161,946		121,685,665
Total capital assets being depreciated	<u>\$ 156,101,323</u>	<u>\$ 2,396,694</u>	<u>\$ (915,414)</u>	<u>\$ 157,582,603</u>
Less accumulated depreciation for:				
Buildings	\$ 2,462,747	\$ 70,742	\$ (19,000)	\$ 2,514,489
Improvements other than buildings	5,467,589	452,444		5,920,033
Machinery and equipment	8,482,724	1,250,026	(477,853)	9,254,897
Infrastructure (Roads & Bridges)	72,696,497	1,932,775		74,629,272
Total accumulated depreciation	<u>\$ 89,109,557</u>	<u>\$ 3,705,987</u>	<u>\$ (496,853)</u>	<u>\$ 92,318,691</u>
Total capital assets, being depreciated, net	<u>\$ 66,991,766</u>	<u>\$ (1,309,293)</u>	<u>\$ (418,561)</u>	<u>\$ 65,263,912</u>
Governmental activities capital assets, net	<u>\$ 69,789,823</u>	<u>\$ (1,294,293)</u>	<u>\$ (418,561)</u>	<u>\$ 68,076,969</u>

2. CAPITAL ASSETS (Continued)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-type activities:				
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	\$ 31,875,350	\$ 2,092,046		\$ 33,967,396
Roads	9,383,845	1,303,521		10,687,366
Machinery and equipment	1,207,773	5,750		1,213,523
Total capital assets being depreciated	\$ 42,466,968	\$ 3,401,317	\$...	\$ 45,868,285
Less accumulated depreciation for:				
Buildings	\$ 3,655,206	\$ 793,404		\$ 4,448,610
Roads	211,522	193,151		404,673
Machinery and equipment	462,603	66,501		529,104
Total accumulated depreciation	\$ 4,329,331	\$ 1,053,056	\$...	\$ 5,382,387
Total capital assets, being depreciated, net	\$ 38,137,637	\$ 2,348,261	\$...	\$ 40,485,898
Business-type activities capital assets, net	\$ 38,505,129	\$ 2,348,261	\$...	\$ 40,853,390

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

Governmental activities:

General government	\$ 154,575
Public safety	333,280
Public Health	87,783
Highways and public improvements	2,896,071
Parks and recreation	226,499
Conservation and economic development	7,779

Total depreciation expense - governmental activities \$ 3,705,987

Business-type activities:

County Court Complex	\$ 53,197
Municipal building authority	999,859

Total depreciation expense - Business-Type Activities \$ 1,053,056

Total depreciation expense \$ 4,759,043

2. CAPITAL ASSETS (Continued)

Component units:	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Capital assets not being depreciated:				
Land	\$ 1,421,615	\$ 10,000		\$ 1,431,615
Water stock	110,000			110,000
Work in progress		2,742,557		2,742,557
Total capital assets not being depreciated	<u>\$ 1,531,615</u>	<u>\$ 2,752,557</u>	<u>\$...</u>	<u>\$ 4,284,172</u>
Capital assets being depreciated:				
Buildings	\$ 141,618			\$ 141,618
Improvements other than buildings	2,621,671			2,621,671
Machinery and equipment	668,949	\$ 22,264	\$ (55,610)	635,603
Total capital assets being depreciated	<u>\$ 3,432,238</u>	<u>\$ 22,264</u>	<u>\$ (55,610)</u>	<u>\$ 3,398,892</u>
Less accumulated depreciation for:				
Buildings	\$ 45,905	\$ 3,540		\$ 49,445
Improvements other than buildings	1,279,833	79,443		1,359,276
Machinery and equipment	279,960	42,617	\$ (45,041)	277,536
Total accumulated depreciation	<u>\$ 1,605,698</u>	<u>\$ 125,600</u>	<u>\$ (45,041)</u>	<u>\$ 1,686,257</u>
Total capital assets, being depreciated, net	<u>\$ 1,826,540</u>	<u>\$ (103,336)</u>	<u>\$ (10,569)</u>	<u>\$ 1,712,635</u>
Component units capital assets, net	<u><u>\$ 3,358,155</u></u>	<u><u>\$ 2,649,221</u></u>	<u><u>\$ (10,569)</u></u>	<u><u>\$ 5,996,807</u></u>

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

Carbon County Recreation & Transportation Special Service District	\$ 93,100
Scofield Reservoir Special Service District	<u>32,500</u>
Total depreciation expense	<u><u>\$ 125,600</u></u>

3. LONG-TERM DEBT

Primary Government

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

Year Ending December 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 25,005	\$ 2,940	\$ 27,945	\$ 955,708	\$ 69,202	\$ 1,024,910
2011	28,992	2,065	31,057	937,927	61,095	999,022
2012	30,006	1,050	31,056	944,150	52,742	996,892
2013				950,379	45,053	995,432
2014				924,221	37,149	961,370
2015-2019				4,441,000	76,195	4,517,195
2020-2024				3,573,000		3,573,000
2025-2029				2,475,696		2,475,696
2030-2034				322,000		322,000
	<u>\$ 84,003</u>	<u>\$ 6,055</u>	<u>\$ 90,058</u>	<u>\$ 15,524,081</u>	<u>\$ 341,436</u>	<u>\$ 15,865,517</u>

Revenue Bonds – Revenue Bonds payable at December 31, 2009, 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.

DATE	INTEREST	PRINCIPAL	TOTAL
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>
07-01-10	\$ 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
07-01-14	24,885	133,000	157,885
2015-2018	<u>51,450</u>	<u>578,000</u>	<u>629,450</u>
	<u>\$ 219,275</u>	<u>\$ 1,199,000</u>	<u>\$ 1,418,275</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>
07-01-10	\$ 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
07-01-14	11,970	64,000	75,970
2015-2018	<u>24,745</u>	<u>278,000</u>	<u>302,745</u>
	<u>\$ 105,595</u>	<u>\$ 578,000</u>	<u>\$ 683,595</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>
02-01-10	\$ 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>\$ 10,080</u>	<u>\$ 133,000</u>	<u>\$ 143,080</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>
07-01-10	\$ 1,197	\$ 8,708	\$ 9,905
07-01-11	980	8,927	9,907
07-01-12	757	9,150	9,907
07-01-13	528	9,379	9,907
07-01-14	294	10,221	10,515
	<u>\$ 3,756</u>	<u>\$ 46,385</u>	<u>\$ 50,141</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>
09-01-10		\$ 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
09-01-14		16,000	16,000
2015-2019		80,000	80,000
2020-2024		80,000	80,000
2025-2028		31,190	31,190
	<u>\$...</u>	<u>\$ 271,190</u>	<u>\$ 271,190</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>
09-01-10		\$ 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
09-01-14		6,000	6,000
2015-2019		30,000	30,000
2020-2023		18,000	18,000
	<u>\$...</u>	<u>\$ 78,000</u>	<u>\$ 78,000</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>
01-01-10		\$ 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
01-01-14		14,000	14,000
2015-2019		70,000	70,000
2020-2024		70,000	70,000
2025-2028		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>
01-01-10		\$ 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
01-01-14		108,000	108,000
2015-2019		540,000	540,000
2020-2024		540,000	540,000
2025-2028		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>
01-01-10		\$ 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
01-01-14		61,000	61,000
2015-2019		305,000	305,000
2020-2024		305,000	305,000
2025-2029		305,000	305,000
2030-2031		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>
01-01-10		\$ 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
01-01-14		65,000	65,000
2015-2019		325,000	325,000
2020-2024		325,000	325,000
2025-2028		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>
01-01-10		\$ 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
01-01-14		50,000	50,000
2015-2019		250,000	250,000
2020-2024		250,000	250,000
2025-2026		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>
04-01-10		\$ 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
04-01-14		155,000	155,000
2015-2019		775,000	775,000
2020-2024		775,000	775,000
2024-2028		322,506	322,506
	<u>\$...</u>	<u>\$ 2,647,506</u>	<u>\$ 2,647,506</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>
10-01-10		\$ 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
10-01-14		23,000	23,000
2015-2019		115,000	115,000
2020-2024		115,000	115,000
2025-2028		92,000	92,000
	\$...	\$ 437,000	\$ 437,000

**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
	\$...	\$ 1,000,000	\$ 1,000,000

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>
01-01-10	\$ 2,940	\$ 25,005	\$ 27,945
01-01-11	2,065	28,992	31,057
12-15-11	<u>1,050</u>	<u>30,006</u>	<u>31,056</u>
	<u>\$ 6,055</u>	<u>\$ 84,003</u>	<u>\$ 90,058</u>

