

CARBON COUNTY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Carbon County
Price, Utah 84501

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County, as of December 31, 2010, 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, 2010, 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 8, 2011 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 10, and budget comparison on pages 60 through 64, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carbon County's financial statements as a whole. The combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the 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. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

SMUIN, RICH & MARSING

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

Price, Utah

July 8, 2011

**CARBON COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

This discussion of Carbon County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2010. 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, 2010 by \$111,218,306 (net assets), compared to \$109,644,289 as of December 31, 2009, an increase of \$1,574,017. Of this amount, \$16,753,923 (unrestricted net assets) may be used to meet the governments' ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$8,453,447. Net assets increased by \$4,258,025 in the prior year. An increase of \$4,195,422, attributable to expenses for many projects.
- At the close of the current year, the Carbon County governmental funds reported combined ending fund balances of \$18,898,961, an increase of \$2,012,596 in comparison with the prior year. Approximately 93 percent of this total amount, \$17,436,421 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 \$13,705,111, or approximately 96 percent of total general funds' fund balance.
- Carbon County's total debt decreased during the current year, because of debt payments of \$1,560,667 exceeded the new debt obligations of \$427,000.

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 \$111,218,306 at December 31, 2010.

By far the largest portion of Carbon County's net assets (83.3 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		Business-Type Activities		Total Primary Government	
	2009	2010	2009	2010	2009	2010
Current and other assets	\$ 19,154,005	\$ 20,950,619	\$ 698,073	\$ 794,180	\$ 19,852,078	\$ 21,744,799
Capital assets	68,076,969	66,509,677	40,853,390	42,074,514	108,930,359	108,584,191
Total assets	<u>\$ 87,230,974</u>	<u>\$ 87,460,296</u>	<u>\$ 41,551,463</u>	<u>\$ 42,868,694</u>	<u>\$ 128,782,437</u>	<u>\$ 130,328,990</u>
Long-term debt outstanding	\$ 775,464	\$ 713,551	\$ 15,524,081	\$ 14,004,409	\$ 16,299,545	\$ 14,717,960
Other liabilities	2,292,645	2,079,602	545,958	2,313,122	2,838,603	4,392,724
Total liabilities	<u>\$ 3,068,109</u>	<u>\$ 2,793,153</u>	<u>\$ 16,070,039</u>	<u>\$ 16,317,531</u>	<u>\$ 19,138,148</u>	<u>\$ 19,110,684</u>
Net assets:						
Investment in capital assets, net of debt	\$ 67,992,966	\$ 66,450,680	\$ 25,530,930	\$ 27,077,186	\$ 93,523,896	\$ 93,527,866
Restricted	874,690	1,462,540			874,690	1,462,540
Unrestricted (Deficit)	15,295,209	16,753,923	(49,506)	(526,023)	15,245,703	16,227,900
Total net assets	<u>\$ 84,162,865</u>	<u>\$ 84,667,143</u>	<u>\$ 25,481,424</u>	<u>\$ 26,551,163</u>	<u>\$ 109,644,289</u>	<u>\$ 111,218,306</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 \$16,227,900 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 \$504,278. Key elements of this increase are as follows:

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2010	2009	2010	2009	2010
Revenues						
Program Revenues:						
Charges for services	\$ 7,349,084	\$ 7,846,137	\$ 755,207	\$ 799,814	\$ 8,104,291	\$ 8,645,951
Operating grants and cont.	4,772,446	4,135,910			4,772,446	4,135,910
Capital grants and cont.	603,749	2,267,606	4,103,079	1,555,475	4,706,828	3,823,081
General Revenues:						
Property taxes	6,703,848	6,707,909			6,703,848	6,707,909
Sales taxes	1,945,025	2,040,094			1,945,025	2,040,094
Other general revenues	5,453,852	4,441,264	28,678	13,684	5,482,530	4,454,948
Total revenues	\$ 26,828,004	\$ 27,438,920	\$ 4,886,964	\$ 2,368,973	\$ 31,714,968	\$ 29,807,893
Program expenses						
General government	\$ 4,982,630	\$ 5,407,749			\$ 4,982,630	\$ 5,407,749
Public safety	7,363,781	7,782,766			7,363,781	7,782,766
Public health	4,468,069	5,156,108			4,468,069	5,156,108
Highways and public improve.	5,696,656	4,918,456			5,696,656	4,918,456
Parks and recreation	1,505,485	1,527,787			1,505,485	1,527,787
Conservation & Econ. Dev.	943,647	830,727			943,647	830,727
Contributions and Misc.	186,439	104,782			186,439	104,782
Capital outlay	1,109,426	1,206,267			1,109,426	1,206,267
MBA			\$ 1,088,455	\$ 1,177,836	1,088,455	1,177,836
County Court Complex			112,355	121,398	112,355	121,398
Total expenses	\$ 26,256,133	\$ 26,934,642	\$ 1,200,810	\$ 1,299,234	\$ 27,456,943	\$ 28,233,876
Excess (deficiency) before transfers	\$ 571,871	\$ 504,278	\$ 3,686,154	\$ 1,069,739	\$ 4,258,025	\$ 1,574,017
Change in net assets	\$ 571,871	\$ 504,278	\$ 3,686,154	\$ 1,069,739	\$ 4,258,025	\$ 1,574,017
Net assets - beginning	\$ 83,999,788	\$ 84,162,865	\$ 21,795,290	\$ 25,481,424	\$ 105,795,078	\$ 109,644,289
Prior period adjustment	(408,794)				(408,794)	
Net assets - ending	84,162,865	84,667,143	25,481,424	26,551,163	110,053,103	111,218,306
Change in net assets	\$ 571,871	\$ 504,278	\$ 3,686,134	\$ 1,069,739	\$ 4,258,025	\$ 1,574,017

Government-wide financial analysis (Continued)

For 2010 Carbon County experienced negative growth totaling \$181,643,442 as reported to the State Tax Commission on form TC 714. This decrease in growth is due primarily to the value of centrally assessed property falling from \$1,222,209,278 in 2009 to \$1,022,032,065 in 2010. This represents a \$200,177,213 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 \$1,069,739. 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 \$18,898,961, which is an increase of \$2,012,596 in comparison with the prior year. Approximately, 92.38 percent or \$17,436,421 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 \$13,705,111.

- 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 year end amounted to \$(526,023) 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	\$ 5,741,793	\$ 6,141,293	\$ 399,500
Public Safety	3,269,561	3,274,561	5,000
Public Health	343,396	345,396	2,000
Highway and Public Improvements	1,440,507	1,440,507	
Parks, recreation and public property	304,700	304,700	
Conservation and Economic Development	258,340	258,340	
Contributions and miscellaneous	247,093	247,093	
Net			<u>\$ 406,500</u>

Capital Asset and Debt Administration

Capital Assets

Carbon County's investment in capital assets for its governmental activities as of December 31, 2010, amounts to \$66,509,677 (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 \$(1,567,292).

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2010	2009	2010	2009	2010
Right of ways	\$ 1,361,829	\$ 1,361,829			\$ 1,361,829	\$ 1,361,829
Land	1,305,228	1,698,402	\$ 367,492	\$ 367,492	1,672,720	2,065,894
Buildings	1,655,047	1,566,306	29,518,786	30,337,572	31,173,833	31,903,878
Improvements other than buildings	9,963,651	9,689,871			9,963,651	9,689,871
Machinery and equipment	6,588,821	6,839,577	684,419	632,432	7,273,240	7,472,009
Infrastructure	47,056,393	45,207,692	10,282,693	10,737,018	57,339,086	55,944,710
Water stock	146,000	146,000			146,000	146,000
	<u>\$ 68,076,969</u>	<u>\$ 66,509,677</u>	<u>\$ 40,853,390</u>	<u>\$ 42,074,514</u>	<u>\$ 108,930,359</u>	<u>\$ 108,584,191</u>

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

Long-term debt

As presented in the schedule below, the total long-term debt of Carbon County was \$15,738,822, 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	
	2009	2010	2009	2010	2009	2010
Revenue Bonds			\$ 15,524,081	\$ 14,997,328	\$ 15,524,081	\$ 14,997,328
Capital Leases	\$ 84,003	\$ 58,997			84,003	58,997
Compensated Absences	716,466	682,497			716,466	682,497
	<u>\$ 800,469</u>	<u>\$ 741,494</u>	<u>\$ 15,524,081</u>	<u>\$ 14,997,328</u>	<u>\$ 16,324,550</u>	<u>\$ 15,738,822</u>

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for Carbon County in 2010 was 8.2%, an increase of 1.1% from 2009. This is higher than the state's average unemployment rate of 7.7%, but lower than the national average of 9.2% as of June 2011. Employment in Carbon County has declined from 9,715 jobs in May 2010 to 9,528 jobs in November 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 2010 closing in at 21,403.

The value of new construction decreased from \$18,683,698 in 2009 to \$15,046,018 in 2010. This represents a 19.46% decrease from the previous year. This decrease is largely due to a decrease in residential and commercial construction.

The value of centrally assessed property in Carbon County decreased \$200,177,213 in 2010. This was almost totally responsible for the negative New Growth of \$181,643,442.

Coal mining and oil and gas production remained relatively constant for 2010 and helped hold the negative growth figure to the \$200.177 million. All of these factors were considered in preparing Carbon County's budget for the 2011 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, 2010

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<u>ASSETS</u>				
Cash and cash equivalents	\$ 17,296,818	\$ 735,181	\$ 18,031,999	\$ 6,960,087
Restricted - Cash and cash equivalents	1,123,137		1,123,137	9,759,875
Taxes receivable	170,005		170,005	
Miscellaneous receivables	2,352,836	58,999	2,411,835	8,454
Due from other governments				1,553,736
Inventory of supplies	7,823		7,823	
Capital assets (net of accumulated depreciation):				
Land	1,698,402	367,492	2,065,894	1,681,614
Rights-of-way	1,361,829		1,361,829	
Water stock	146,000		146,000	110,000
Buildings	1,566,306	30,337,572	31,903,878	7,467,701
Improvements other than buildings	9,689,871		9,689,871	1,410,598
Fixtures and equipment	6,839,577	632,432	7,472,009	373,856
Infrastructure	45,207,692	10,737,018	55,944,710	
Total assets	\$ 87,460,296	\$ 42,868,694	\$ 130,328,990	\$ 29,325,921
<u>LIABILITIES</u>				
Accounts payable	\$ 838,062	\$ 105,363	\$ 943,425	\$ 1,319,549
Accrued payroll	365,845		365,845	
Accrued liabilities	254,990		254,990	618
Deferred revenue	63,494	86,825	150,319	
Cash deficit	529,268	1,095,701	1,624,969	
Bond interest payable		32,314	32,314	42,384
Capital leases payable - Due within one year	31,054		31,054	
Revenue bonds payable - Due within one year		977,927	977,927	632,162
Capital leases payable - Due in more than one year	27,943		27,943	
Revenue bonds payable - Due in more than one year		14,019,401	14,019,401	5,543,549
Compensated absences	682,497		682,497	
Total liabilities	\$ 2,793,153	\$ 16,317,531	\$ 19,110,684	\$ 7,538,262

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

CARBON COUNTY
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
NET ASSETS				
Invested in capital assets, net of related debt	\$ 66,450,680	\$ 27,077,186	\$ 93,527,866	\$ 11,016,276
Restricted for:				
Class "B" roads	2,210		2,210	
Economic development	554,182		554,182	
Municipal services	1,060,103		1,060,103	
Health care	549,984		549,984	
Landfill	27,394		27,394	
Capital projects	(731,333)		(731,333)	2,537,116
Debt service				1,354,301
Unrestricted	16,753,923	(526,023)	16,227,900	6,879,966
Total net assets	\$ 84,667,143	\$ 26,551,163	\$ 111,218,306	\$ 21,787,659