3. LONG-TERM DEBT (Continued)

SUMMARY OF NET CHANGES - PRIMARY GOVERNMENT

<u>Description</u>	<u>Balance 01-01-09</u>	<u>Retired</u>	<u>Issued</u>	<u>Balance 12-31-09</u>	<u>Due Within One Year</u>
Business-type Activities					
MBA Lease Revenue 1997	\$ 164,000	\$ (31,000)		\$ 133,000	\$ 32,000
Lease Series 1990	53,000			53,000	26,000
Lease Revenue 1992A	1,311,000	(112,000)		1,199,000	116,000
Lease Revenue 1992B	632,000	(54,000)		578,000	56,000
MBA Lease Revenue 1998	54,715	(8,330)		46,385	8,708
Lease Revenue 2001A	287,190	(16,000)		271,190	16,000
Lease Revenue 2001B	84,000	(6,000)		78,000	6,000
MBA Lease Revenue 2006A	247,000			247,000	14,000
MBA Lease Revenue 2006B	1,950,000			1,950,000	108,000
MBA Lease Revenue 2006C	1,403,000			1,403,000	61,000
MBA Lease Revenue 2006D	1,160,000			1,160,000	65,000
MBA Lease Revenue 2006E	898,000			898,000	50,000
MBA Lease Revenue 2006F	2,945,000	(297,494)		2,647,506	155,000
MBA Lease Revenue 2007	2,850,000			2,850,000	150,000
MBA Lease Revenue 2008B	573,000			573,000	29,000
MBA Lease Revenue 2008C	460,000	(23,000)		437,000	23,000
MBA Lease Revenue 2008	1,000,000			1,000,000	40,000
	<u>\$ 16,071,905</u>	<u>\$ (547,824)</u>	<u>\$...</u>	<u>\$ 15,524,081</u>	<u>\$ 955,708</u>
<u>Governmental Activities</u>					
Lease Series 1988					
SEUDH Capital Lease	<u>\$ 108,075</u>	<u>\$ (24,072)</u>	<u>\$...</u>	<u>\$ 84,003</u>	<u>\$ 25,005</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>
2010	\$ 606,914	\$ 110,957	\$ 717,871
2011	632,162	85,111	717,273
2012	799,416	58,044	857,460
2013	824,133	29,664	853,797
2014	140,000		140,000
2015-2019	700,000		700,000
2020-2024	700,000		700,000
2025-2029	700,000		700,000
2030-2034	700,000		700,000
2035-2045	980,000		980,000
	<u>\$ 6,782,625</u>	<u>\$ 283,776</u>	<u>\$ 7,066,401</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>
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>\$ 37,625</u>	<u>\$ 2,251</u>	<u>\$ 39,876</u>

3. LONG-TERM DEBT (Continued)

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 1st and October 1st 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, 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>\$ 1,086,000</u>	<u>\$ 170,495</u>	<u>\$ 1,256,495</u>

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 1st until the bonds mature on July 1, 2013. The repayment schedule is as follows:

DATE PAYMENT DUE	PRINCIPAL DUE	INTEREST CHARGES	TOTAL
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>\$ 1,459,000</u>	<u>\$ 111,030</u>	<u>\$ 1,570,030</u>

3. LONG-TERM DEBT (Continued)

During 2009, Carbon County Recreation & Transportation Special Service District's Local Building Authority issued \$4,200,000 of Taxable Lease Revenue Bonds, Series 2009 for the construction of the Senior Citizen Center. The bonds carry an annual interest rate of 0%. The District's Local Building Authority is required to make principal payments each July 1st until the bonds mature on July 1, 2041. The repayment schedule is as follows:

<u>DATE PAYMENT DUE</u>	<u>PRINCIPAL DUE</u>	<u>TOTAL</u>
2012	\$ 140,000	\$ 140,000
2013	140,000	140,000
2014	140,000	140,000
2015	140,000	140,000
2016	140,000	140,000
2017-2021	700,000	700,000
2022-2026	700,000	700,000
2027-2031	700,000	700,000
2032-2036	700,000	700,000
2037-2041	700,000	700,000
	<u>\$ 4,200,000</u>	<u>\$ 4,200,000</u>

SUMMARY OF NET CHANGES - COMPONENT UNITS

<u>Description</u>	<u>Balance 01-01-09</u>	<u>Retired</u>	<u>Issued</u>	<u>Balance 12-31-09</u>	<u>Due Within One Year</u>
Scofield Reservoir SSD					
Impact Bonus Loan	\$ 47,298	\$ (6,373)		\$ 40,925	\$ 9,914
C.C. Roads SSD Revenue					
Refunding Series 1994	478,559	(478,559)			
CCR&TSSD - Hwy Rev Bond					
Series 1998	1,319,000	(233,000)		1,086,000	248,000
CCR&TSSD - Toll Road Revenue					
Bond Series 1998	1,798,000	(339,000)		1,459,000	349,000
CCR&TSSD - Local Bldg Authority					
Taxable Lse Rev Bond Series 2009			\$ 4,200,000	4,200,000	
	<u>\$ 3,642,857</u>	<u>\$(1,056,932)</u>	<u>\$ 4,200,000</u>	<u>\$ 6,785,925</u>	<u>\$ 606,914</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, 2009, the bank balance of the County's deposits was \$6,335,653. Of this balance, \$556,473 was insured. The remaining balance, 5,779,180 was uninsured.

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, 2009, 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, 2009 is as follows:

<u>Investment Type</u>	<u>Carrying Amount and Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Debt Securities:					
Repurchase Agreements	\$ 8,633,603	\$ 8,633,603			
	\$ 8,633,603	<u>\$ 8,633,603</u>	<u>\$...</u>	<u>\$...</u>	<u>\$...</u>
Other Investments:					
Utah Public Treas. Invest. Fund	<u>7,762,531</u>				
Total investments	<u>\$ 16,396,134</u>				

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

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

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

Interest Rate Risk-Investments

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

The County's policy for managing interest rate risk is to comply with the Utah Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and to 365 days or less for fixed rate negotiable deposits, and fixed rate corporate obligations. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk of Debt Securities

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

The County's rated debt investments as of December 31, 2009 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.

	<u>Carrying Amount and Fair Value</u>	<u>Quality Rating</u>
<u>Debt Securities</u>		
Repurchase Agreements	\$ 8,633,603	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, 2009 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 \$8,633,603 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	\$ 16,306,606	\$ 17,106,092	\$ 1,552,597
Restricted cash and cash equivalents	2,176,321	2,414,209	
Cash deficit	(706,849)		
	<u>\$ 17,776,078</u>	<u>\$ 19,520,301</u>	<u>\$ 1,552,597</u>
Deposits	\$ 1,379,944	\$ 3,388,613	\$ 1,162,054
Investments (includes PTIF and Sweep accts.)	16,396,134	16,131,688	390,543
	<u>\$ 17,776,078</u>	<u>\$ 19,520,301</u>	<u>\$ 1,552,597</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, 2009, 2008 and 2007 were \$24,482, \$23,091 and \$22,100 respectively and for the Noncontributory Retirement System the contributions for December 31, 2009, 2008 and 2007 were \$519,572, \$478,186 and \$436,666 respectively and for the Public Safety Retirement System the contributions for December 31, 2009, 2008 and 2007 were \$416,209, \$354,769 and \$344,948 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, 2009, 2008 and 2007 were \$7,916, \$9,934 and \$9,611 respectively and for the Noncontributory Retirement System the contributions for December 31, 2009, 2008 and 2007 were \$157,698, \$154,067 and \$150,942 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 \$27,262 to be put into an account held by the Utah Public Treasurer's Investment Pool.

11. RECONCILIATION OF INTERFUND TRANSFERS

The following table provides a reconciliation of all interfund transfers:

Fund	Transfers In	Transfers Out
General	\$ 1,700,000	\$ 2,054,654
Municipal Services		1,700,000
Tax Stability	100,000	
Other Governmental	1,954,654	
	<u>\$ 3,754,654</u>	<u>\$ 3,754,654</u>

12. BUDGETARY COMPLIANCE

Unfavorable budget variances were incurred in the following funds:

MUNICIPAL SERVICES FUND -
Highways and public improvements

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, 2009, by Wiggins & Company, Ogden, Utah.

14. FUND BALANCE RESERVATIONS/NET ASSETS RESTRICTIONS

GENERAL FUND –

\$626,889 is the balance of Restaurant tax collected, to be used for the promotion of tourism and related activity within the county and surrounding area.

\$27,262 is reserved to cover the estimated costs of the landfill closure at some future date.

\$ 3,217 is reserved for Class “B” Road expenditures for the County.

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

MUNICIPAL SERVICES FUND –

\$287,314 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.

\$622,167 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 \$692,159, at December 31, 2009.

16. PRIOR PERIOD ADJUSTMENT

In the prior year, \$408,794 was record as assets purchased in the Capital Projects Fund, but was a duplicate of a Capital Improvements Project that was recorded in 2008 as Work in Progress and finalized in the current year. An adjustment in the Statement of Activities has been recorded since the fixed asset purchases occurred in the Capital Projects fund and they are recorded in the General Fixed Asset Account Group. No adjustment was required in the fund financial statements.