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

CARRON COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Function/Programs	PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	COMPONENTS UNITS
Primary government:							
Governmental activities:							
General government	\$ 5,407,749	\$ 226,226			\$ (5,181,523)	\$ (5,181,523)	
Public safety	7,782,766	2,103,905	\$ 445,661	\$ 1,100,513	(4,132,687)	(4,132,687)	
Highways and public improvements	5,156,108	3,959,538	980,655	92,060	(123,855)	(123,855)	\$ (3,957,616)
Public health	4,918,456	1,212,719	2,619,493		(1,086,244)	(1,086,244)	
Parks and recreation	1,527,787	343,749			(1,184,038)	(1,184,038)	(115,314)
Conservation and economic development	830,727		90,101		(740,626)	(740,626)	
Contributions and miscellaneous	104,782				(104,782)	(104,782)	
Intergovernmental							(2,048,008)
Interest on long-term liabilities							(81,163)
Capital outlay	1,206,267			1,075,033	(131,234)	(131,234)	
Total governmental activities	\$ 26,934,642	\$ 7,846,137	\$ 4,135,910	\$ 2,267,606	\$ (12,684,989)	\$ (12,684,989)	\$ (6,202,101)
Business-type activities:							
Municipal Building Authority	\$ 1,111,771	\$ 597,032		\$ 1,555,475		\$ 1,040,736	\$ 1,040,736
County Court Complex	121,398	202,782				81,384	81,384
Total business-type activities	\$ 1,233,169	\$ 799,814		\$ 1,555,475		\$ 1,122,120	\$ 1,122,120
Total primary government	\$ 28,167,811	\$ 8,645,951	\$ 4,135,910	\$ 3,823,081	\$ (12,684,989)	\$ 1,122,120	\$ (11,562,869)
Component Units:							
Carbon County Recreation & Transportation							\$ 228,211
Special Service District							(26,740)
Scofield Reservoir Special Service District							
Total component units							\$ 201,471
General revenues							
Property taxes				\$ 6,707,909		\$ 6,707,909	
State P.L.T.				11,130		11,130	
Federal P.L.T.				1,044,970		1,044,970	
Sales taxes				2,040,094		2,040,094	
Miscellaneous taxes				251,486		251,486	
Grants and contributions not restricted to specific program				5,061		5,061	
Unrestricted investment earnings				76,506		76,506	
Royalties and rents				549,327		549,327	
Gain/(Loss) on sale of fixed assets				(123,459)		(123,459)	
Miscellaneous				221,594		221,594	
Mineral reserve monies				2,404,649		2,404,649	
Interest expense					(66,065)	(66,065)	
Total general revenues and transfers				\$ 13,189,267	\$ (52,381)	\$ 13,136,886	\$ 8,860,715
Change in net assets							
				\$ 504,278	\$ 1,069,739	\$ 1,574,017	\$ 2,860,085
Net assets - beginning							
Prior period adjustment							
					84,162,865	25,481,424	109,644,289
Net assets - ending					\$ 84,667,143	\$ 26,551,163	\$ 111,218,306
							\$ 21,787,659

"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, 2010**

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>					
Cash and cash equivalents	\$ 13,499,255		\$ 30,161	\$ 3,767,402	\$ 17,296,818
Restricted cash and cash equivalents	581,576	\$ 541,561			1,123,137
Receivables (net):					
Taxes	164,341		5,664		170,005
Other	789,555	233,102	1,283,485	46,694	2,352,836
Inventories		7,823			7,823
Total assets	<u>\$ 15,034,727</u>	<u>\$ 782,486</u>	<u>\$ 1,319,310</u>	<u>\$ 3,814,096</u>	<u>\$ 20,950,619</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Cash deficit				\$ 529,268	\$ 529,268
Accounts payable	\$ 388,060		\$ 190,323	259,679	838,062
Accrued payroll	251,408	\$ 114,437			365,845
Accrued liabilities	108,572	54,571	66,674	25,173	254,990
Deferred revenue		63,494			63,494
Total liabilities	<u>\$ 748,040</u>	<u>\$ 232,502</u>	<u>\$ 256,997</u>	<u>\$ 814,120</u>	<u>\$ 2,051,659</u>
Fund balances:					
Reserved for:					
Class "B" Road			\$ 2,210		\$ 2,210
Municipal services			1,060,103		1,060,103
Capital projects				\$ (731,333)	(731,333)
Economic development	\$ 554,182				554,182
Landfill	27,394				27,394
Health care		\$ 549,984			549,984
Unreserved, reported in:					
General fund	13,705,111				13,705,111
Special revenue funds				1,493,928	1,493,928
Permanent funds				2,237,382	2,237,382
Total fund balances	<u>\$ 14,286,687</u>	<u>\$ 549,984</u>	<u>\$ 1,062,313</u>	<u>\$ 2,999,977</u>	<u>\$ 18,898,961</u>
Total liabilities and fund balances	<u>\$ 15,034,727</u>	<u>\$ 782,486</u>	<u>\$ 1,319,310</u>	<u>\$ 3,814,097</u>	<u>\$ 20,950,620</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, 2010

Total fund balances - governmental fund types: \$ 18,898,961

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	\$ 1,698,402	
Rights of Way	1,361,829	
Water stock	146,000	
Buildings	1,566,306	
Improvements other than buildings	9,689,871	
Fixtures and equipment	6,839,577	
Infrastructure	<u>45,207,692</u>	
Total		66,509,677

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	\$ (25,004)	
Capital leases payable - Due in more than one year	(33,993)	
Compensated absences	<u>(682,498)</u>	
Total		<u>(741,495)</u>

Net assets of government activities \$ 84,667,143

"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, 2010

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Taxes	\$ 7,522,221		\$ 1,250,991	\$ 226,277	\$ 8,999,489
Licenses and permits	37,632		62,908		100,540
Intergovernmental revenues	2,893,874	\$ 2,846,407	3,021,398	527,174	9,288,853
Charges for services	1,190,321	561,086	4,244,698	653,920	6,650,025
Fines and forfeitures	333,716				333,716
Interest income	60,231	3,565			63,796
Contributions				1,075,033	1,075,033
Miscellaneous	1,050,735	25,942	89,960	77,209	1,243,846
Total revenues	\$ 13,088,730	\$ 3,437,000	\$ 8,669,955	\$ 2,559,613	\$ 27,755,298
EXPENDITURES:					
Current:					
General government	\$ 5,649,759		\$ 134,223		\$ 5,783,982
Public safety	3,237,765		4,427,818	\$ 222,869	7,888,452
Highways and public improvements	1,186,157		2,273,432		3,459,589
Public health	342,474	\$ 3,509,183		1,077,767	4,929,424
Parks, recreation, and public property	239,251		5,000	1,302,471	1,546,722
Conservation and economic development	364,506			458,978	823,484
Capital outlay				1,206,267	1,206,267
Contributions and miscellaneous	104,782				104,782
Total expenditures	\$ 11,124,694	\$ 3,509,183	\$ 6,840,473	\$ 4,268,352	\$ 25,742,702
Excess revenues over (under) expenditures	\$ 1,964,036	\$ (72,183)	\$ 1,829,482	\$ (1,708,739)	\$ 2,012,596
OTHER FINANCING SOURCES (USES):					
Transfers in	\$ 1,057,700			\$ 1,867,579	\$ 2,925,279
Transfers out	(1,867,579)		(1,057,700)		(2,925,279)
Total other financing sources (uses)	\$ (809,879)	\$...	\$ (1,057,700)	\$ 1,867,579	\$...
Excess of revenues and other sources over (under) expenditures and other uses	\$ 1,154,157	\$ (72,183)	\$ 771,782	\$ 158,840	\$ 2,012,596
FUND BALANCES - beginning of year	13,132,530	622,167	290,531	2,841,137	16,886,365
FUND BALANCES - end of year	\$ 14,286,687	\$ 549,984	\$ 1,062,313	\$ 2,999,977	\$ 18,898,961

"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, 2010

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

Net changes in fund balances - total governmental funds	\$ 2,012,596
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

General government	\$ 557,451	
Public safety	462,618	
Highways	1,148,525	
Parks and recreation	<u>279,807</u>	
 Total assets shown as expenditures	 \$ 2,448,401	
Less: depreciation	<u>(3,699,314)</u>	
 Difference between expenditure and depreciation		 (1,250,913)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donation) is to increase net assets.	(316,379)
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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.	25,005
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Compensated absences).	<u>33,969</u>
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Change in net assets of governmental activities	<u><u>\$ 504,278</u></u>
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"The notes to the financial statements are an integral part of this statement."

CARBON COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTAs
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents		\$ 735,181	\$ 735,181
Receivables - net			
Miscellaneous	\$ 58,999		58,999
Total current assets	\$ 58,999	\$ 735,181	\$ 794,180
Noncurrent assets:			
Land	\$ 169,492	\$ 198,000	\$ 367,492
Roads	11,358,562		11,358,562
Buildings	34,091,052	1,576,152	35,667,204
Furniture, fixtures and equipment	957,965	271,441	1,229,406
Less: accumulated depreciation	(5,467,142)	(1,081,008)	(6,548,150)
Total noncurrent assets	\$ 41,109,929	\$ 964,585	\$ 42,074,514
Total assets	\$ 41,168,928	\$ 1,699,766	\$ 42,868,694
<u>LIABILITIES</u>			
Current liabilities:			
Cash deficit	\$ 1,095,701		\$ 1,095,701
Accounts payable	101,728	\$ 3,635	105,363
Deferred rents		86,825	86,825
Accrued interest payable	32,314		32,314
Current portion of long-term liabilities	977,927		977,927
Total current liabilities	\$ 2,207,670	\$ 90,460	\$ 2,298,130
Noncurrent liabilities:			
Revenue bonds payable	\$ 14,019,401		\$ 14,019,401
Total noncurrent liabilities	\$ 14,019,401	\$...	\$ 14,019,401
Total liabilities	\$ 16,227,071	\$ 90,460	\$ 16,317,531
Net Assets:			
Invested in capital assets, net of related debt	\$ 26,112,601	\$ 964,585	\$ 27,077,186
Unrestricted (Deficit)	(1,170,744)	644,721	(526,023)
Total net assets	\$ 24,941,857	\$ 1,609,306	\$ 26,551,163

"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, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTAs
Operating revenues:			
Rental income	\$ 597,032	\$ 202,782	\$ 799,814
Total operating revenues	\$ 597,032	\$ 202,782	\$ 799,814
Operating expenses:			
Utilities		\$ 32,992	\$ 32,992
Repairs and maintenance		34,414	34,414
Depreciation	1,111,771	53,992	1,165,763
Total operating expenses	\$ 1,111,771	\$ 121,398	\$ 1,233,169
Operating income (loss)	\$ (514,739)	\$ 81,384	\$ (433,355)
Nonoperating revenues (expenses):			
Interest revenue	\$ 13,684		\$ 13,684
Interest expense	(66,065)		(66,065)
Contributions from other agencies	761,532		761,532
Contributions to other agencies	(24,783)		(24,783)
Grants	818,726		818,726
Total nonoperating revenues (expenses)	\$ 1,503,094	\$...	\$ 1,503,094
Income (loss) before contributions and transfers	\$ 988,355	\$ 81,384	\$ 1,069,739
Change in net assets	\$ 988,355	\$ 81,384	\$ 1,069,739
Total net assets - beginning	23,953,502	1,527,922	25,481,424
Total net assets - ending	\$ 24,941,857	\$ 1,609,306	\$ 26,551,163

"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, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	MUNICIPAL BUILDING AUTHORITY	COUNTY COURT COMPLEX	TOTAL BTA's
Cash Flows From Operating Activities:			
Receipts from customers	\$ 622,037	\$ 202,782	\$ 824,819
Payments to suppliers		(65,786)	(65,786)
Net cash provided (used) by operating activities	\$ 622,037	\$ 136,996	\$ 759,033
Cash Flows From Capital and Related Financing Activities:			
Purchase of capital assets	\$ (2,667,244)	\$ (15,884)	\$ (2,683,128)
Principal paid on capital debt	(953,753)		(953,753)
Interest paid on capital debt	(71,195)		(71,195)
Contributions from other agencies	761,532		761,532
Contributions to other agencies	(24,783)		(24,783)
Grants	818,726		818,726
Loan proceeds	427,000		427,000
Net cash provided (used) by capital and related financing activities	\$ (1,709,717)	\$ (15,884)	\$ (1,725,601)
Cash Flows From Investing Activities:			
Interest and dividends received	\$ 13,684		\$ 13,684
Net cash provided (used) by investing activities	\$ 13,684	\$...	\$ 13,684
Net increase (decrease) in cash and cash equivalents	\$ (1,073,996)	\$ 121,112	\$ (952,884)
Cash and cash equivalents, January 1	(21,705)	614,069	592,364
Cash and cash equivalents, December 31	\$ (1,095,701)	\$ 735,181	\$ (360,520)

"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, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	<u>MUNICIPAL BUILDING AUTHORITY</u>	<u>COUNTY COURT COMPLEX</u>	<u>TOTAL BTA's</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	<u>\$ (514,739)</u>	<u>\$ 81,384</u>	<u>\$ (433,355)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	\$ 1,111,771	\$ 53,992	\$ 1,165,763
Increase (Decrease) in accounts payable		1,620	1,620
(Increase) Decrease in accounts receivable	<u>25,005</u>		<u>25,005</u>
Total adjustments	<u>\$ 1,136,776</u>	<u>\$ 55,612</u>	<u>\$ 1,192,388</u>
Net cash provided (used) by operating activities	<u><u>\$ 622,037</u></u>	<u><u>\$ 136,996</u></u>	<u><u>\$ 759,033</u></u>