CARBON COUNTY

Required Supplementary Information

- EXHIBIT 13 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – General Fund
- EXHIBIT 14 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – Southeastern Utah District Health Department
- EXHIBIT 15 Statement of Revenues, Expenditures and Changes in Fund Balances –
 Budget and Actual – Municipal Services Fund

**CARBON COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
REVENUES				
Taxes:				
General property taxes - current year	\$ 4,950,000	\$ 4,926,000	\$ 4,706,842	\$ (219,158)
General property taxes - assessing & collecting	928,000	923,000	834,131	(88,869)
Prior year taxes - delinquent	80,000	80,000	134,841	54,841
General sales and use taxes	900,000	900,000	884,099	(15,901)
Fees in lieu of taxes	450,000	450,000	714,472	264,472
Franchise taxes	35,000	35,000	2,320	(32,680)
Restaurant tax	200,000	200,000	128,207	(71,793)
Miscellaneous taxes	1,000	1,000	223	(777)
Total taxes	\$ 7,544,000	\$ 7,515,000	\$ 7,405,135	\$ (109,865)
Licenses and Permits:				
Business licenses and permits	\$ 42,000	\$ 42,000	\$ 36,399	\$ (5,601)
Non-business licenses and permits	3,000	3,000	3,676	676
Total licenses and permits	\$ 45,000	\$ 45,000	\$ 40,075	\$ (4,925)
Intergovernmental Revenues:				
Federal sources -				
Children's Justice	\$ 332,700	\$ 332,700	\$ 308,194	\$ (24,506)
Victim's Rights	55,000	55,000	35,569	(19,431)
Forest Reserve			982	982
Miscellaneous			30,427	30,427
Total federal sources	\$ 387,700	\$ 387,700	\$ 375,172	\$ (12,528)
State sources -				
Payment in lieu of tax	\$ 10,000	\$ 10,000	\$ 124,161	\$ 114,161
Jail reimbursements	130,000	130,000	145,022	15,022
EMS Grant	40,000	40,000	16,340	(23,660)
Mineral reserve funds	3,000,000	3,000,000	2,838,237	(161,763)
Miscellaneous	30,000	30,000	45,810	15,810
Total state sources	\$ 3,210,000	\$ 3,210,000	\$ 3,169,570	\$ (40,430)
Total intergovernmental revenues	\$ 3,597,700	\$ 3,597,700	\$ 3,544,742	\$ (52,958)

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, 2009**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Charges for Services:				
General government -				
Recorder fees	\$ 100,000	\$ 100,000	\$ 105,646	\$ 5,646
Auditor fees	16,000	16,000	9,387	(6,613)
Miscellaneous	2,900	2,900	2,048	(852)
Total general government	\$ 118,900	\$ 118,900	\$ 117,081	\$ (1,819)
Public safety -				
Jail fees	\$ 15,000	\$ 15,000	\$ 4,787	\$ (10,213)
Court costs and fees	78,000	78,000	95,742	17,742
Total public safety	\$ 93,000	\$ 93,000	\$ 100,529	\$ 7,529
Other charges for services -				
Parks and public property	\$ 20,000	\$ 20,000	\$ 26,029	\$ 6,029
Ambulance fees	750,000	750,000	1,028,176	278,176
G.I.S. fees	1,000	1,000	519	(481)
Total other charges for services	\$ 771,000	\$ 771,000	\$ 1,054,724	\$ 283,724
Total charges for services	\$ 982,900	\$ 982,900	\$ 1,272,334	\$ 289,434
Fines and Forfeitures:				
Fines	\$ 350,000	\$ 350,000	\$ 333,942	\$ (16,058)
Total fines and forfeitures	\$ 350,000	\$ 350,000	\$ 333,942	\$ (16,058)
Miscellaneous Revenues:				
Interest	\$ 170,000	\$ 170,000	\$ 87,310	\$ (82,690)
Rents and concessions	49,110	49,110	44,672	(4,438)
Royalties	120,000	120,000	189,292	69,292
Sale of fixed assets	10,000	10,000	3,221	(6,779)
Airport fees and fuel sales	273,800	273,800	193,645	(80,155)
Tippage fees - ECDC	60,000	60,000	37,365	(22,635)
Sale of materials and supplies	7,000	7,000	29,351	22,351
Miscellaneous	57,000	57,000	115,094	58,094
Total miscellaneous revenues	\$ 746,910	\$ 746,910	\$ 699,950	\$ (46,960)
Total Revenues	\$ 13,266,510	\$ 13,237,510	\$ 13,296,178	\$ 58,668

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, 2009**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
EXPENDITURES				
Current:				
General Government:				
Commission	\$ 361,860	\$ 367,260	\$ 340,283	\$ 26,977
Justice court	335,775	335,775	290,389	45,386
District court	7,000	7,000	4,368	2,632
Public defender	244,000	344,000	300,288	43,712
Personel	181,020	181,020	151,322	29,698
Clerk/Auditor	352,235	352,235	260,686	91,549
Treasurer	162,865	162,865	136,893	25,972
Recorder	249,305	243,905	234,005	9,900
Attorney	625,755	625,755	575,562	50,193
Assessor	470,595	470,595	394,031	76,564
Non-Departmental	730,643	730,643	533,759	196,884
Data processing	658,450	658,450	485,369	173,081
Law library	2,000	3,000	2,265	735
Central purchasing	14,000	14,000	2,490	11,510
Micro filming	19,230	24,230	23,628	602
Central mailing	23,000	23,000	20,209	2,791
Communications	169,970	169,970	132,083	37,887
Attorney - Childrens Justice	333,153	333,153	289,624	43,529
Building and grounds	142,300	142,300	119,475	22,825
Engineering	282,295	282,295	241,778	40,517
Safety	92,785	92,785	65,218	27,567
Elections	21,500	21,500	11,281	10,219
Graphical information service	298,995	298,955	287,364	11,591
Industrial park	88,095	88,095	84,433	3,662
Total general government	\$ 5,866,826	\$ 5,972,786	\$ 4,986,803	\$ 985,983
Public Safety:				
Victims rights	\$ 54,809	\$ 60,809	\$ 57,972	\$ 2,837
Dispatch	211,300	211,300	211,300	
Ambulance service	993,255	993,255	954,033	39,222
Jail complex	2,002,215	2,002,215	1,838,513	163,702
Total public safety	\$ 3,261,579	\$ 3,267,579	\$ 3,061,818	\$ 205,761

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, 2009**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Public Health:				
Indigent	\$ 6,500	\$ 6,500	\$ 6,000	\$ 500
Public health	123,200	123,200	123,084	116
Mental health	102,600	102,600	102,590	10
Total public health	\$ 232,300	\$ 232,300	\$ 231,674	\$ 626
Highways and Public Improvements:				
Landfill	\$ 473,145	\$ 473,145	\$ 375,802	\$ 97,343
Maintenance and abatement	511,345	511,345	475,135	36,210
Airport	446,707	446,707	288,419	158,288
Total highways and public improvements	\$ 1,431,197	\$ 1,431,197	\$ 1,139,356	\$ 291,841
Parks, Recreation and Public Property:				
Recreation - Television	\$ 214,850	\$ 214,850	\$ 175,988	\$ 38,862
Countywide programs	248,645			
Library	114,212	114,212	95,669	18,543
Total parks, recreation and public property	\$ 577,707	\$ 329,062	\$ 271,657	\$ 57,405
Conservation and Economic Development:				
Agriculture and extension services	\$ 65,655	\$ 65,655	\$ 63,446	\$ 2,209
Water development	100,000	100,000	81,409	18,591
Economic development - restaurant tax	160,000	360,000	374,755	(14,755)
Total conservation and economic development	\$ 325,655	\$ 525,655	\$ 519,610	\$ 6,045
Contributions and Miscellaneous:				
Contributions to other governmental agencies	\$ 224,634	\$ 145,199	\$ 67,120	\$ 78,079
Miscellaneous	94,445	116,485	65,087	51,398
Total contributions and miscellaneous	\$ 319,079	\$ 261,684	\$ 132,207	\$ 129,477
Total expenditures	\$ 12,014,343	\$ 12,020,263	\$ 10,343,125	\$ 1,677,138
Excess of revenues over (under) expenditures	\$ 1,252,167	\$ 1,217,247	\$ 2,953,053	\$ 1,735,806

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, 2009**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	
Prior year surplus	(1,069,324)	(706,324)		\$ 706,324
Transfers out	(1,882,843)	(2,210,923)	(2,054,654)	156,269
Total other financing sources (uses)	\$ (1,252,167)	\$ (1,217,247)	\$ (354,654)	\$ 862,593
Excess of revenues and other sources over (under) expenditures and other uses	\$...	\$...	\$ 2,598,399	\$ 2,598,399
Fund balance - beginning of year			10,534,131	10,534,131
Fund balance - end of year	\$...	\$...	\$ 13,132,530	\$ 13,132,530