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

CARBON COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2010

	<u>AGENCY FUNDS</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,799,807
Receivables (net):	
Miscellaneous	<u>822</u>
Total assets	<u><u>\$ 1,800,629</u></u>
<u>LIABILITIES</u>	
Accounts payable	\$ 173,626
Precinct fees, bail and bonds payable	65,261
Due taxing units	691,438
Alimony support and miscellaneous	1,247
Due to other governments and agencies	<u>869,057</u>
Total liabilities	<u><u>\$ 1,800,629</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, 2010**

	SCOFIELD RESERVOR SPECIAL SERVICE DISTRICT	CARBON COUNTY RECREATION & TRANSPORTATION SPECIAL SERVICE DISTRICT	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 254,514	\$ 6,705,573	\$ 6,960,087
Restricted - Cash and cash equivalents		9,759,875	9,759,875
Accounts receivable	8,454		8,454
Due from other governments		1,553,736	1,553,736
Capital assets (net of accumulated depreciation):			
Land	16,128	1,665,486	1,681,614
Buildings		7,467,701	7,467,701
Equipment		373,856	373,856
Sewer systems and improvements	585,249		585,249
Improvements other than buildings		825,349	825,349
Water stock		110,000	110,000
Total assets	<u>\$ 864,345</u>	<u>\$ 28,461,576</u>	<u>\$ 29,325,921</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 358	\$ 1,319,191	\$ 1,319,549
Accrued liabilities		618	618
Bond interest payable	175	42,209	42,384
Revenue bonds payable - Due within one year	10,162	622,000	632,162
Revenue bonds payable - Due in more than one year	17,549	5,526,000	5,543,549
Total liabilities	<u>\$ 28,244</u>	<u>\$ 7,510,018</u>	<u>\$ 7,538,262</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	\$ 573,884	\$ 10,442,392	\$ 11,016,276
Restricted for:			
Capital projects		2,537,116	2,537,116
Debt Service		1,354,301	1,354,301
Unrestricted	262,217	6,617,749	6,879,966
Total net assets	<u>\$ 836,101</u>	<u>\$ 20,951,558</u>	<u>\$ 21,787,659</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, 2010

Function/Programs	NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS			
	PROGRAM REVENUES		PRIMARY GOVERNMENT	
	EXPENSES	CHARGES FOR SERVICES	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
				TOTAL
Governmental activities:				
Carbon County Recreation & Transportation				
Special Service District				
Highways and public improvements	\$ 4,637,482	\$ 679,866	\$ (3,957,616)	\$ (3,957,616)
Parks, recreation and public improvements	115,314		(115,314)	(115,314)
Intergovernmental	2,048,008		(2,048,008)	(2,048,008)
Interest on long term liabilities	81,163		(81,163)	(81,163)
Total governmental activities	\$ 6,881,967	\$ 679,866	\$ (6,202,101)	\$ (6,202,101)
Business-type activities:				
Scofield Reservoir Special Service District				
CCR&TSSD - local building authority				
Total business-type activities	\$ 79,923	\$ 53,183	\$ (26,740)	\$ (26,740)
Total component units	21,789	\$ 250,000	228,211	228,211
	\$ 101,712	\$ 53,183	\$ 201,471	201,471
	\$ 6,983,679	\$ 733,049	\$ (6,202,101)	\$ (6,000,630)
General revenues:				
Mineral lease revenue	\$	\$ 8,690,492	\$	\$ 8,690,492
Investment earnings		71,843	\$ 7,817	79,660
State PILT		117,196		117,196
Miscellaneous		300		300
Transfers		(1,200,000)	1,200,000	
Loss on disposal of fixed assets		(26,933)		(26,933)
Total general revenues and transfers		\$ 7,652,898	\$ 1,207,817	\$ 8,860,715
Change in net assets		\$ 1,450,797	\$ 1,409,288	\$ 2,860,085
Net assets - beginning		10,545,752	8,375,134	18,920,886
Prior period adjustment			6,688	6,688
Net assets - ending		\$ 11,996,549	\$ 9,791,110	\$ 21,787,659

"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, 2010

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 have 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 \$682,497.

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, 2010 was as follows:

Primary Government Governmental activities:	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Capital assets not being depreciated:				
Land	\$ 1,305,228	\$ 393,174		\$ 1,698,402
Rights of Way	1,361,829			1,361,829
Water stock	146,000			146,000
Total capital assets not not being depreciated	<u>\$ 2,813,057</u>	<u>\$ 393,174</u>	<u>\$...</u>	<u>\$ 3,206,231</u>
Capital assets being depreciated:				
Buildings	\$ 4,169,536		\$ (76,447)	\$ 4,093,089
Improvements other than buildings	15,883,684	\$ 149,367	(24,158)	16,008,893
Machinery and equipment	15,843,718	1,905,860	(983,604)	16,765,974
Infrastructure (Roads & Bridges)	121,685,665			121,685,665
Total capital assets being depreciated	<u>\$ 157,582,603</u>	<u>\$ 2,055,227</u>	<u>\$ (1,084,209)</u>	<u>\$ 158,553,621</u>
Less accumulated depreciation for:				
Buildings	\$ 2,514,489	\$ 72,491	\$ (60,197)	\$ 2,526,783
Improvements other than buildings	5,920,033	441,732	(42,743)	6,319,022
Machinery and equipment	9,254,897	1,336,390	(664,890)	9,926,397
Infrastructure (Roads & Bridges)	74,629,272	1,848,701		76,477,973
Total accumulated depreciation	<u>\$ 92,318,691</u>	<u>\$ 3,699,314</u>	<u>\$ (767,830)</u>	<u>\$ 95,250,175</u>
Total capital assets, being depreciated, net	<u>\$ 65,263,912</u>	<u>\$ (1,644,087)</u>	<u>\$ (316,379)</u>	<u>\$ 63,303,446</u>
Governmental activities capital assets, net	<u>\$ 68,076,969</u>	<u>\$ (1,250,913)</u>	<u>\$ (316,379)</u>	<u>\$ 66,509,677</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	\$ 33,967,396	\$ 1,699,808		\$ 35,667,204
Roads	10,687,366	671,196		11,358,562
Machinery and equipment	1,213,523	15,883		1,229,406
Total capital assets being depreciated	\$ 45,868,285	\$ 2,386,887	\$...	\$ 48,255,172
Less accumulated depreciation for:				
Buildings	\$ 4,448,610	\$ 881,022		\$ 5,329,632
Roads	404,673	216,871		621,544
Machinery and equipment	529,104	67,870		596,974
Total accumulated depreciation	\$ 5,382,387	\$ 1,165,763	\$...	\$ 6,548,150
Total capital assets, being depreciated, net	\$ 40,485,898	\$ 1,221,124	\$...	\$ 41,707,022
Business-type activities capital assets, net	\$ 40,853,390	\$ 1,221,124	\$...	\$ 42,074,514
Depreciation expense was charged to functions/programs of the primary government as follows:				
Governmental activities:				
General government			\$ 179,848	
Public safety			354,839	
Public Health			68,377	
Highways and public improvements			2,837,845	
Parks and recreation			250,492	
Conservation and economic development			7,913	
Total depreciation expense - governmental activities			\$ 3,699,314	
Business-type activities:				
County Court Complex			\$ 53,992	
Municipal building authority			1,111,771	
Total depreciation expense - Business-Type Activities			\$ 1,165,763	
Total depreciation expense			\$ 4,865,077	

2. CAPITAL ASSETS (Continued)

Component units:	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
Capital assets not being depreciated:				
Land	\$ 1,431,614	\$ 250,000		\$ 1,681,614
Water stock	110,000			110,000
Work in progress	<u>2,742,557</u>		<u>\$(2,742,557)</u>	
Total capital assets not being depreciated	<u>\$ 4,284,171</u>	<u>\$ 250,000</u>	<u>\$(2,742,557)</u>	<u>\$ 1,791,614</u>
Capital assets being depreciated:				
Buildings	\$ 141,618	\$ 4,651,916	\$ 2,742,557	\$ 7,536,091
Improvements other than buildings	2,621,671	241,765		2,863,436
Machinery and equipment	<u>635,603</u>	<u>91,835</u>	<u>(40,400)</u>	<u>687,038</u>
Total capital assets being depreciated	<u>\$ 3,398,892</u>	<u>\$ 4,985,516</u>	<u>\$ 2,702,157</u>	<u>\$ 11,086,565</u>
Less accumulated depreciation for:				
Buildings	\$ 49,445	\$ 18,945		\$ 68,390
Improvements other than buildings	1,359,276	93,562		1,452,838
Machinery and equipment	<u>277,535</u>	<u>49,114</u>	<u>\$ (13,467)</u>	<u>313,182</u>
Total accumulated depreciation	<u>\$ 1,686,256</u>	<u>\$ 161,621</u>	<u>\$ (13,467)</u>	<u>\$ 1,834,410</u>
Total capital assets, being depreciated, net	<u>\$ 1,712,636</u>	<u>\$ 4,823,895</u>	<u>\$ 2,715,624</u>	<u>\$ 9,252,155</u>
Component units capital assets, net	<u><u>\$ 5,996,807</u></u>	<u><u>\$ 5,073,895</u></u>	<u><u>\$ (26,933)</u></u>	<u><u>\$ 11,043,769</u></u>

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

Carbon County Recreation & Transportation Special Service District	\$ 129,121
Scofield Reservoir Special Service District	<u>32,500</u>
Total depreciation expense	<u><u>\$ 161,621</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
2011	\$ 31,054	\$ 2,065	\$ 33,119	\$ 977,927	\$ 61,095	\$ 1,039,022
2012	27,943	1,050	28,993	958,150	52,742	1,010,892
2013				964,379	45,053	1,009,432
2014				938,221	37,149	975,370
2015				934,000	30,870	964,870
2016-2020				4,310,000	45,325	4,355,325
2021-2025				3,637,000		3,637,000
2026-2030				1,848,651		1,848,651
2031-2034				352,000		352,000
2035-2040				77,000		77,000
	<u>\$ 58,997</u>	<u>\$ 3,115</u>	<u>\$ 62,112</u>	<u>\$ 14,997,328</u>	<u>\$ 272,234</u>	<u>\$ 15,269,562</u>

Revenue Bonds – Revenue Bonds payable at December 31, 2010, with their outstanding balances are comprised of the following individual issues:

Business-type Activities:

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

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

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-11	910	27,000	27,910
	<u>\$ 910</u>	<u>\$ 27,000</u>	<u>\$ 27,910</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>
07-01-11	\$ 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
07-01-15	20,230	137,000	157,230
2016-2018	<u>31,220</u>	<u>441,000</u>	<u>472,220</u>
	<u>\$ 177,310</u>	<u>\$ 1,083,000</u>	<u>\$ 1,260,310</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>
07-01-11	\$ 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
07-01-15	9,730	66,000	75,730
2016-2018	<u>15,015</u>	<u>214,000</u>	<u>229,015</u>
	<u>\$ 85,365</u>	<u>\$ 524,000</u>	<u>\$ 609,365</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>
02-01-11	\$ 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>\$ 6,090</u>	<u>\$ 101,000</u>	<u>\$ 107,090</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>
07-01-11	\$ 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	10,176	10,470
	<u>\$ 2,559</u>	<u>\$ 37,632</u>	<u>\$ 40,191</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>
09-01-11		\$ 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
09-01-15		16,000	16,000
2016-2020		80,000	80,000
2021-2025		80,000	80,000
2026-2028		15,190	15,190
	<u>\$...</u>	<u>\$ 255,190</u>	<u>\$ 255,190</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>
09-01-11		\$ 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
09-01-15		6,000	6,000
2016-2020		30,000	30,000
2021-2023		12,000	12,000
	<u>\$...</u>	<u>\$ 72,000</u>	<u>\$ 72,000</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>
01-01-11		\$ 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
01-01-15		14,000	14,000
2016-2020		70,000	70,000
2021-2025		70,000	70,000
2026-2028		23,000	23,000
	<u>\$...</u>	<u>\$ 233,000</u>	<u>\$ 233,000</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>
01-01-11		\$ 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
01-01-15		108,000	108,000
2016-2020		540,000	540,000
2021-2025		540,000	540,000
2026-2028		222,000	222,000
	<u>\$...</u>	<u>\$ 1,842,000</u>	<u>\$ 1,842,000</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>
01-01-11		\$ 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
01-01-15		61,000	61,000
2016-2020		305,000	305,000
2021-2025		305,000	305,000
2026-2030		305,000	305,000
2031-2032		122,000	122,000
	<u>\$...</u>	<u>\$ 1,342,000</u>	<u>\$ 1,342,000</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>
01-01-11		\$ 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
01-01-15		65,000	65,000
2016-2020		325,000	325,000
2021-2025		325,000	325,000
2026-2028		120,000	120,000
	<u>\$...</u>	<u>\$ 1,095,000</u>	<u>\$ 1,095,000</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>
01-01-11		\$ 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
01-01-15		50,000	50,000
2016-2020		250,000	250,000
2021-2025		250,000	250,000
2026-2027		98,000	98,000
	<u>\$...</u>	<u>\$ 848,000</u>	<u>\$ 848,000</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>
04-01-11		\$ 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
04-01-15		155,000	155,000
2016-2020		775,000	775,000
2021-2025		775,000	775,000
2026-2027		167,506	167,506
	<u>\$...</u>	<u>\$ 2,492,506</u>	<u>\$ 2,492,506</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>
01-01-11		\$ 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
01-01-15		150,000	150,000
2016-2020		750,000	750,000
2021-2025		750,000	750,000
2026-2028		450,000	450,000
	<u>\$...</u>	<u>\$ 2,700,000</u>	<u>\$ 2,700,000</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>
04-01-11		\$ 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
04-01-15		29,000	29,000
2016-2020		145,000	145,000
2021-2025		145,000	145,000
2026-2029		109,000	109,000
	<u>\$...</u>	<u>\$ 544,000</u>	<u>\$ 544,000</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>
10-01-11		\$ 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
10-01-15		23,000	23,000
2016-2020		115,000	115,000
2021-2025		115,000	115,000
2026-2028		69,000	69,000
	<u>\$...</u>	<u>\$ 414,000</u>	<u>\$ 414,000</u>

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

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

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-11		\$ 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
01-01-15		40,000	40,000
2016-2020		200,000	200,000
2021-2025		200,000	200,000
2026-2030		200,000	200,000
2031-2034		160,000	160,000
	<u>\$...</u>	<u>\$ 960,000</u>	<u>\$ 960,000</u>

3. LONG-TERM DEBT (Continued)

Governmental Activities:

MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH – TAXABLE LEASE REVENUE BONDS SERIES 2010 (CHILDREN’S JUSTICE CENTER BUILDING)

The Municipal Building Authority of Carbon County Utah sold \$427,000 in revenue bonds. The proceeds from the bonds will be used to build a Children’s Justice Center Building. The bonds are non-interest bearing.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
07-01-11		\$ 14,000	\$ 14,000
07-01-12		14,000	14,000
07-01-13		14,000	14,000
07-01-14		14,000	14,000
07-01-15		14,000	14,000
2016-2020		70,000	70,000
2021-2025		70,000	70,000
2026-2030		70,000	70,000
2031-2035		70,000	70,000
2036-2040		77,000	77,000
	<u>\$...</u>	<u>\$ 427,000</u>	<u>\$ 427,000</u>

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>
01-01-11	\$ 2,065	\$ 31,054	\$ 33,119
12-15-11	<u>1,050</u>	<u>27,943</u>	<u>28,993</u>
	<u>\$ 3,115</u>	<u>\$ 58,997</u>	<u>\$ 62,112</u>

3. LONG-TERM DEBT (Continued)

SUMMARY OF NET CHANGES - PRIMARY GOVERNMENT

<u>Description</u>	<u>Balance</u> <u>01-01-10</u>	<u>Retired</u>	<u>Issued</u>	<u>Balance</u> <u>12-31-10</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<u>Business-type Activities</u>					
MBA Lease Revenue 1997	\$ 133,000	\$ (32,000)		\$ 101,000	\$ 33,000
Lease Series 1990	53,000	(26,000)		27,000	27,000
Lease Revenue 1992A	1,199,000	(116,000)		1,083,000	120,000
Lease Revenue 1992B	578,000	(54,000)		524,000	58,000
MBA Lease Revenue 1998	46,385	(8,753)		37,632	8,927
Lease Revenue 2001A	271,190	(16,000)		255,190	16,000
Lease Revenue 2001B	78,000	(6,000)		72,000	6,000
MBA Lease Revenue 2006A	247,000	(14,000)		233,000	14,000
MBA Lease Revenue 2006B	1,950,000	(108,000)		1,842,000	108,000
MBA Lease Revenue 2006C	1,403,000	(61,000)		1,342,000	61,000
MBA Lease Revenue 2006D	1,160,000	(65,000)		1,095,000	65,000
MBA Lease Revenue 2006E	898,000	(50,000)		848,000	50,000
MBA Lease Revenue 2006F	2,647,506	(155,000)		2,492,506	155,000
MBA Lease Revenue 2007	2,850,000	(150,000)		2,700,000	150,000
MBA Lease Revenue 2008B	573,000	(29,000)		544,000	29,000
MBA Lease Revenue 2008C	437,000	(23,000)		414,000	23,000
MBA Lease Revenue 2008	1,000,000	(40,000)		960,000	40,000
MBA Lease Revenue 2010			\$ 427,000	427,000	14,000
	<u>\$ 15,524,081</u>	<u>\$ (953,753)</u>	<u>\$ 427,000</u>	<u>\$ 14,997,328</u>	<u>\$ 977,927</u>
<u>Governmental Activities</u>					
Lease Series 1988					
SEUDH Capital Lease	<u>\$ 84,003</u>	<u>\$ (25,006)</u>	<u>\$...</u>	<u>\$ 58,997</u>	<u>\$ 31,054</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>
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	140,000		140,000
2016-2020	700,000		700,000
2021-2025	700,000		700,000
2026-2030	700,000		700,000
2031-2035	700,000		700,000
2036-2040	700,000		700,000
2041	140,000		140,000
	<u>\$ 6,175,711</u>	<u>\$ 172,819</u>	<u>\$ 6,348,530</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>
2011	\$ 10,162	\$ 693	\$ 10,855
2012	10,416	439	10,855
2013	7,133	178	7,311
	<u>\$ 27,711</u>	<u>\$ 1,310</u>	<u>\$ 29,021</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, 2011		\$ 25,559	\$ 25,559
October 1, 2011	\$ 263,000	25,559	288,559
April 1, 2012		17,537	17,537
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>\$ 838,000</u>	<u>\$ 104,248</u>	<u>\$ 942,248</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
2011	\$ 359,000	\$ 33,300	\$ 392,300
2012	370,000	22,530	392,530
2013	381,000	11,430	392,430
	<u>\$ 1,110,000</u>	<u>\$ 67,260</u>	<u>\$ 1,177,260</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:

DATE PAYMENT DUE	PRINCIPAL DUE	TOTAL
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

Description	Balance 01-01-10	Retired	Issued	Balance 12-31-10	Due Within One Year
Scofield Reservoir SSD					
Impact Bonus Loan	\$ 37,625	\$ (9,914)		\$ 27,711	\$ 10,162
C.C. Roads SSD Revenue					
Refunding Series 1994					
CCR&TSSD - Hwy Rev Bond					
Series 1998	1,086,000	(248,000)		838,000	263,000
CCR&TSSD - Toll Road Revenue					
Bond Series 1998	1,459,000	(349,000)		1,110,000	359,000
CCR&TSSD - Local Bldg Authority					
Taxable Lse Rev Bond Series 2009	4,200,000			4,200,000	
	<u>\$ 6,782,625</u>	<u>\$ (606,914)</u>	<u>\$...</u>	<u>\$ 6,175,711</u>	<u>\$ 632,162</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, 2010, the bank balance of the County's deposits was \$4,340,386. Of this balance, \$302,474 was insured. The remaining balance, \$4,037,912 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, 2010, 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, 2010 is as follows:

<u>Investment Type</u>	Carrying Amount and Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Debt Securities:					
Repurchase Agreements	\$ 8,155,386	\$ 8,155,386			
	\$ 8,155,386	\$ 8,155,386	\$...	\$...	\$...
Other Investments:					
Utah Public Treas. Invest. Fund	8,844,226				
Total investments	\$ 16,999,612				

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, 2010 were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale.

	Carrying Amount and Fair Value	Quality Rating
<u>Debt Securities</u>		
Repurchase Agreements	\$ 8,155,386	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, 2010 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 \$8,155,386 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	\$ 18,031,999	\$ 6,960,087	\$ 1,799,807
Restricted cash and cash equivalents	1,123,137	9,759,875	
Cash deficit	(1,624,969)		
	<u>\$ 17,530,167</u>	<u>\$ 16,719,962</u>	<u>\$ 1,799,807</u>
Deposits	\$ 530,555	\$ 1,383,756	\$ 1,424,661
Investments (includes PTIF and Sweep accts.)	16,999,612	15,336,206	375,146
	<u>\$ 17,530,167</u>	<u>\$ 16,719,962</u>	<u>\$ 1,799,807</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 from January - December 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 from January - June 7.65% and from July - December 9.36% of their annual covered salary. In the Local Governmental Noncontributory Retirement System Carbon County is required to contribute from January - June 11.66% and from July - December 13.37% of their annual covered salary. In the Public Safety Retirement System, Carbon County is required to contribute from January - June 25.90% and from July - December 28.82% 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, 2010, 2009 and 2008 were \$28,082, \$24,482 and \$23,091 respectively and for the Noncontributory Retirement System the contributions for December 31, 2010, 2009 and 2008 were \$584,997, \$519,572 and \$478,186 respectively and for the Public Safety Retirement System the contributions for December 31, 2010, 2009 and 2008 were \$461,424, \$416,209 and \$354,769 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 from January - June 6.00% and from July - December 4.64% 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 from January - June 7.65% and from July - December 9.36% of their annual covered salary. In the Local Governmental Noncontributory Retirement System, Southeastern Utah District Health is required to contribute from January - June 11.66% and from July - December 13.37% 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, 2010, 2009 and 2008 were \$7,813, \$7,916 and \$9,934 respectively and for the Noncontributory Retirement System the contributions for December 31, 2010, 2009 and 2008 were \$176,088, \$157,698 and \$154,067 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 post closure care requirements. An amount of liability for closure and post closure care costs, estimated total current cost of closure and post closure 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 \$27,394 to be put into an account held by the Utah Public Treasurer's Investment Pool.

11. **RECONCILIATION OF INTERFUND TRANSFERS**

The following table provides a reconciliation of all interfund transfers:

Fund	Transfers	Transfers
	In	Out
General	\$ 1,057,700	\$ 1,867,579
Municipal Services		1,057,700
Tax Stability	50,000	
Other Governmental	1,817,579	
	<u>\$ 2,925,279</u>	<u>\$ 2,925,279</u>

12. **BUDGETARY COMPLIANCE**

Unfavorable budget variances were incurred in the following funds:

GENERAL FUND -

Public defender department
Central mailing department
Mental health department
Airport department
Economic development department

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, 2010, by Wiggins & Company, Ogden, Utah.

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

GENERAL FUND –

\$554,182 is the balance of Restaurant tax collected, to be used for the promotion of tourism and related activity within the county and surrounding area.

\$27,394 is reserved to cover the estimated costs of the landfill closure at some future date.

\$ 2,210 is reserved for Class “B” Road expenditures for the County.

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

MUNICIPAL SERVICES FUND –

\$1,060,103 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.

\$549,984 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 \$731,333, at December 31, 2010.