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, 2009

	<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>
REVENUES				
Intergovernmental				
Federal, State and Local funds	\$ 2,773,255	\$ 2,773,255	\$ 2,530,771	\$ (242,484)
Total Intergovernmental	\$ 2,773,255	\$ 2,773,255	\$ 2,530,771	\$ (242,484)
Charges for services				
Charges for services	\$ 750,000	\$ 750,000	\$ 753,641	\$ 3,641
Total Charges for services	\$ 750,000	\$ 750,000	\$ 753,641	\$ 3,641
Miscellaneous				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 35,545	\$ 25,545
Investment earnings			5,423	5,423
Total miscellaneous	\$ 10,000	\$ 10,000	\$ 40,968	\$ 30,968
Total Revenues	\$ 3,533,255	\$ 3,533,255	\$ 3,325,380	\$ (207,875)
EXPENDITURES				
Current:				
Public health	\$ 3,533,255	\$ 3,533,255	\$ 3,185,021	\$ 348,234
Total public health	\$ 3,533,255	\$ 3,533,255	\$ 3,185,021	\$ 348,234
Total expenditures	\$ 3,533,255	\$ 3,533,255	\$ 3,185,021	\$ 348,234
Excess of revenue over (under)				
expenditures	\$...	\$...	\$ 140,359	\$ 140,359
Fund balance - beginning of year			481,808	481,808
Fund balance - end of year	\$...	\$...	\$ 622,167	\$ 622,167

"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, 2009**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Taxes	\$ 1,050,000	\$ 1,050,000	\$ 1,141,950	\$ 91,950
Licenses and permits	66,000	66,000	56,332	(9,668)
Intergovernmental	2,912,000	2,912,000	2,420,452	(491,548)
Charges for services	3,737,000	3,737,000	3,644,337	(92,663)
Miscellaneous	17,000	17,000	72,361	55,361
Contributions - surplus		1,483,559		(1,483,559)
Total Revenues	\$ 7,782,000	\$ 9,265,559	\$ 7,335,432	\$ (1,930,127)
EXPENDITURES:				
General government	\$ 157,300	\$ 157,300	\$ 139,339	\$ 17,961
Public safety	4,562,169	4,606,169	3,940,422	665,747
Parks, recreation and public property		5,000	5,000	
Highways and public improvements	2,684,090	2,797,090	2,667,191	129,899
Contributions to other agencies			54,232	(54,232)
Total expenditures	\$ 7,403,559	\$ 7,565,559	\$ 6,806,184	\$ 759,375
Excess of revenue over (under) expenditures	\$ 378,441	\$ 1,700,000	\$ 529,248	\$ (1,170,752)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	\$ 1,321,559			
Operating transfers out	(1,700,000)	\$ (1,700,000)	\$ (1,700,000)	
Total other financing sources (uses)	\$ (378,441)	\$ (1,700,000)	\$ (1,700,000)	\$...
Excess of revenue and other sources over (under) expenditures and other uses	\$...	\$...	\$ (1,170,752)	\$ (1,170,752)
Fund balance - beginning of year		991,325	1,461,283	469,958
Fund balance - end of year	\$...	\$ 991,325	\$ 290,531	\$ (700,794)

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

CARBON COUNTY
Supplementary Information

	SPECIAL REVENUE FUNDS									PERMANENT FUND	CAPITAL PROJECTS FUND	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.	COUNCIL ON AGING	NUTRITION	TAX STABILITY	CAPITAL PROJECTS	
ASSETS												
	Cash and cash equivalents	\$ 127,339	\$ 391,293	\$ 174,860	\$ 184,020	\$ 55,850	\$ 55,185	\$ 56,041	\$159,478	\$ 152,301		\$ 1,356,367
	Restricted - cash and cash equivalents											2,176,321
	Receivables - other	53,803			288,934				8,270	21,780	\$ 29,096	401,883
	Total assets	\$ 181,142	\$ 391,293	\$ 174,860	\$ 472,954	\$ 55,850	\$ 55,185	\$ 56,041	\$167,748	\$ 174,081	\$ 29,096	\$ 3,934,571
LIABILITIES AND FUND BALANCES												
LIABILITIES:												
Cash deficit											\$ 685,144	\$ 685,144
Accounts payable	\$ 18,336	\$ 11,824	\$ 2,416	\$ 281,101	\$ 61	\$ 4,339	\$ 2,579	\$ 14,191			36,111	370,958
Accrued liabilities	3,530	12,839	6,571		2,289	1,175	3,069	7,859				37,332
	Total liabilities	\$ 21,866	\$ 24,663	\$ 8,987	\$ 281,101	\$...	\$ 2,350	\$ 5,514	\$ 5,648	\$ 22,050	\$ 721,255	\$ 1,093,434
FUND BALANCES:												
Unreserved, reported in:												
Capital projects											\$ (692,159)	\$ (692,159)
Special revenue fund	\$ 159,276	\$ 366,630	\$ 165,873	\$ 191,853	\$ 55,850	\$ 52,835	\$ 50,527	\$162,100	\$ 152,031			1,356,975
Permanent - tax stability											\$ 2,176,321	2,176,321
	Total fund balances	\$ 159,276	\$ 366,630	\$ 165,873	\$ 191,853	\$ 55,850	\$ 52,835	\$ 50,527	\$162,100	\$ 152,031	\$ (692,159)	\$ 2,841,137
Total liabilities and fund equity												
	\$ 181,142	\$ 391,293	\$ 174,860	\$ 472,954	\$ 55,850	\$ 55,185	\$ 56,041	\$167,748	\$ 174,081	\$ 29,096	\$ 29,096	\$ 3,934,571

CARBON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	SPECIAL REVENUE FUNDS										PERMANENT FUND	CAPITAL PROJECTS FUND	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.	COUNCIL ON AGING	NUTRITION	TAX STABILITY			
REVENUES:													
Taxes	\$ 190,250				\$ 42,288								\$ 232,538
Intergovernmental revenue	78,729		\$ 79,310	\$ 275,192		\$ 31,200	\$ 60,783	\$ 57,782	\$ 136,685		\$ 603,749		1,323,430
Charges for services		\$ 108,920	154,791	218,897				17,085	151,987				651,680
Contributions		1,500									604,932		606,432
Miscellaneous	22,750			983			22,851			\$ 20,116			66,700
Total revenues	\$ 291,729	\$ 110,420	\$ 234,101	\$ 495,072	\$ 42,288	\$ 31,200	\$ 83,634	\$ 74,867	\$ 288,672	\$ 20,116	\$ 1,208,681	\$	2,880,780
EXPENDITURES:													
Public safety				\$ 479,567								\$	479,567
Parks, recreation and public property		\$ 897,162	\$ 466,258				\$ 108,172	\$ 241,907	\$ 672,921		\$ 195,067		1,558,487
Public health						\$ 111,591							1,023,000
Conservation and economic development	\$ 308,070										1,109,426		419,661
Capital outlay													1,109,426
Total expenditures	\$ 308,070	\$ 897,162	\$ 466,258	\$ 479,567	\$	\$ 111,591	\$ 108,172	\$ 241,907	\$ 672,921	\$	\$ 1,304,493	\$	4,590,141
Excess of revenues over (under) expenditures	\$ (16,341)	\$ (786,742)	\$ (232,157)	\$ 15,505	\$ 42,288	\$ (80,391)	\$ (24,538)	\$ (167,040)	\$ (384,249)	\$ 20,116	\$ (95,812)	\$	(1,709,361)
Other financing sources (uses):													
Transfers in		\$ 994,436	\$ 248,645			\$ 79,130	\$ 24,980	\$ 185,900	\$ 421,563	\$ 100,000		\$	2,054,654
Total other financing sources (uses)	\$	\$ 994,436	\$ 248,645	\$	\$	\$ 79,130	\$ 24,980	\$ 185,900	\$ 421,563	\$ 100,000	\$	\$	2,054,654
Excess of revenues and other sources over (under) expenditures and other uses	\$ (16,341)	\$ 207,694	\$ 16,488	\$ 15,505	\$ 42,288	\$ (1,261)	\$ 442	\$ 18,860	\$ 37,314	\$ 120,116	\$ (95,812)	\$	345,293
Fund Balances - Beginning of year	175,617	158,936	149,385	176,348	13,562	54,096	50,085	143,240	114,717	2,056,205	(596,347)		2,495,844
Fund Balances - End of year	\$ 159,276	\$ 366,630	\$ 165,873	\$ 191,853	\$ 55,850	\$ 52,835	\$ 50,527	\$ 162,100	\$ 152,031	\$ 2,176,321	\$ (692,159)	\$	2,841,137

CARBON COUNTY
COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
DECEMBER 31, 2009

	HEUGLY AND CARBON COUNTY	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	\$ 56,473	\$ 365,963	\$ 266,152	\$ 53,652	\$ 1,528	\$ 808,829	\$ 1,552,597
Receivable - taxes						64,483	64,483
Miscellaneous Receivable						192	192
Total assets	\$ 56,473	\$ 365,963	\$ 266,152	\$ 53,652	\$ 1,528	\$ 873,504	\$ 1,617,272
<u>LIABILITIES</u>							
Accounts payable							\$ 22,773
Precinct fees, bail and bonds payable	\$56,473			\$ 22,773			\$ 87,352
Due to taxing units				30,879			873,504
Alimony, support and miscellaneous					\$ 1,528	\$ 873,504	1,528
Due to other agencies		\$ 365,963	\$ 266,152				632,115
Total liabilities	\$ 56,473	\$ 365,963	\$ 266,152	\$ 53,652	\$ 1,528	\$ 873,504	\$ 1,617,272

CARBON COUNTY
SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF
DECEMBER 31, 2009

TAX UNITS	ADJUSTED TAXABLE VALUE	TAX RATE	TOTAL TAXES LEVIED	TREASURER'S RELIEF				NET TAXES COLLECTED	PERCENT	OTHER COLLECTIONS			DELINQUENCIES TAXES PENALTY AND INTEREST
				UNPAID TAXES	ABATEMENTS	OTHER ADJUSTMENTS	TOTAL RELIEF			FEES IN LIEU	MISCELLANEOUS		
COUNTY FUNDS:													
General fund	\$ 2,171,742,386	0.002321	\$ 5,025,640	\$ 104,329	\$ 24,466	\$ 285	\$ 129,080	\$ 4,896,560	97.43%	\$ 410,096	\$ 44,432	\$ 107,800	
Municipal services	1,590,618,812	0.000185	293,515	5,236	652	(904)	4,984	288,531	98.30%	19,583	1,790	3,844	
Assessing and collecting	2,205,403,146	0.000447	966,938	20,093	4,712	(831)	23,974	942,964	97.52%	78,980	8,463	14,329	
Total County Funds			\$ 6,286,093	\$ 129,658	\$ 29,830	\$ (1,450)	\$ 158,038	\$ 6,128,055		\$ 508,659	\$ 54,685	\$ 125,973	
SCHOOL DISTRICT:													
Carbon	2,171,742,386	0.006132	\$ 13,273,682	\$ 275,634	\$ 64,640	-2877	\$ 337,397	\$ 12,936,285	97.46%	\$ 1,083,458	\$ 116,629	\$ 200,199	
CITIES AND TOWNS:													
Price City	349,314,620	0.002107	\$ 735,270	\$ 16,328	\$ 9,298	\$ 6,695	\$ 32,321	\$ 702,949	95.60%	\$ 92,912	\$ 9,014	\$ 13,212	
Helper City	65,117,510	0.001899	123,596	5,481	2,772	2,608	10,862	112,734	91.21%	22,535	4,639	3,143	
East Carbon City	44,797,107	0.006310	281,959	10,950	2,883	5,175	19,008	262,951	93.26%	29,305	6,452	9,295	
Wellington City	60,161,091	0.001724	104,974	5,956	1,017	2,295	9,268	95,706	91.17%	15,259	1,619	3,371	
Sunnyside	56,120,421	0.004999	275,589	2,697	438	(1,639)	1,496	274,093	99.46%	6,477	2,477	872	
Scofield Town	5,612,825	0.000679	3,811	190	5	8	204	3,607	94.66%	52	48	399	
Total Cities and Towns			\$ 1,525,199	\$ 41,602	\$ 16,413	\$ 15,142	\$ 73,159	\$ 1,452,040		\$ 166,540	\$ 24,249	\$ 30,292	
OTHER DISTRICTS:													
Price River Water Improvement	1,135,260,948	0.000847	\$ 958,471	\$ 18,429	\$ 8,452	\$ 3,418	\$ 30,299	\$ 928,172	96.84%	\$ 144,406	\$ 11,041	\$ 13,064	
Carbon Water Conservancy	2,171,742,386	0.000122	264,256	5,484	1,286	100	6,870	257,386	97.40%	21,556	2,330	4,020	
Total Other Districts			\$ 1,222,727	\$ 23,913	\$ 9,738	\$ 3,518	\$ 37,169	\$ 1,185,558		\$ 165,962	\$ 13,371	\$ 17,084	
GRAND TOTAL			\$ 22,307,701	\$ 470,807	\$ 120,621	\$ 14,333	\$ 605,763	\$ 21,701,938		\$ 1,924,619	\$ 208,934	\$ 373,548	

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

	GENERAL HEALTH	IMMUNIZATIONS NON VFC	WIC	MCH BLOCK	FLU	CANCER CONTROL
Revenues:						
State Reimbursement	\$ 286,656	\$ 70,398	\$ 416,114	\$ 87,610		\$ 15,627
General Health	130,421			9,450	\$ 104,519	328
County	324,468					
School Nurses	2,250					
Miscellaneous	23,601					
Occupancy allocation	2,258	124	2,808	620	60	116
Grants and other government resources		2,538		16,043	2,172	
Total Revenues	<u>\$ 769,654</u>	<u>\$ 73,060</u>	<u>\$ 418,922</u>	<u>\$ 113,723</u>	<u>\$ 106,751</u>	<u>\$ 16,071</u>
Expenditures:						
Salaries	\$ 160,760	\$ 10,471	\$ 245,391	\$ 52,301	\$ 9,651	\$ 10,203
Fringe Benefits	95,033	4,287	111,396	23,149	4,235	4,838
Consultants	1,034	71	1,624	264	49	66
Contract - MD	1,334	33	2,200	164	30	32
Contract - Travel						
Patient care	2,295			18,830		180
Pharmacy	652			4,703		
Supplies - Medical	4,323	70,086	4,780	1,318	34,013	593
Travel	16,698	99	8,639	1,597	66	152
Dues - Periodicals	1,056	67	1,549	248	103	74
Education - Training	4,158	34	1,708	256		
Capital Purchases	45,939					21
Utilities	2,991	176	4,103	879	140	176
Maintenance - Repairs	5,313	314	7,427	1,566	472	305
Insurance	1,448	101	2,792	332	119	132
Data Processing	798	1,488	38	780	1,707	
Postage	1,054	62	1,519	312	54	63
Printing - Binding	1,077	6	331	160	13	7
Supplies - Office	4,444	99	3,650	494	88	93
Laboratory	8,338			2,251		
Telephone	4,454	178	6,985	892	161	175
Other	7,272	20	757	130	8	1,306
Interest	3,783					
Debt payment	24,072					
State match						
Rent	2,456	137	3,212	686	125	135
Advertising	3,549	22	547	103	8	572
Mini Grants						
Total Expenditures	<u>\$ 404,331</u>	<u>\$ 87,751</u>	<u>\$ 408,648</u>	<u>\$ 111,415</u>	<u>\$ 51,042</u>	<u>\$ 19,123</u>
Net Revenues/(Expenditures)	<u>\$ 365,323</u>	<u>\$ (14,691)</u>	<u>\$ 10,274</u>	<u>\$ 2,308</u>	<u>\$ 55,709</u>	<u>\$ (3,052)</u>

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

	TOBACCO PREVENTION	INDOOR CLEAN AIR	TOBACCO VIOLATIONS	TUBERCULOSIS ELIMINATION	EARLY INTER- VENTION	SENIOR HEALTH
Revenues:						
State Reimbursement	\$ 90,396	\$ 1,616		\$ 6,061	\$ 103,321	\$ 3,445
General Health	425		\$ 3,900		214,184	
County						
School Nurses						
Miscellaneous						
Occupancy allocation	554	21		77	1,801	14
Grants and other government resources						
Total Revenues	<u>\$ 91,375</u>	<u>\$ 1,637</u>	<u>\$ 3,900</u>	<u>\$ 6,138</u>	<u>\$ 319,306</u>	<u>\$ 3,459</u>
Expenditures:						
Salaries	\$ 48,488	\$ 2,101		\$ 7,179	\$ 165,085	\$ 1,399
Fringe Benefits	29,464	823		2,947	80,928	703
Consultants	310	15		55	990	
Contract - MD	2,004	7		23	22,041	54
Contract - Travel					3,734	
Patient Care						
Pharmacy				61		
Supplies - Medical	542				621	
Travel	1,878	27		61	10,659	610
Dues - Periodicals	421	12		56	1,235	16
Education - Training	4,662	5		21	1,078	3
Capital Purchases	4				53	1,476
Utilities	829	36		121	2,484	26
Maintenance - Repairs	1,442	61		226	4,681	37
Insurance	577	27		62	2,192	32
Data Processing	9			541	465	
Postage	301	13		42	917	8
Printing - Binding	1,679			4	748	1
Supplies - Office	897	20		61	4,456	18
Laboratory						
Telephone	878	36		122	3,224	23
Other	347	4		9	432	5
Interest						
Debt payment						
State match						
Rent	638	28		94	2,867	88
Advertising	7,958	5		16	524	5
Mini Grants						
Total Expenditures	<u>\$ 103,328</u>	<u>\$ 3,220</u>	<u>\$...</u>	<u>\$ 11,701</u>	<u>\$ 309,414</u>	<u>\$ 4,504</u>
Net Revenues/(Expenditures)	<u>\$ (11,953)</u>	<u>\$ (1,583)</u>	<u>\$ 3,900</u>	<u>\$ (5,563)</u>	<u>\$ 9,892</u>	<u>\$ (1,045)</u>