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, 2010**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Taxes:				
General property taxes - current year	\$ 4,930,000	\$ 4,925,000	\$ 4,703,357	\$ (221,643)
General property taxes - assessing & collecting	925,000	987,000	897,252	(89,748)
Prior year taxes - delinquent	50,000	50,000	106,048	56,048
General sales and use taxes	650,000	650,000	900,861	250,861
Fees in lieu of taxes	380,000	380,000	693,468	313,468
Franchise taxes	25,000	25,000	24,758	(242)
Restaurant tax	160,000	160,000	196,026	36,026
Miscellaneous taxes	1,000	1,000	451	(549)
Total taxes	\$ 7,121,000	\$ 7,178,000	\$ 7,522,221	\$ 344,221
Licenses and Permits:				
Business licenses and permits	\$ 40,000	\$ 40,000	\$ 35,968	\$ (4,032)
Non-business licenses and permits	3,500	3,500	1,664	(1,836)
Total licenses and permits	\$ 43,500	\$ 43,500	\$ 37,632	\$ (5,868)
Intergovernmental Revenues:				
Federal sources -				
Children's Justice	\$ 327,000	\$ 327,000	\$ 332,214	\$ 5,214
Victim's Rights	57,500	57,500	37,240	(20,260)
Forest Reserve			1,862	1,862
Miscellaneous			10,000	10,000
Total federal sources	\$ 384,500	\$ 384,500	\$ 381,316	\$ (3,184)
State sources -				
Payment in lieu of tax	\$ 10,000	\$ 10,000	\$ 11,129	\$ 1,129
Jail reimbursements	132,000	132,000	93,580	(38,420)
EMS Grant	30,000	30,000		(30,000)
Mineral reserve funds	2,200,000	2,200,000	2,404,649	204,649
Miscellaneous	29,800	29,800	3,200	(26,600)
Total state sources	\$ 2,401,800	\$ 2,401,800	\$ 2,512,558	\$ 110,758
Total intergovernmental revenues	\$ 2,786,300	\$ 2,786,300	\$ 2,893,874	\$ 107,574

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, 2010**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Charges for Services:				
General government -				
Recorder fees	\$ 110,000	\$ 110,000	\$ 93,776	\$ (16,224)
Auditor fees	10,000	10,000	19,530	9,530
Miscellaneous	2,800	2,800	7,130	4,330
Total general government	\$ 122,800	\$ 122,800	\$ 120,436	\$ (2,364)
Public safety -				
Jail fees	\$ 11,000	\$ 11,000	\$ 5,325	\$ (5,675)
Justice court surcharge	15,000	15,000	11,956	(3,044)
Court costs and fees	70,000	70,000	72,523	2,523
Total public safety	\$ 96,000	\$ 96,000	\$ 89,804	\$ (6,196)
Other charges for services -				
Parks and public property	\$ 22,000	\$ 22,000	\$ 28,504	\$ 6,504
Ambulance fees	1,000,000	1,000,000	951,076	(48,924)
G.I.S. fees	1,000	1,000	501	(499)
Total other charges for services	\$ 1,023,000	\$ 1,023,000	\$ 980,081	\$ (42,919)
Total charges for services	\$ 1,241,800	\$ 1,241,800	\$ 1,190,321	\$ (51,479)
Fines and Forfeitures:				
Fines	\$ 350,000	\$ 350,000	\$ 333,716	\$ (16,284)
Total fines and forfeitures	\$ 350,000	\$ 350,000	\$ 333,716	\$ (16,284)
Miscellaneous Revenues:				
Interest	\$ 48,000	\$ 48,000	\$ 60,231	\$ 12,231
Rents and concessions	45,320	45,320	46,534	1,214
Royalties	158,000	158,000	319,043	161,043
Sale of fixed assets	6,000	6,000	192,920	186,920
Airport fees and fuel sales	113,800	113,800	182,104	68,304
Tippage fees - ECDC	30,000	30,000	69,654	39,654
Sale of materials and supplies	7,000	7,000	64,084	57,084
Miscellaneous	76,000	76,000	176,396	100,396
Total miscellaneous revenues	\$ 484,120	\$ 484,120	\$ 1,110,966	\$ 626,846
Total Revenues	\$ 12,026,720	\$ 12,083,720	\$ 13,088,730	\$ 1,005,010

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, 2010**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
EXPENDITURES				
Current:				
General Government:				
Commission	\$ 363,500	\$ 713,500	\$ 694,584	\$ 18,916
Justice court	324,600	324,600	296,597	28,003
District court	7,000	7,000	2,615	4,385
Public defender	220,000	220,000	223,651	(3,651)
Personel	213,850	213,850	169,134	44,716
Clerk/Auditor	340,300	340,300	254,241	86,059
Treasurer	158,600	158,600	140,586	18,014
Recorder	239,300	239,300	230,272	9,028
Attorney	760,943	767,943	749,436	18,507
Assessor	438,600	438,600	395,718	42,882
Non-Departmental	680,000	680,000	606,617	73,383
Data processing	477,800	477,800	475,269	2,531
Law library	2,000	2,500	2,484	16
Central purchasing	14,000	19,000	17,817	1,183
Micro filming	24,400	28,400	26,709	1,691
Central mailing	23,000	31,000	31,479	(479)
Communications	151,300	151,300	118,027	33,273
Attorney - Childrens Justice	327,500	327,500	308,711	18,789
Building and grounds	165,300	165,300	149,574	15,726
Engineering	253,000	268,000	261,183	6,817
Safety	125,800	125,800	85,015	40,785
Elections	33,500	33,500	20,169	13,331
Graphical information service	309,500	309,500	294,345	15,155
Industrial park	88,000	98,000	95,526	2,474
Total general government	\$ 5,741,793	\$ 6,141,293	\$ 5,649,759	\$ 491,534
Public Safety:				
Victims rights	\$ 57,466	\$ 62,466	\$ 60,572	\$ 1,894
Dispatch	212,000	212,000	211,300	700
Ambulance service	1,066,600	1,066,600	1,046,663	19,937
Jail complex	1,933,495	1,933,495	1,919,230	14,265
Total public safety	\$ 3,269,561	\$ 3,274,561	\$ 3,237,765	\$ 36,796

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, 2010**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Public Health:				
Indigent	\$ 6,500	\$ 6,500	\$ 3,600	\$ 2,900
Public health	125,173	126,173	125,323	850
Mental health	211,723	212,723	213,551	(828)
Total public health	\$ 343,396	\$ 345,396	\$ 342,474	\$ 2,922
Highways and Public Improvements:				
Landfill	\$ 560,000	\$ 560,000	\$ 323,097	\$ 236,903
Maintenance and abatement	478,800	478,800	454,892	23,908
Airport	401,707	401,707	408,168	(6,461)
Total highways and public improvements	\$ 1,440,507	\$ 1,440,507	\$ 1,186,157	\$ 254,350
Parks, Recreation and Public Property:				
Recreation - Television	\$ 189,700	\$ 189,700	\$ 143,582	\$ 46,118
Countywide programs				
Library	115,000	115,000	95,669	19,331
Total parks, recreation and public property	\$ 304,700	\$ 304,700	\$ 239,251	\$ 65,449
Conservation and Economic Development:				
Agriculture and extension services	\$ 63,340	\$ 63,340	\$ 60,772	\$ 2,568
Water development	35,000	35,000	35,000	
Economic development - restaurant tax	160,000	160,000	268,734	(108,734)
Total conservation and economic development	\$ 258,340	\$ 258,340	\$ 364,506	\$ (106,166)
Contributions and Miscellaneous:				
Contributions to other governmental agencies	\$ 98,473	\$ 98,473	\$ 60,838	\$ 37,635
Miscellaneous	148,620	148,620	43,944	104,676
Total contributions and miscellaneous	\$ 247,093	\$ 247,093	\$ 104,782	\$ 142,311
Total expenditures	\$ 11,605,390	\$ 12,011,890	\$ 11,124,694	\$ 887,196
Excess of revenues over (under) expenditures	\$ 421,330	\$ 71,830	\$ 1,964,036	\$ 1,892,206

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, 2010**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,057,700	\$ 1,057,700	\$ 1,057,700	
Prior year surplus	388,549	738,049	738,049	
Transfers out	(1,867,579)	(1,867,579)	(1,867,579)	
Total other financing sources (uses)	\$ (421,330)	\$ (71,830)	\$ (71,830)	\$...
Excess of revenues and other sources over (under) expenditures and other uses			\$ 1,892,206	\$ 1,892,206
Fund balance - beginning of year			13,132,530	13,132,530
Fund balance - end of year	\$...	\$...	\$ 15,024,736	\$ 15,024,736

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, 2010

	<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	\$ 2,896,140	\$ 2,896,140	\$ 2,846,407	\$ (49,733)
Total Intergovernmental	\$ 2,896,140	\$ 2,896,140	\$ 2,846,407	\$ (49,733)
Charges for services				
Charges for services	\$ 700,000	\$ 700,000	\$ 561,086	\$ (138,914)
Total Charges for services	\$ 700,000	\$ 700,000	\$ 561,086	\$ (138,914)
Miscellaneous				
Miscellaneous	\$ 20,000	\$ 20,000	\$ 25,942	\$ 5,942
Investment earnings	5,000	5,000	3,565	(1,435)
Total miscellaneous	\$ 25,000	\$ 25,000	\$ 29,507	\$ 4,507
Total Revenues	\$ 3,621,140	\$ 3,621,140	\$ 3,437,000	\$ (184,140)
EXPENDITURES				
Current:				
Public health	\$ 3,621,140	\$ 3,621,140	\$ 3,509,183	\$ 111,957
Total public health	\$ 3,621,140	\$ 3,621,140	\$ 3,509,183	\$ 111,957
Total expenditures	\$ 3,621,140	\$ 3,621,140	\$ 3,509,183	\$ 111,957
Excess of revenue over (under)				
expenditures			\$ (72,183)	\$ (72,183)
Fund balance - beginning of year			622,167	622,167
Fund balance - end of year	\$...	\$...	\$ 549,984	\$ 549,984

"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, 2010

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Taxes	\$ 1,025,000	\$ 1,026,200	\$ 1,250,991	\$ 224,791
Licenses and permits	66,000	66,000	62,908	(3,092)
Intergovernmental	7,245,013	7,245,013	7,072,763	(172,250)
Charges for services	147,000	147,000	110,141	(36,859)
Miscellaneous	17,000	17,000	89,960	72,960
Total Revenues	\$ 8,500,013	\$ 8,501,213	\$ 8,586,763	\$ 85,550
EXPENDITURES:				
General government	\$ 109,300	\$ 139,300	\$ 134,223	\$ 5,077
Public safety	5,525,757	5,553,757	4,427,818	1,125,939
Parks, recreation and public property	15,000	15,500	5,000	10,500
Highways and public improvements	2,509,100	2,509,100	2,273,432	235,668
Total expenditures	\$ 8,159,157	\$ 8,217,657	\$ 6,840,473	\$ 1,377,184
Excess of revenue over (under) expenditures	\$ 340,856	\$ 283,556	\$ 1,746,290	\$ 1,462,734
OTHER FINANCING SOURCES (USES):				
Operating transfers in				
Operating transfers out	(1,057,700)	(1,057,700)	(1,057,700)	
Total other financing sources (uses)	\$ (1,057,700)	\$ (1,057,700)	\$ (1,057,700)	\$...
Excess of revenue and other sources over (under) expenditures and other uses	\$ (716,844)	\$ (774,144)	\$ 688,590	\$ 1,462,734
Fund balance - beginning of year	716,844	774,144	290,531	(483,613)
Fund balance - end of year	\$...	\$...	\$ 979,121	\$ 979,121

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

CARBON COUNTY
Supplementary Information

CARBON COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	SPECIAL REVENUE FUNDS										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			
Cash and cash equivalents	\$ 163,796	\$ 583,657	\$ 182,091	\$ 124,563	\$ 55,850	\$ 58,803	\$ 55,091	\$143,908	\$ 162,261	\$ 2,237,382			\$ 3,767,402
Receivables - other	22,176			13,554				3,820	7,144				46,694
Total assets	\$ 185,972	\$ 583,657	\$ 182,091	\$ 138,117	\$ 55,850	\$ 58,803	\$ 55,091	\$147,728	\$ 169,405	\$ 2,237,382	\$...		\$ 3,814,096
LIABILITIES AND FUND BALANCES													
ASSETS													
LIABILITIES:													
Cash deficit											\$ 529,268	\$	\$ 529,268
Accounts payable	\$ 5,422	\$ 18,792	\$ 7,099	\$ 1,977		\$ 704	\$ 5,270	\$ 4,128	\$ 14,222		202,065		259,679
Accrued liabilities	2,765	9,514	3,852			1,689	830	1,655	4,868				25,173
Total liabilities	\$ 8,187	\$ 28,306	\$ 10,951	\$ 1,977	\$...	\$ 2,393	\$ 6,100	\$ 5,783	\$ 19,090	\$...	\$ 731,333	\$	\$ 814,120
FUND BALANCES:													
Unreserved, reported in:													
Capital projects											\$ (731,333)	\$	\$ (731,333)
Special revenue fund	\$ 177,785	\$ 555,352	\$ 171,140	\$ 136,140	\$ 55,850	\$ 56,410	\$ 48,991	\$141,945	\$ 150,315				1,493,928
Permanent - tax stability										\$ 2,237,382			2,237,382
Total fund balances	\$ 177,785	\$ 555,352	\$ 171,140	\$ 136,140	\$ 55,850	\$ 56,410	\$ 48,991	\$141,945	\$ 150,315	\$ 2,237,382	\$ (731,333)	\$	\$ 2,999,977
Total liabilities and fund equity	\$ 185,972	\$ 583,658	\$ 182,091	\$ 138,117	\$ 55,850	\$ 58,803	\$ 55,091	\$147,728	\$ 169,405	\$ 2,237,382	\$...	\$	\$ 3,814,097

CARBON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	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	\$ 226,277												\$	226,277
Intergovernmental revenue	97,835		\$ 67,010			\$ 31,200	\$ 58,007	\$ 52,851	\$ 128,211		\$ 92,060		\$	527,174
Charges for services		\$ 120,578	194,667	\$ 166,438				14,258	157,979					653,920
Contributions											1,075,033			1,075,033
Miscellaneous	43,000			718			22,430			\$ 11,061				77,209
Total revenues	\$ 367,112	\$ 120,578	\$ 261,677	\$ 167,156	\$	\$ 31,200	\$ 80,437	\$ 67,109	\$ 286,190	\$ 11,061	\$ 1,167,093	\$	\$	2,559,613
EXPENDITURES:														
Public safety				\$ 222,869									\$	222,869
Parks, recreation and public property		\$ 797,416	\$ 505,055				\$ 106,973	\$ 263,142	\$ 707,652				\$	1,302,471
Public health	\$ 348,603					\$ 110,375								1,077,767
Conservation and economic development														458,978
Capital outlay											\$ 1,206,267		\$	1,206,267
Total expenditures	\$ 348,603	\$ 797,416	\$ 505,055	\$ 222,869	\$	\$ 110,375	\$ 106,973	\$ 263,142	\$ 707,652	\$	\$ 1,206,267	\$	\$	4,268,352
Excess of revenues over (under) expenditures	\$ 18,509	\$ (676,838)	\$ (243,378)	\$ (55,713)	\$	\$ (79,175)	\$ (26,536)	\$ (196,033)	\$ (421,462)	\$ 11,061	\$ (39,174)	\$	\$	(1,708,739)
Other financing sources (uses):														
Transfers in		\$ 865,560	\$ 248,645				\$ 82,750	\$ 175,878	\$ 419,746	\$ 50,000			\$	1,867,579
Total other financing sources (uses)	\$	\$ 865,560	\$ 248,645	\$	\$	\$ 82,750	\$ 25,000	\$ 175,878	\$ 419,746	\$ 50,000	\$	\$	\$	1,867,579
Excess of revenues and other sources over (under) expenditures and other uses	\$ 18,509	\$ 188,722	\$ 5,267	\$ (55,713)	\$	\$ 3,575	\$ (1,536)	\$ (20,155)	\$ (1,716)	\$ 61,061	\$ (39,174)	\$	\$	158,840
Fund Balances - Beginning of year	159,276	366,630	165,873	191,853	\$ 55,850	52,855	50,527	162,100	152,031	2,176,321	(692,159)			2,841,137
Fund Balances - End of year	\$ 177,785	\$ 555,352	\$ 171,140	\$ 136,140	\$ 55,850	\$ 56,410	\$ 48,991	\$ 141,945	\$ 150,315	\$ 2,237,382	\$ (731,333)	\$	\$	2,999,977

CARBON COUNTY
COMBINING STATEMENT OF NET ASSETS - FIDUCIARY FUNDS
DECEMBER 31, 2010

	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
ASSETS							
Cash and cash equivalents	\$ 51,046	\$ 430,737	\$ 581,792	\$ 44,369	\$ 1,247	\$ 690,616	\$ 1,799,807
Miscellaneous Receivable						822	822
Total assets	<u>\$ 51,046</u>	<u>\$ 430,737</u>	<u>\$ 581,792</u>	<u>\$ 44,369</u>	<u>\$ 1,247</u>	<u>\$ 691,438</u>	<u>\$ 1,800,629</u>
LIABILITIES							
Accounts payable			\$ 143,472	\$ 30,154			\$ 173,626
Precinct fees, bail and bonds payable	\$ 51,046			14,215			65,261
Due to taxing units						\$ 691,438	691,438
Alimony, support and miscellaneous					\$ 1,247		1,247
Due to other agencies		\$ 430,737	\$ 438,320				869,057
Total liabilities	<u>\$ 51,046</u>	<u>\$ 430,737</u>	<u>\$ 581,792</u>	<u>\$ 44,369</u>	<u>\$ 1,247</u>	<u>\$ 691,438</u>	<u>\$ 1,800,629</u>

CARBON COUNTY
SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF
DECEMBER 31, 2010

TAX UNITS	ADJUSTED TAXABLE VALUE	TAX RATE	TOTAL TAXES LEVIED	TREASURER'S RELIEF				OTHER COLLECTIONS					
				UNPAID TAXES	ABATEMENTS	OTHER ADJUSTMENTS	TOTAL RELIEF	NET TAXES COLLECTED	PERCENT	FEES IN LIEU	MISCELLANEOUS	DELINQUENCIES TAXES PENALTY AND INTEREST	
COUNTY FUNDS:													
General fund	\$ 2,100,249,531	0.002386	\$ 5,006,151	\$ 111,262	\$ 27,308	\$ 7,267	\$ 145,837	\$ 4,860,314	97.09%	\$ 392,096	\$ 48,080	\$ 83,956	
Municipal services	1,510,572,394	0.000192	289,797	4,935	742	(511)	5,166	284,631	98.22%	19,080	2,369	1,854	
Assessing and collecting	2,100,249,531	0.000469	983,309	21,870	5,368	215	27,453	955,856	97.47%	77,072	9,272	11,564	
Total County Funds			\$ 6,279,257	\$ 138,067	\$ 33,418	\$ 6,971	\$ 178,456	\$ 6,100,801		\$ 488,248	\$ 59,721	\$ 97,374	
SCHOOL DISTRICT:													
Carbon	2,100,249,531	0.006300	\$ 13,218,533	\$ 293,777	\$ 72,104	\$ 35,341	\$ 401,222	\$ 12,817,311	96.96%	\$ 1,035,292	\$ 125,579	\$ 159,289	
CITIES AND TOWNS:													
Price City	341,866,606	0.002093	\$ 715,929	\$ 22,982	\$ 9,687	\$ 3,857	\$ 36,526	\$ 679,403	94.90%	\$ 86,254	\$ 5,329	\$ 14,771	
Helper City	71,524,141	0.002973	209,875	10,673	5,069	2,200	17,942	191,933	91.45%	28,392	6,021	4,845	
East Carbon City	49,278,853	0.005746	284,980	16,343	3,251	7,308	26,902	258,078	90.56%	24,761	6,383	11,248	
Wellington City	59,590,043	0.001747	103,946	4,103	953	1,577	6,633	97,313	93.62%	15,000	1,658	8,124	
Sunnyside	57,922,505	0.004898	283,985	3,450	659	1,001	5,110	278,875	98.20%	5,729	2,511	1,371	
Scofield Town	5,742,610	0.000676	3,882	312		31	343	3,539	91.15%	90	40	119	
Total Cities and Towns			\$ 1,602,597	\$ 57,863	\$ 19,619	\$ 15,974	\$ 93,456	\$ 1,509,141		\$ 160,226	\$ 21,942	\$ 40,478	
OTHER DISTRICTS:													
Price River Water Improvement	1,158,255,526	0.000835	\$ 967,935	\$ 21,355	\$ 8,964	\$ 6,204	\$ 36,523	\$ 931,412	96.23%	\$ 132,388	\$ 10,333	\$ 17,975	
Carbon Water Conservancy	2,100,249,531	0.000125	262,298	5,829	1,431	283	7,543	254,755	97.12%	20,542	2,496	3,163	
Total Other Districts			\$ 1,230,233	\$ 27,184	\$ 10,395	\$ 6,487	\$ 44,066	\$ 1,186,167		\$ 152,930	\$ 12,829	\$ 21,138	
GRAND TOTAL			\$ 22,330,620	\$ 516,891	\$ 135,536	\$ 64,773	\$ 717,200	\$ 21,613,420		\$ 1,836,696	\$ 220,071	\$ 318,279	

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010

	GENERAL HEALTH	IMMUNIZATIONS NON VFC	WIC	MCH BLOCK	FLU	CANCER CONTROL
Revenues:						
State Reimbursement	\$ 279,527	\$ 65,631	\$ 548,270	\$ 87,610	\$ 64,285	\$ 5,372
General Health	158,504			7,464		377
County	334,202					
School Nurses						
Miscellaneous	11,052					
Occupancy allocation	1,758	125	3,477	602	108	
Grants and other government resources		1,456		18,514	3,355	
Total Revenues	\$ 785,043	\$ 67,212	\$ 551,747	\$ 114,190	\$ 67,748	\$ 5,749
Expenditures:						
Salaries	\$ 153,427	\$ 11,668	\$ 300,874	\$ 49,954	\$ 11,953	\$ 13,039
Fringe Benefits	98,462	5,105	139,779	23,540	5,143	6,673
Consultants	381	41	3,914	102		26
Contract - MD	1,904	30	1,402	332	72	90
Contract - Travel						
Patient care				20,104		
Pharmacy				4,569		
Supplies - Medical	13,753	101,908	3,777	2,117	43,243	398
Travel	15,145	162	12,530	1,232	120	425
Dues - Periodicals	3,552	125	3,150	434	10	70
Education - Training	12,177	18	2,357	94	9	29
Capital Purchases	38,020	22	32,505	118	8	394
Utilities	3,066	194	5,019	876	182	215
Maintenance - Repairs	5,479	390	10,177	1,628	502	451
Insurance	15		24	4		
Data Processing	525	835		620	1,613	
Postage	1,321	69	1,843	338	97	76
Printing - Binding	1,903	3	281	25	7	5
Supplies - Office	2,214	130	8,245	516	149	117
Laboratory	7,880			2,963		
Telephone	3,647	192	8,294	776	216	204
Other	1,730	32	448	158	8	434
Interest	2,940					
Debt payment	25,005					
State match						
Rent	2,152	154	3,916	628	153	168
Refunds	154	411				
Advertising	3,888	22	591	118	18	22
Mini Grants						
Total Expenditures	\$ 398,740	\$ 121,511	\$ 539,126	\$ 111,246	\$ 63,503	\$ 22,836
Net Revenues/(Expenditures)	\$ 386,303	\$ (54,299)	\$ 12,621	\$ 2,944	\$ 4,245	\$ (17,087)

**CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>TOBACCO PREVENTION</u>	<u>INDOOR CLEAN AIR</u>	<u>POISON CONTROL</u>	<u>TUBERCULOSIS ELIMINATION</u>	<u>EARLY INTER- VENTION</u>	<u>SENIOR HEALTH</u>
Revenues:						
State Reimbursement	\$ 96,859	\$ 2,067	\$ 2,400	\$ 6,438	\$ 99,447	\$ 4,861
General Health	200				138,670	
County						
School Nurses						
Miscellaneous						
Occupancy allocation	692	24	14	70	1,529	6
Grants and other government resources						
Total Revenues	<u>\$ 97,751</u>	<u>\$ 2,091</u>	<u>\$ 2,414</u>	<u>\$ 6,508</u>	<u>\$ 239,646</u>	<u>\$ 4,867</u>
Expenditures:						
Salaries	\$ 47,643	\$ 2,125	\$ 1,412	\$ 6,718	\$ 101,858	\$ 722
Fringe Benefits	28,865	933	904	3,468	50,504	367
Consultants	106	4	9	8	28	
Contract - MD	687	13	4	49	10,466	24
Contract - Travel					511	
Patient Care						
Pharmacy				48		
Supplies - Medical			23		5,736	
Travel	2,605	29		108	3,674	40
Dues - Periodicals	517	16	45	28	232	
Education - Training	73	5	4	14	1,596	
Capital Purchases	2,181	6		20	13,422	5,441
Utilities	760	36	20	110	1,176	14
Maintenance - Repairs	1,838	70	49	223	2,684	23
Insurance	4				19	
Data Processing				278	145	
Postage	263	12	6	41	475	4
Printing - Binding	250			78	530	
Supplies - Office	702	18	12	64	6,738	9
Laboratory						
Telephone	738	33	21	104	1,845	11
Other	95	6	4	10	1,244	5
Interest						
Debt payment						
State match						
Rent	601	27	17	88	1,877	9
Refunds	25				34,702	
Advertising	9,902	4		14	344	
Mini Grants	7,641					
Total Expenditures	<u>\$ 105,496</u>	<u>\$ 3,337</u>	<u>\$ 2,530</u>	<u>\$ 11,471</u>	<u>\$ 239,806</u>	<u>\$ 6,669</u>
Net Revenues/(Expenditures)	<u>\$ (7,745)</u>	<u>\$ (1,246)</u>	<u>\$ (116)</u>	<u>\$ (4,963)</u>	<u>\$ (160)</u>	<u>\$ (1,802)</u>

**CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<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	\$ 56,751	\$ 204,674	\$ 52,721	\$ 1,988	\$ 12,500	\$ 242,469
General Health County	19,591				91,209	
School Nurses						
Miscellaneous				10		
Occupancy allocation	830	865	327	14	2,246	397
Grants and other government resources	52,611					
Total Revenues	\$ 129,783	\$ 205,539	\$ 53,048	\$ 2,012	\$ 105,955	\$ 242,866
Expenditures:						
Salaries	\$ 88,848	\$ 78,838	\$ 27,895	\$ 1,220	\$ 182,227	\$ 37,094
Fringe Benefits	44,944	38,237	14,163	540	78,229	19,271
Consultants	239	157	51	2	388	792
Contract - MD	561	14,612	331	5	1,290	69
Contract - Travel						
Patient Care						34,127
Pharmacy	63					2,736
Supplies - Medical	3,877			31		8,755
Travel	2,727	22,116	2,722	16	6,014	37,535
Dues - Periodicals	732	538	267	12	1,555	281
Education - Training	1,216	27,146	108		278	4,714
Capital Purchases	208	22,560	2,326		482	1,061
Utilities	1,482	1,321	467	20	3,065	591
Maintenance - Repairs	2,976	2,584	889	38	6,116	1,239
Insurance	6	10	3		17	2
Data Processing	3,960	4,113				
Postage	505	467	181	8	1,077	611
Printing - Binding	288	111	119		93	12,739
Supplies - Office	1,626	14,872	484	17	1,708	5,606
Laboratory					23	67,773
Telephone	1,352	7,188	435	18	2,833	597
Other	151	256	160	7	268	98
Interest						
Debt payment						
State match						
Rent	1,154	1,070	349	16	2,292	478
Refunds						
Advertising	3,573	342	382		412	4,649
Mini Grants			4,254			
Total Expenditures	\$ 160,488	\$ 236,538	\$ 55,586	\$ 1,950	\$ 288,367	\$ 240,818
Net Revenues/(Expenditures)	\$ (30,705)	\$ (30,999)	\$ (2,538)	\$ 62	\$ (182,412)	\$ 2,048

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<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	\$ 18,720	\$ 23,334		\$ 104,105		\$ 42,851
General Health County			\$ 10,052			
School Nurses					\$ 91,797	
Miscellaneous	85					
Occupancy allocation	63	123	643	472	658	297
Grants and other government resources			43,345			
Total Revenues	\$ 18,868	\$ 23,457	\$ 54,040	\$ 104,577	\$ 92,455	\$ 43,148
Expenditures:						
Salaries	\$ 5,357	\$ 11,673	\$ 53,962	\$ 38,238	\$ 61,879	\$ 25,089
Fringe Benefits	3,752	5,673	17,137	15,308	27,106	10,926
Consultants	8	22	119	109	88	41
Contract - MD	110	84	338	178	396	179
Contract - Travel						
Patient Care						
Pharmacy						
Supplies - Medical	4,676	3,026		52		
Travel	838	150	19,158	6,881	3,506	550
Dues - Periodicals	17	89	458	426	457	186
Education - Training	9	16	114	7,735	695	50
Capital Purchases	13	29	149	40,590	196	72
Utilities	93	194	908	633	1,020	409
Maintenance - Repairs	163	375	1,840	4,453	2,097	848
Insurance			6	9	7	3
Data Processing		444				153
Postage	34	69	305	5,319	372	151
Printing - Binding	4	8	24	150	93	11
Supplies - Office	46	114	499	1,072	1,393	245
Laboratory						
Telephone	84	162	2,153	576	1,656	377
Other	13	19	196	186	121	47
Interest						
Debt payment						
State match						11,354
Rent	67	147	697	465	806	324
Refunds			1,298			
Advertising	9	22	438	14,850	147	58
Mini Grants						
Total Expenditures	\$ 15,293	\$ 22,316	\$ 99,799	\$ 137,230	\$ 102,035	\$ 51,073
Net Revenues/(Expenditures)	\$ 3,575	\$ 1,141	\$ (45,759)	\$ (32,653)	\$ (9,580)	\$ (7,925)

CARBON COUNTY
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2010

	EPIDEMIOLOGIST	H1N1 PHASE THREE	CASE MANAGEMENT	ENVIRONMENTAL HEALTH DEQ	COMMUNITY BASED SERVICES	TOTAL
Revenues:						
State Reimbursement	\$ 33,017	\$ 89,165	\$ 48,445	\$ 93,015	\$ 106,402	\$ 2,392,924
General Health				43,222		469,289
County						334,202
School Nurses						91,797
Miscellaneous						11,147
Occupancy allocation	244	368	348	1,260	800	18,360
Grants and other government resources						119,281
Total Revenues	<u>\$ 33,261</u>	<u>\$ 89,533</u>	<u>\$ 48,793</u>	<u>\$ 137,497</u>	<u>\$ 107,202</u>	<u>\$ 3,437,000</u>
Expenditures:						
Salaries	\$ 20,281	\$ 22,652	\$ 29,847	\$ 123,893	\$ 66,944	\$ 1,577,330
Fringe Benefits	10,107	12,116	12,848	55,068	26,180	755,348
Consultants	74	8	73	293	124	7,207
Contract - MD	144	2,111	206	657	487	36,831
Contract - Travel						511
Patient Care						54,231
Pharmacy						7,416
Supplies - Medical					49	191,421
Travel	321	429	402	3,839	704	143,978
Dues - Periodicals	295	70	264	982	444	15,252
Education - Training	43	88	48	202	90	58,928
Capital Purchases	23	39,171	77	346	182	199,622
Utilities	331	483	498	1,982	1,135	26,300
Maintenance - Repairs	672	957	992	4,099	2,228	56,080
Insurance		4	3	9	6	151
Data Processing		6,464	209			19,359
Postage	110	141	171	685	409	15,160
Printing - Binding	8	24	14	51	38	16,857
Supplies - Office	194	379	281	1,189	1,295	49,934
Laboratory				1,975		80,614
Telephone	769	2,846	466	2,470	1,044	41,107
Other	40	28	47	186	390	6,387
Interest						2,940
Debt payment						25,005
State match						11,354
Rent	262	309	386	1,572	870	21,054
Refunds						36,590
Advertising	39	50	60	224	143	40,321
Mini Grants						11,895
Total Expenditures	<u>\$ 33,713</u>	<u>\$ 88,330</u>	<u>\$ 46,892</u>	<u>\$ 199,722</u>	<u>\$ 102,762</u>	<u>\$ 3,509,183</u>
Net Revenues/(Expenditures)	<u>\$ (452)</u>	<u>\$ 1,203</u>	<u>\$ 1,901</u>	<u>\$ (62,225)</u>	<u>\$ 4,440</u>	<u>\$ (72,183)</u>

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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CRAIG G. SMUIN, C.P.A.

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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 Carbon County's compliance with general and major state program compliance requirements described in the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2010. The general compliance requirements applicable to the County are identified as follows:

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 Court
Uniform Building Code	Truth in Taxation & Property Tax Limitations
Taxes	Asset Forfeiture
Other General Issues	URS Compliance
Fund Balance	

The County received the following major assistance programs from the State of Utah:

B Road Funds (Department of Transportation)
Liquor Allotment (State Tax Commission)
CIB Grant (Department of Community and Culture)

Compliance with the requirements referred to above is the responsibility of the County's management. 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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State of Utah Legal Compliance Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance requirements referred to above could have a material effect on the major assistance programs or general compliance requirements identified above. 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 these requirements.

In our opinion, Carbon County, complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with the State of Utah Legal Compliance Audit Guide and which are described in our letter to management dated July 18, 2011 as items 2010-1, 2010-2, 2010-3, 2010-4 and 2010-5.

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

This report is intended solely for the information and use of the County, management, Office of the Utah State Auditor, awarding and pass-through entities, and other specified parties as applicable and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record and its distribution is not limited.

SMUIN, RICH & MARSING

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

Price, Utah

July 18, 2011

CARBON COUNTY
SCHEDULE OF TRANSIENT ROOM TAX EXPENDITURE BREAKDOWN
AUDIT DECEMBER 31, 2010

SUMMARY OF EXPENDITURES

ESTABLISHING AND PROMOTING:

Tourism	<u>\$ 348,602</u>
Total Transient Room Tax Expenditures	<u><u>\$ 348,602</u></u>

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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

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DOUGLAS RASMUSSEN, C.P.A.

MEMBERS

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

Board of County Commissioners
Carbon County
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, 2010, which collectively comprise Carbon County's basis financial statements and have issued our report thereon dated July 18, 2011. 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 2010-1, 2010-2, 2010-3, 2010-4 and 2010-5. 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 2010-1, 2010-2, 2010-3, 2010-4 and 2010-5.

We noted certain matters that we reported to management of the County in a separate letter dated July 18, 2011.

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 18, 2011

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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, 2010.

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 referred to above 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 identified in the accompanying schedule of findings and questioned costs 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 of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those compliance requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2010-1, 2010-2, 2010-3 2010-4 and 2010-5.

Internal Control Over Compliance

Management of Carbon County is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

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



Price, Utah

July 18, 2011

**CARBON COUNTY/SEUDHD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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
HLS – Public Safety Interoperable Communications	11.555

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 2010-1 RECONCILIATION OF SIGNIFICANT ACCOUNTS – Carbon County
and SEUDHD**

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.

**FINDING 2010-1 RECONCILIATION OF SIGNIFICANT ACCOUNTS – Carbon County
and SEUDHD (Continued)**

Statement of Condition:

The employees of the County and SEUDHD failed to perform reconciliation's of significant accounts. Accounts receivables are not being accrued or reconciled to the general ledger account in a timely or accurate manner.

Cause of Condition:

The County corrected and performed work during the year that dealt with many aspects of the prior year audit findings, but the work load made it difficult to meet all the demands of making sure account receivable balances were accrued and reconciled to financial balances on a timely basis.

Effect or Possible Effect of Condition:

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

Recommendation:

We recommend that accrual of receivables be performed on a monthly basis and that these balances are reconciled to the account balances on a timely basis. The County Clerk/Auditor needs to make sure internal controls have been adopted and implemented to ensure 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 initiates, authorizes, records, processes, and reports accounts receivable data in accordance with generally accepted accounting principles.

County's Response:

We have performed processes that helped change and fix many of the findings reported in the previous audit report, but we have not had the personnel or the time to correct all of the items. We are in the process of finding the best approach and method to make certain the accounts receivable are recorded timely in the financial statements and that those who are charged to oversee this process review the information on a regular basis. We will also educate department heads to provide the County Clerk/Auditor's office with sufficient information and documentation to record the accounts receivable properly and timely. We have used the expertise of our outside auditors to educate us in these processes and we will continue to use their services.

FINDING 2010-2 DEFICIT FUND BALANCES

Statement of Condition:

As of the year ended December 31, 2010, the County had a deficit fund balance in the Capital Projects fund (a nonmajor fund).

Criteria:

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

Cause of Condition:

During the year, the County failed to limit their expenditures in the capital projects sufficiently to create the anticipated increase in the fund balance. Additional revenues from other funding sources did not transpire and consequently, the plans that had been implemented by the County did not materialize. In addition to funding the current year expenditures, the County had planned on bringing the deficit fund balance to a positive balance.

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. 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 deficit in the current calendar year without fail. 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 and reversed in the current year.

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, but once again the anticipated expenditures were more than planned. We are aware of the requirements to maintain a fund balance that is within the limitations established by State Code and we have already implemented processes that 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 2010-3 APPLICATION AND PRESENTATION OF GAAP FINANCIAL STATEMENTS

Statement of Condition:

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

Criteria:

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

Cause of Condition:

County personnel are not recording certain transactions that are needed to accomplish the criteria of GAAP financial statement presentation. The County's internal controls and those who have governance over the controls have made improvements, but not all areas of the financial accounts have been corrected to conform 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 all 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 transactions that are under the legal responsibility of the County. This process should include all accounts receivable accounts and corresponding revenue accounts for proper revenue recording and recognition. 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 have made significant strides in recording and reporting more accurate financial statements, but still lack some of the processes. We will continue to improve our processes and incorporate those areas that are not being achieved. Performing all of these processes will bring our financial statements into compliance with Generally Accepted Accounting Principles (GAAP). We will continue to use our auditors for help and education as long as it does not impede their ability to maintain their independence.

FINDING 2010-4 EXPENDITURES IN EXCESS OF BUDGET

Statement of Condition:

During the year ended December 31, 2010, the County over spent its adopted budget in the General Fund: Departments of Public Defender, Central Mailing, Mental Health, Airport and Economic Development.

Criteria:

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

Cause of Condition:

During the year the County made expenditures that were not anticipated and did not recognize the additional expenditures would be in excess of the adopted budget. The County failed to recognize that during the course of their public hearing, the budget figures did not reflect all of the possible expenditures that were in the process of occurring before the calendar year end. Although the County is aware that all expenditures need to be budgeted, some of the items were not identified as unbudgeted expenditures.