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>IMMUNIZATIONS</u>	<u>BIOTERRORISM</u>	<u>PREVENTION BLOCK</u>	<u>HIV</u>	<u>ENVIRON- MENTAL HEALTH CHS</u>	<u>MONTICELLO STUDY</u>
Revenues:						
State Reimbursement	\$ 58,105	\$ 246,799	\$ 56,439	\$ 1,000	\$ 12,500	\$ 119,201
General Health	21,730				83,150	
County						
School Nurses						
Miscellaneous						
Occupancy allocation	899	1,107	296	11	1,843	197
Grants and other government resources	51,162					
Total Revenues	<u>\$ 131,896</u>	<u>\$ 247,906</u>	<u>\$ 56,735</u>	<u>\$ 1,011</u>	<u>\$ 97,493</u>	<u>\$ 119,398</u>
Expenditures:						
Salaries	\$ 83,236	\$ 80,734	\$ 31,608	\$ 1,206	\$ 168,003	\$ 14,067
Fringe Benefits	43,893	32,224	15,692	593	64,646	7,448
Consultants	631	419	228	18	1,014	7,132
Contract - MD	263	5,896	223	4	529	53
Contract - Travel		289				
Patient Care						34,661
Pharmacy						69
Supplies - Medical	6,481	199	113			
Travel	1,451	31,063	2,780	80	6,713	9,337
Dues - Periodicals	431	462	192	12	1,299	3,936
Education - Training	244	14,833	4,387	4	463	
Capital Purchases	10	33,693	1,334			2,045
Utilities	1,409	1,337	524	20	2,827	169
Maintenance - Repairs	2,577	2,864	1,045	34	5,031	432
Insurance	679	1,321	308	15	2,055	178
Data Processing	5,986	3,244	4		31	4
Postage	522	548	196	7	1,046	310
Printing - Binding	195	255	140		108	388
Supplies - Office	751	27,574	753	13	2,293	803
Laboratory						28,196
Telephone	1,423	6,386	540	20	2,849	238
Other	171	530	33		312	
Interest						
Debt payment						
State match						
Rent	1,094	1,056	521	15	2,299	182
Advertising	1,980	157	113	3	386	8,719
Mini Grants			4,844			
Total Expenditures	<u>\$ 153,427</u>	<u>\$ 245,084</u>	<u>\$ 65,578</u>	<u>\$ 2,044</u>	<u>\$ 261,904</u>	<u>\$ 118,367</u>
Net Revenues/(Expenditures)	<u>\$ (21,531)</u>	<u>\$ 2,822</u>	<u>\$ (8,843)</u>	<u>\$ (1,033)</u>	<u>\$ (164,411)</u>	<u>\$ 1,031</u>

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>TOBACCO BUYS</u>	<u>EPSDT/ CHEC</u>	<u>CARE-A-VAN</u>	<u>H1N1 PHASE ONE</u>	<u>ALL COUNTIES SCHOOL NURSE</u>	<u>NEWBORN CARE</u>
Revenues:						
State Reimbursement		\$ 26,148		\$ 154,721		
General Health	\$ 19,422		\$ 11,582			\$ 41,997
County						
School Nurses					\$ 77,990	
Miscellaneous						
Occupancy allocation	90	160	571	681	491	173
Grants and other government resources			63,149			
Total Revenues	<u>\$ 19,512</u>	<u>\$ 26,308</u>	<u>\$ 75,302</u>	<u>\$ 155,402</u>	<u>\$ 78,481</u>	<u>\$ 42,170</u>
Expenditures:						
Salaries	\$ 6,140	\$ 14,839	\$ 51,182	\$ 66,790	\$ 51,962	\$ 19,245
Fringe Benefits	3,523	6,528	15,533	29,424	21,345	8,336
Consultants	38	93	296	113	285	139
Contract - MD	220	46	161	261	163	60
Contract - Travel						
Patient Care						
Pharmacy						
Supplies - Medical	3,829	1,679		15,271	101	
Travel	785	155	33,744	3,303	3,464	421
Dues - Periodicals	6	121	428	1,884	818	71
Education - Training	7	55	168	8,154	296	66
Capital Purchases				4,195		
Utilities	102	252	852	1,025	893	342
Maintenance - Repairs	201	429	1,548	2,049	1,542	537
Insurance	139	128	716	2,697	357	169
Data Processing		541	10	910	11	282
Postage	47	72	304	311	287	112
Printing - Binding	6	107	36	5,226	58	10
Supplies - Office	8	132	530	3,837	491	211
Laboratory						
Telephone	106	220	2,230	1,063	1,543	323
Other	23	21	113	500	73	20
Interest						
Debt payment						
State match						13,237
Rent	81	194	669	851	677	251
Advertising	17	36	430	8,811	149	58
Mini Grants						
Total Expenditures	<u>\$ 15,278</u>	<u>\$ 25,648</u>	<u>\$ 108,950</u>	<u>\$ 156,675</u>	<u>\$ 84,515</u>	<u>\$ 43,890</u>
Net Revenues/(Expenditures)	<u>\$ 4,234</u>	<u>\$ 660</u>	<u>\$ (33,648)</u>	<u>\$ (1,273)</u>	<u>\$ (6,034)</u>	<u>\$ (1,720)</u>

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2009

	EPIDEMIOLOGIST	H1N1 PHASE THREE	CASE MANAGEMENT	ENVIRONMENTAL HEALTH DEQ	COMMUNITY BASED SERVICES	TOTAL
Revenues:						
State Reimbursement	\$ 2,899	\$ 95,609	\$ 49,647	\$ 97,044	\$ 69,883	\$ 2,071,239
General Health				32,293		673,401
County						324,468
School Nurses						80,240
Miscellaneous						23,601
Occupancy allocation		398	360	1,117	520	17,367
Grants and other government resources						135,064
Total Revenues	<u>\$ 2,899</u>	<u>\$ 96,007</u>	<u>\$ 50,007</u>	<u>\$ 130,454</u>	<u>\$ 70,403</u>	<u>\$ 3,325,380</u>
Expenditures:						
Salaries		\$ 39,597	\$ 31,570	\$ 104,058	\$ 54,047	\$ 1,531,313
Fringe Benefits		16,666	12,603	47,331	19,535	703,123
Consultants		607	165	630	267	16,553
Contract - MD		18	100	317	169	36,405
Contract - Travel						4,023
Patient Care						55,966
Pharmacy						5,485
Supplies - Medical		120				144,069
Travel		1,019	378	3,637	173	138,989
Dues - Periodicals		712	175	707	367	16,458
Education - Training			77	280	182	41,141
Capital Purchases		24,568		6		113,344
Utilities		635	536	1,683	974	25,541
Maintenance - Repairs		1,054	947	3,108	1,546	46,788
Insurance		3,032	543	966	430	21,547
Data Processing		26	4	18	6	16,903
Postage		228	206	602	305	9,448
Printing - Binding			50	58	26	10,689
Supplies - Office		486	293	980	575	54,050
Laboratory				950		39,735
Telephone		580	538	2,313	983	38,483
Other		720	60	164	404	13,434
Interest						3,783
Debt payment						24,072
State match						13,237
Rent		95	415	1,319	708	20,893
Advertising		110	82	213	132	34,705
Mini Grants						4,844
Total Expenditures	<u>\$...</u>	<u>\$ 90,273</u>	<u>\$ 48,742</u>	<u>\$ 169,340</u>	<u>\$ 80,829</u>	<u>\$ 3,185,021</u>
Net Revenues/(Expenditures)	<u>\$ 2,899</u>	<u>\$ 5,734</u>	<u>\$ 1,265</u>	<u>\$ (38,886)</u>	<u>\$ (10,426)</u>	<u>\$ 140,359</u>

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

CRAIG G. SMUIN, C.P.A.

R. KIRT RICH, C.P.A.

GREG MARSING, C.P.A.

DOUGLAS RASMUSSEN, C.P.A.

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, 2009, and have issued our report thereon dated July 9, 2010. 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, 2009. 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 Culture)
- CIB Loan (Department of Community and Culture)
- Crack and Seal project (Department of Transportation)
- E911 Phone System Grant (Department of Human Services)
- CRP Grant (Department of Health)
- Criminal Justice Center (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)
- T/B Medication (Department of Health)
- Cancer Promotion and Control (Department of Health)
- Indoor Clean Air (Department of Health)
- PILT State (State Tax Commission)
- Retired Senior Volunteer Program (Department of Human Services)
- Emergency Medical Services (Department of Health)
- CHEC (Department of Health)
- HMEP (Department of Health)
- Tobacco Prevention (Department of Health)
- Predator Control (Department of Natural Resources)
- LHD Environmental Services (Department of Human Services)
- Consumer Education and Assistance (Department of Human Services)
- Mapping Grant (Governors Office of Economic Development)
- Airport Improvement (Utah Department of Transportation)
- Early Intervention (Department of Human Services)
- CTA/FPG Grant (Department of Human Services)

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

Public Debt	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, 2009.

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, 2009. 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

A handwritten signature in cursive script, appearing to read "Laura, Rich & Marsing", written in black ink.

Price, Utah

July 9, 2010

CARBON COUNTY
SCHEDULE OF TRANSIENT ROOM TAX EXPENDITURE BREAKDOWN
AUDIT DECEMBER 31, 2009

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

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

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

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, 2009, which collectively comprise Carbon County's basis financial statements and have issued our report thereon dated July 9, 2010. 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 opinions 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. See items 2009-1, 2009-2, 2009-3, and 2009-4. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 2009-1, 2009-2, 2009-3, and 2009-4.

We noted certain matters that we reported to management of the County in a separate letter dated July 30, 2010.

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, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

SMUIN, RICH & MARSING

A handwritten signature in black ink, appearing to read "Smuin, Rich & Marsing", written in a cursive style.

Price, Utah

July 9, 2010

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

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

MEMBERS

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

Board of County Commissioners
Carbon County
Price, Utah 84501

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

Compliance

We have audited the compliance of Carbon County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009.

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, 2009.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 and correct 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, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

SMUIN, RICH & MARSING

A handwritten signature in black ink, appearing to read "Smuin, Rich & Marsing", written in a cursive style.

Price, Utah

July 9, 2010

**CARBON COUNTY/SEUDHD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Carbon County.
2. There was one 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

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 2009-1 RECONCILIATION OF SIGNIFICANT ACCOUNTS – Carbon County and SEUDHD
(Significant deficiency)

Criteria:

Statement on Auditing Standards No. 112 requires governmental entities to design and implement controls, which allow them to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles.

Statement of Condition:

The employees of County and SEUDHD failed to perform reconciliation's of significant accounts. Bank accounts, accounts payable and fixed asset subsidiary ledgers for the County and accounts receivables for both entities are not being accrued or reconciled to the general ledger account in a timely or accurate manner.

Cause of Condition:

It appears that the work load is very extensive making it hard to meet all the demands of making sure account balances are accrued and reconciliation for significant balances are made timely and accurate.

Effect or Possible Effect of Condition:

Unless accounts have been accrued accurately and significant account balances reconciled to the general ledger accounts financial statements can be prepared that are not in accordance with generally accepted accounting principles. Material and other misstatements can occur in the financial statements.

Recommendation:

We recommend that accrual of receivables and the reconciliation of significant account balances are performed on a timely basis. The County Clerk/Auditor and SEUDHD personnel need to make sure internal controls have been adopted and implemented to make sure these procedures are performed timely. We recommend that management over accounting functions review the workload of employees and if necessary reallocate responsibilities to make sure the County and SEUDHD initiates, authorizes, records, processes, and reports financial data reliably in accordance with generally accepted accounting principles.

County and SEUDHD's Response:

With the help and assistance of current personnel, we have determined that current staff can and will perform the necessary internal control processes to review and record accurate financial data that is reliable and in accordance with Generally Accepted Accounting Principles. We will also use the expertise of our outside auditors to educate us in these processes. Office procedures and policies will include the review and proper adjustment of these accounts each month.

FINDING 2009-2 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.

FINDING 2009-2 DEFICIT FUND BALANCES (continued)

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 year's deficit funds.

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 deficit 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 had prepared a process to eliminate the deficit fund balance in the Capital Projects fund and was on course to accomplish this goal. We are aware of the requirements to maintain a fund balance that is within the limitations established by State Code and will accomplish our goals in the current year. We have identified funds that will be transferred to the Capital Projects fund to ensure that we are in compliance during the current calendar year.

FINDING 2009-3 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.

FINDING 2009-3 APPLICATION AND PRESENTATION OF GAAP FINANCIAL STATEMENTS (continued)

Cause of Condition:

County personnel are not recording certain transactions. Also, the County's internal controls have not identified any changes that need 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. Decisions made by County government based on inaccurate financial statements could have a very negative affect on the County operations.

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 continue to review all financial transactions that affect the County and ensure that they 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 2009-4 EXPENDITURES IN EXCESS OF BUDGET

Statement of Condition:

During the year ended December 31, 2009, the County over spent its adopted budget in the Municipal Services Fund.

Criteria:

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

FINDING 2009-4 EXPENDITURES IN EXCESS OF BUDGET (continued)

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.

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, 2009

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCURED (DEFERRED) REVENUE AT JANUARY 1, 2009	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCURED (DEFERRED) REVENUE AT DECEMBER 31, 2009
U.S. DEPARTMENT OF AGRICULTURE							
Direct Program:							
Forest Reserve	10.666		\$ 1,000	\$ 982	\$ 982		
Pass Through State Department:							
WIC Administration and Nutrition (Note 2)	10.557	C7-I	461,007	327,132	327,132		
WIC Administration and Nutrition (Note 2)	10.557	C7-I	461,007	88,982	88,982		
WIC Food Vouchers (Note 2)	10.557	C7-I	778,500	673,630	673,630		
WIC Food Vouchers (Note 2)	10.557	C7-I	778,500	230,433	230,433		
Summer Food	10.559	C6-II	300				
Pass Through Southeastern Utah Association of Governments:							
USDA Cash in Lieu	10.550	N/A	75,913	57,913	57,913		
Total U.S. Department of Agriculture			\$ 2,555,314	\$ 1,379,072	\$ 1,379,072		\$
U.S. DEPARTMENT OF INTERIOR							
Direct Program:							
Noxious Weed Act	15.224			\$ 30,427	\$ 30,427		
Total U.S. Department of Housing and Urban Development			\$	\$ 30,427	\$ 30,427		\$
U.S. DEPARTMENT OF JUSTICE							
Direct Program:							
Victims of Crime	16.575	98-VOCA-07	\$ 57,500	\$ 26,837	\$ 26,837		
National Children's Alliance	16.543			15,905	15,905		
COPS Fast Grant	16.710		30,000	38,534	38,534		
Local Law Enforcement Block Grant	16.004			29,485	29,485		
Total U.S. Department of Justice			\$ 87,500	\$ 110,761	\$ 110,761		\$
U.S. DEPARTMENT OF TRANSPORTATION							
Direct Program:							
Federal Aviation Administration - Airport Improvements	20.106	3-49-0026-13	\$ 2,216,780	\$ 159,229	\$ 159,229		
Pass through State Department:							
Highway Safety Project	20.600		17,000	12,122	12,122		
Highway Safety Project	20.600		17,000	11,823	11,823		
Total U.S. Department of Transportation			\$ 2,250,780	\$ 183,174	\$ 183,174		\$

* Major Programs

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

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, 2009	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2009
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY							
Pass through State Department:							
Environmental Services - DEQ	66.468		\$ 10,935	\$	\$ 5,468	\$ 5,468	\$
Total U.S. Department of Environmental Protection Agency			\$ 10,935	\$	\$ 5,468	\$ 5,468	\$
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass through State Department:							
TB Elimination	93.116	C5-I	\$ 5,638	\$	\$ 5,638	\$ 5,638	
H1N1 Flu Phase 1 & 2	93.069		258,826		154,721	154,721	
H1N1 Flu Phase 3	93.069		186,301		95,609	95,609	
Immunizations	93.268	C4-II	24,123		24,123	24,123	
Immunizations	93.268	C4-II	58,546		33,982	33,982	
Cancer Promotion	93.283	C3-I	22,475		8,124	8,124	
Cancer Promotion	93.283	C3-I	23,950		5,929	5,929	
HDSP - Preventative Block Grant	93.283	C3-II	833		261	261	
Bioterrorism	93.283	08-0940	259,362		63,061	63,061	
Bioterrorism	93.283	09-1240	258,955		178,003	178,003	
Bioterrorism - MRC Development	93.889	07-1595	10,000		4,721	4,721	
Bioterrorism - MRC Development	93.889	09-1240	10,000		2,233	2,233	
Comprehensive Tobacco	93.283	C3-V	34,000		19,648	19,648	
Comprehensive Tobacco	93.283	C3-V	34,000		14,203	14,203	
CHEC	93.778	C1-I	23,612		7,165	7,165	
CHEC	93.778	C1-I	23,612		10,485	10,485	
Cons. Education & Assistance	93.778	C1-II	43,307		17,410	17,410	
Cons. Education & Assistance	93.778	C1-II	43,917		19,722	19,722	
Monticello Cancer Initiative	93.888		582,120		119,201	119,201	
HIV Counseling/Education	93.940	C5-III	1,000		1,000	1,000	
Sexually Transmitted Disease	93.977	C5-II	1,000		550	550	
Title XIX, Early Childhood	93.778	C1-III	34,650		16,039	16,039	
Title XIX, Early Childhood	93.778	C1-III	44,730		9,113	9,113	
Cancer Promotion	93.919	C3-I	2,500		1,344	1,344	
HDSP - Preventative Block Grant	93.991	C3-II	27,499		8,449	8,449	
HDSP - Preventative Block Grant	93.991	C3-II	23,333		9,846	9,846	
PBG Injury Prevention	93.991	C3-III	11,056		3,318	3,318	
PBG Injury Prevention	93.991	C3-III	11,196		8,888	8,888	

* Major Programs

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

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, 2009	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2009
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass Through Southeastern Utah Association of Governments:							
Special Program of Aging -							
MCH Injury Prevention	93.994	C3-III	\$ 31,468	\$	\$ 4,537	\$ 4,537	
MCH Injury Prevention	93.994	C3-III	31,328		16,799	16,799	
P-5 Home Visitation	93.994	C4-I	16,000		3,905	3,905	
P-5 Home Visitation	93.994	C4-I	16,000		8,005	8,005	
Community Based Services	93.994	C2-I	100,000		37,475	37,475	
Community Based Services	93.994	C2-I	100,000		32,408	32,408	
MCH - General Health Block Grant	93.994	C4-I	87,610		43,805	43,805	
MCH - General Health Block Grant	93.994	C4-I	87,610		43,805	43,805	
Support Services	93.044	N/A	49,618		24,809	24,809	
Support Services	93.044	N/A	51,203		26,774	26,774	
Title III, Nutrition	93.045	N/A	80,994		40,497	40,497	
Title III, Nutrition	93.045	N/A	82,271		41,136	41,136	
Senior Health	93.043	AOG	4,001		3,445	3,445	
Social Services Block Grant - XX	93.667	AOG	5,100		2,550	2,550	
Social Services Block Grant - XX	93.667	AOG	5,100		2,550	2,550	
Social Services Block Grant - XX	93.667	AOG	8,195		4,098	4,098	
Social Services Block Grant - XX	93.667	AOG	8,224		4,112	4,112	
Social Services Block Grant - XX	93.667	AOG	1,900		1,900	1,900	
Total U.S. Department of Health and Human Services			\$ 2,827,163	\$	\$ 1,185,396	\$ 1,185,396	\$
CORPORATION FOR NATIONAL SERVICE							
Direct Program:							
Retired Senior Volunteer Program	94.002	440-P062/20	\$ 49,133	\$	\$ 49,133	\$ 49,133	
Pass through Association of Governments:							
Retired Senior Volunteer Program	94.002		5,500		5,500	5,500	
Total U.S. Department of Corporation for National Service			\$ 54,633	\$	\$ 54,633	\$ 54,633	\$

* Major Programs

* Major Programs

CARBON COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF DECEMBER 31, 2009

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, 2009**

Finding 2008-1 Expenditures in excess of budget

See current year audit findings. Some corrected, not all.

Finding 2008-2 Deficit fund balance

See current year audit finding. Not corrected

Finding 2008-3 Application and presentation of GAAP financial statements

See current year audit finding. Not corrected

Finding 2008-4 Proper revenue recognition and recording

Item not completely corrected during current year, but described in different finding.

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

Phone (435) 637-1203 • FAX (435) 637-8708

CRAIG G. SMUIN, C.P.A.
R. KIRT RICH, C.P.A.
GREG MARSING, C.P.A.
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, 2009.

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

NOTICE OF BUDGET HEARING

According to Utah Code section 17-36-12, the governing body of the County shall determine the place and time for a public hearing on the adoption of a budget. A notice of this hearing is required to be published at least seven days before the hearing in at least one newspaper of general circulation within the County. After reviewing the date of the publication of the notice and the date of the hearing, we found the County had only advertised the hearing one day before the hearing was held.

We recommend the County review the requirements for advertising public hearing on the adoption of their budget. We also recommend the County comply with the required timing of notice with regards to their budget.

Clients Response

We understand the requirements of the public hearing process for the Counties budget. The incident that occurred was an oversight and will not occur in the future.

CARBON COUNTY (continued)

UTAH RETIREMENT SYSTEM COMPLIANCE

The County participates in the Public Employees Contributory Retirement System and the Public Safety Contributory Retirement System and is paying the member contribution or a portion of it.

In *Revenue Ruling 2006-43*, the IRS clarified its rules governing employer “pick-up” (member contribution paid by employer elections to require a “formal” action (e.g. minutes of a meeting, a resolution or ordinance) to effect its pick-up election(s). In light of this guidance and increased governmental plan enforcement activity by the IRS, the County is required to formally elect a “pick-up”. This election is required to be made via the County’s annual certification of its contribution rates.

Clients Response

The County is aware of the requirement and will ensure that the “pick-up” election is performed correctly.

C-500 REQUIRED REPORTING

Utah Code Section 51-4-2 requires that each County that has collected funds that are due to the State shall, on or before the tenth day of each month, pay all of those funds that were receipted during the last month.

From examination of the C-500 reports, it was found that four of the twelve reports were not filed in a timely manner during the year. We recommend the County comply with Utah Code and file the C-500 reports within the ten days after the close of the following month.

Clients Response

The County will review the processing for the C-500 reports and ensure that the filing of the reports is performed within the ten days after the close of the following month.

JAIL RECORDING – INMATE TRUST ACCOUNT AND COMMISARY FUNDS

The jail is receiving and collecting funds for the inmates and is required to have internal controls that will safeguard these funds and keep adequate documentation to support the transactions performed. Excess funds are to be sent to the County on a regular basis. From our examination, we found that no monthly reconciliations are being performed. The excess in the inmate account (commisary) is not being remitted to the County. Received funds are not always being deposited within three days of receipt. No unclaimed property report has been submitted to the County, so the County can include items, if any.

We recommend the County review the processes at the Jail facility and implement internal controls that have been established at the County. Monthly bank reconciliations need to be performed and signed by the person performing the work and reviewed by the Jail commander, a copy should be given to the Clerk/Auditor. The Jail should establish a system that will ensure funds are deposited within three days. The Jail needs to identify unclaimed property, if any, and inform the County at year end.

CARBON COUNTY (continued)

JAIL RECORDING – INMATE TRUST ACCOUNT AND COMMISARY FUNDS (continued)

Client Response

The County will review the processes that being performed at the Jail and make necessary corrections as outlined by the auditors.

FUND BALANCE LIMITATION

Counties are permitted to accumulate earnings or fund balances, as appropriate, in any fund. With respect to the general fund only, any accumulated fund balance is restricted to the greater of the following:

- 1) the estimated total revenue from property taxes for the current fiscal period, or
- 2) 50% of the total revenues of the General Fund for the current fiscal period.

The County's fund balance at the end of the year is in excess of the amount allowed by the State's fiscal procedures act. The County is allowed to have \$7,498,089 as an unrestricted fund balance for the current calendar year. The County has \$\$12,478,379 as an unrestricted fund balance for the current calendar year. The County needs to reduce the fund balance in the General Fund.

We recommend the County review the options available to reduce its fund balance and take appropriate action.

Client Response

The County will review the options available to reduce the General Fund unrestricted fund balance to the appropriate levels by the end of the current calendar year.

SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT

UTAH RETIREMENT SYSTEM COMPLIANCE

The Health Department participates in the Public Employees Contributory Retirement System and the Public Safety Contributory Retirement System and is paying the member contribution or a portion of it

In *Revenue Ruling 2006-43*, the IRS clarified it s rules governing employer "pick-up" (member contribution paid by employer elections to require a "formal" action (e.g. minutes of a meeting, a resolution or ordinance) to effect its pick-up election(s). In light of this guidance and increased governmental plan enforcement activity by the IRS, the County is required to formally elect a "pick-up". This election is required to be made via the Health Department's annual certification of its contribution rates.

Clients Response

The Health Department is aware of the requirement and will ensure that the "pick-up" election is performed correctly. It was inadvertently missed this year.

SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT (continued)

ACCOUNTS RECEIVABLE – RECORDED AND SUBSEQUENT COLLECTION

The Health Department records accounts receivable monthly based on State and Federal reimbursement requests (MER). These amounts are eventually collected by the Health Department and the accounts receivable account is adjusted based on the monthly collection of funds. Currently, a system is not in place that allows the accounts receivable account to be analyzed properly to determine if the amount at the end of any given month is accurate. During the audit, we found the balance of the accounts receivable at year end was overstated and inaccurate. This caused the balance sheet to be misstated and also the revenue accounts.

We recommend the Health Department establish an internal control process that will create a monthly check and balance system with those amounts that have been billed for accounts receivable. Accurate entries in the general ledger for both billings and collections will need to be reviewed each month. This will ensure that recorded amounts are accurate and any discrepancies will be found timely and corrected.

Clients Response

The Health Department has already changed the process for accounts receivable and understands what needs to be performed to ensure that accurate information is reflected in the financial statements. We will follow the auditors recommendations by creating a monthly check and balance system.

EXPENDITURES OUTSIDE THE CURRENT CONTRACT PERIOD

The Health Department currently does not have a policy that identifies what action will be taken on invoices that are paid outside the current contract year. The Health Department paid for services incurred in August 6th and 8th of 2007 in the current contract year.

We recommend the Health Department establish a policy for payment of old invoices. If the Health Department decides to pay the old invoices, then the expenditure should be charged to a department/funding source that has local sources of revenue and should not be charged to grants unless the contract period is still open.

Clients Response

The Health Department will establish a policy that will address the auditors concerns and ensure that all employees who are involved in the invoice and check disbursement process are aware of the new policy.

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, reading "Smuin, Rich & Marsing".

Price, Utah

August 1, 2010