Effect or Possible Effect of Condition:

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

Recommendation:

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

County's Response:

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

FINDING 2010-5 CONTRACT REIMBURSEMENT REPORTS – TIMELY SUBMISSION

Statement of Condition:

While reviewing the reimbursement reports submitted by the County and the subsequent collection of these funds, we found that in several situations the County had not filed the reimbursements reports on a timely basis. Although the contract does not specifically identify a time period other than at the end of the grant period, the County has spent a substantial amount of funds without seeking reimbursement. The majority of the funds that had been spent, but were not reimbursed dealt with the Home Land Security grants and other funding sources.

**FINDING 2010-5 CONTRACT REIMBURSEMENT REPORTS – TIMELY SUBMISSION
(continued)**

Criteria:

Reimbursement requests for “reimbursable type grants,” should be made in a timely fashion to not impede the financial responsibility and obligations that are required of the entity expending the funds. All organizations that accept grants on a reimbursement basis understand that the organization needs enough cash flow resources to wait for the reimbursed funds. Timely submission of those reimbursement requests should be mandatory and not over looked.

Cause of Condition:

County personnel were not concerned about filing the reimbursement requests during the grant period, only when the grant period ended. Although they were aware of the substantial amount of funds being expended, County personnel were unaware of the potential financial burden that could have been of great concern if the County was unable to meet other financial obligations.

Effect or Possible Effect of Condition:

Use of substantial County funds, without any reimbursement request submitted timely could cause a financial burden and potential use of restricted funds by the County. Although the County did not use restricted funding sources to pay for the Home Land Security expenditures, the County has sufficient unrestricted funds, unrestricted funds of the County might not always be available to expend and wait several months for reimbursement.

Recommendation:

We recommend the County establish a process in the recording and producing of financial information that will allow sufficient time to complete the reimbursement reports. Many processes are required to be finished before the current expenditure information can be accessed and those involved in the Home Land Security reimbursement report will need to keep adequate records to determine what expenses have been asked for reimbursement and those that are pending. Those individuals who are part of this process need to understand the importance of timely submission of reimbursement reports and timely collection of funds by the County.

County's Response:

The County will educate all personnel who are involved in the grant process about proper submission of grant reimbursement requests. The County will ensure that personnel understand the need for timely preparation and submission of reports, to keep the financial burden at a minimum. County personnel involved in these processes will make all grants and grant requirements available for inspection and authorization to the County clerk's office.

**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, 2010

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, 2010	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2010
U.S. DEPARTMENT OF AGRICULTURE							
Direct Program:							
Forest Reserve	10 666				\$ 918	\$ 918	
Pass Through State Department:							
WIC Administration and Nutrition (Note 2)	10 557	*	461,007	406,700	406,700	406,700	
WIC Administration and Nutrition (Note 2)	10 557	*	461,580	141,570	141,570	141,570	
WIC Food Vouchers (Note 2)	10 557	*	778,500	689,333	689,333	689,333	
WIC Food Vouchers (Note 2)	10 557	*	455,922	225,231	225,231	225,231	
Summer Food	10 559		300	300	300	300	
Pass Through Southeastern Utah Association of Governments:							
USDA Cash in Lieu	10 550	N/A	54,023	32,186	32,186	32,186	
Total U.S. Department of Agriculture			\$ 2,211,332	\$ 1,496,238	\$ 1,496,238	\$ 1,496,238	\$
U.S. DEPARTMENT OF COMMERCE EDA							
Pass Through State Department:							
HLS - Public Safety Interoperable Communications	11 555	*	338,506	304,182	304,182	304,182	
Total U.S. Department of Housing and Urban Development			\$ 338,506	\$ 304,182	\$ 304,182	\$ 304,182	\$
U.S. DEPARTMENT OF INTERIOR							
Direct Program:							
Noxious Weed Act	15 224			10,000	10,000	10,000	
Total U.S. Department of Housing and Urban Development			\$	\$ 10,000	\$ 10,000	\$ 10,000	\$
U.S. DEPARTMENT OF JUSTICE							
Direct Program:							
Victims of Crime	16 575	00-VOCA-05	57,500	37,240	37,240	37,240	
National Children's Alliance	16 543		10,000	10,000	10,000	10,000	
Total U.S. Department of Justice			\$ 67,500	\$ 47,240	\$ 47,240	\$ 47,240	\$
U.S. DEPARTMENT OF TRANSPORTATION							
Pass through State Department:							
Highway Safety Project	20 600	11-0208	17,000	4,347	4,347	4,347	
Highway Safety Project	20 600	10-0208	17,000	16,389	16,389	16,389	
Homeland Security - Hazmat Restitution	20 703		3,200	3,200	3,200	3,200	
Total U.S. Department of Transportation			\$ 37,200	\$ 23,936	\$ 23,936	\$ 23,936	\$

* Major Programs

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2010	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2010
FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE						
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY						
Pass through State Department:						
Environmental Services - DEQ		66,468	\$ 19,884	\$ 19,533	\$ 19,533	\$
Total U.S. Department of Environmental Protection Agency			\$ 19,884	\$ 19,533	\$ 19,533	\$
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Pass through State Department:						
TB Elimination	93,116		\$ 5,638	\$ 5,638	\$ 5,638	
H1N1 Flu Phase 1 & 2	93,069		258,826	104,105	104,105	
H1N1 Flu Phase 3	93,069		186,301	89,165	89,165	
Immunizations	93,268		49,720	49,720	49,720	
Immunization - Arra Funds	93,712		21,340	7,031	7,031	
Cancer Promotion	93,283		18,300	3,204	3,204	
Cancer Promotion	93,283		23,950	1,958	1,958	
Bioterrorism	93,283		259,362	129,481	129,481	
Bioterrorism	93,283		264,208	58,227	58,227	
Bioterrorism - Reg Epidemiologist	93,283		41,874	33,017	33,017	
Bioterrorism - MRC Development	93,889		10,000	1,226	1,226	
Bioterrorism - MRC and ASPR Reg Preparedness	93,889		68,500	16,966	16,966	
Comprehensive Tobacco	93,283		34,000	14,342	14,342	
Comprehensive Tobacco	93,283		48,990	34,364	34,364	
CHEC	93,778		23,612	7,082	7,082	
CHEC	93,778		24,486	8,990	8,990	
Cons. Education & Assistance	93,778		43,307	17,655	17,655	
Cons. Education & Assistance	93,778		30,498	15,849	15,849	
Monticello Cancer Initiative	93,888		582,120	242,469	242,469	
HIV Counseling/Education	93,940		2,100	1,988	1,988	
Sexually Transmitted Disease	93,977		1,000	1,000	1,000	
Title XIX, Early Childhood	93,778		44,730	16,650	16,650	
Title XIX, Early Childhood	93,778		44,730	11,795	11,795	
Early Childhood - ARRA funds	93,778A		63,000	2,485	2,485	
Physical Act, Nutrition and Obesity	93,991		28,333	15,725	15,725	
PBG Injury Prevention	93,991		11,196	2,308	2,308	
PBG Injury Prevention	93,991		35,529	4,205	4,205	

* Major Programs

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2010
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	\$ 31,328		\$ 15,700	\$ 15,700	
MCH Injury Prevention	93 994	C3-III	31,328		10,529	10,529	
P-5 Home Visitation	93 994	C4-I	16,000		6,446	6,446	
P-5 Home Visitation	93 994	C4-I	16,000		12,475	12,475	
Community Based Services	93 994	C2-I	100,000		48,366	48,366	
Community Based Services	93 994	C2-I	100,000		58,036	58,036	
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		25,564	25,564	
Support Services	93 044	N/A	45,844		22,922	22,922	
Title III, Nutrition	93 045	N/A	80,994		54,225	54,225	
Title III, Nutrition	93 045	N/A	78,277		39,138	39,138	
Senior Health	93 043	AOG	8,002		4,861	4,861	
Social Services Block Grant - XX	93 667	AOG	7,441		3,720	3,720	
Social Services Block Grant - XX	93 667	AOG	8,224		5,830	5,830	
Social Services Block Grant - XX	93 667	AOG	1,900		1,900	1,900	
Social Services Block Grant - XX	93 667	AOG	5,100		2,550	2,550	
Total U.S. Department of Health and Human Services			\$ 2,980,926	\$	1,296,517	\$ 1,296,517	\$
CORPORATION FOR NATIONAL SERVICE							
Direct Program:							
Retired Senior Volunteer Program	94 002	440-P062/20	\$ 50,607		\$ 50,607	\$ 50,607	
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			\$ 56,107	\$	56,107	\$ 56,107	\$

* Major Programs

CARBON COUNTY/SEUDHD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

FEDERAL CFDA NUMBER	GRANT OR PASS THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED (DEFERRED) REVENUE AT JANUARY 1, 2010	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2010
PROGRAM TITLE						
FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE						
U.S. DEPARTMENT OF EDUCATION						
Pass through State Department:						
Early Intervention	84 181	\$ 72,688		\$ 34,916	\$ 34,916	
Early Intervention - ARRA	84 393	34,950		20,636	20,636	
Total U.S. Department of Education		\$ 107,638	\$	\$ 55,552	\$ 55,552	\$
U.S. DEPARTMENT OF HOMELAND SECURITY						
Direct Program:						
Hazardous Material - Hazmat Recovery	97 042	\$ 57,500		\$ 57,328	\$ 57,328	
Home Land Security - SHSP	97 067	556,311		185,404	185,404	
Total U.S. Department of Homeland Security		\$ 613,811	\$	\$ 242,732	\$ 242,732	\$
TOTAL FEDERAL ASSISTANCE		\$ 6,432,904	\$	\$ 3,552,037	\$ 3,552,037	\$

* Major Programs

CARBON COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF DECEMBER 31, 2010

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, 2010**

Finding 2009-1 Reconciliation of Significant Accounts

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

Finding 2009-2 Deficit fund balance

See current year audit finding. Not corrected

Finding 2009-3 Application and presentation of GAAP financial statements

See current year audit finding. Not corrected

Finding 2009-4 Expenditures in Excess of Budget

See current year audit finding. New departments over budget.

SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

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DOUGLAS RASMUSSEN, C.P.A.

MEMBERS

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

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

Ladies/Gentlemen:

The following comments and recommendations are a result of our review of the accounting procedures and internal controls in connection with our examination of the financial statements of Carbon County for the year ended December 31, 2010.

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

2010-1 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 \$7,073,215 as an unrestricted fund balance for the current calendar year. The County has \$13,705,111 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.

CARBON COUNTY (continued)

2010-2 JAIL RECORDING – INMATE TRUST ACCOUNT AND COMMISSARY 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, the excess in the inmate account (commissary) is not being remitted timely to the County, and the County has not pursued timely payment of the funds to the County.

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 signed by the person performing the work and reviewed by the Jail commander, a copy should be given to the Clerk/Auditor. The County and the jail need to adopt a process of identifying excess funds and how often these funds will be submitted to the County.

Client Response

The County will review with the Jail the processes that are being performed and formally adopt the necessary corrections as outlined by the auditors.

2010-3 BOND RESERVES AND SINKING FUNDS

Several of the bond agreements the County has entered into require a sinking funds and/or reserve funds. The County has not established a designated reserve and/or sinking fund for these bond agreements. Although the County has funding for these bond requirements, they do not meet the requirements stipulated in bond documents.

We recommend the County make contributions to reserve funds in amounts required, to bring the County into compliance with bond documents.

Client Response

The County will establish a new PTIF account that will be designated as the bond reserve fund and fund the amounts necessary to be in compliance the bond agreements.

2010-4 BUILDING PERMIT REPORTS

The County is required to file quarterly reports with the Division of Occupational and Professional Licensing for building permit fees collected. This quarterly report is due 30 days following the end of each quarter. During the audit, we found that the last three quarterly reports for 2010 were not generated until the auditor requested the information. Consequently, the payment to the Division was not paid until June of 2011.

We recommend the County establish proper internal controls to ensure the quarterly reports are generated and the amount due is paid within the 30 day period following the end of the quarter.

Client Response

The County will establish proper internal controls to require the reports be generated and submitted within the time frame established by the Division of Occupational and Professional Licensing.

CARBON COUNTY (continued)

2010-5 DEPOSIT REQUIREMENTS

Utah Code 51-4-2(2) states that “All public funds shall be deposited daily, whenever practicable, but not later than three days after receipt.” During the audit of the financial statements, we found some of the County departments have not complied with the three-day deposit rule. Several departments are bringing their receipts and funds once a week. Each department of the County is under the same Utah Code section and therefore, required to deliver funds within the three days after receipt rule.

We recommend that County personnel receive training and education to ensure they understand the requirements for depositing public funds and the responsibility of each department receiving funds for the County.

Client Response

The County will review the requirements of Utah Code 51-4-2(2) with County personnel and establish policies to ensure the County and County departments comply with the three-day deposit rule.

SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT

2010-6 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, the Health Department has put in place a system that allows for most of the accounts receivable accounts 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 some of the other accounts receivable (not MER's) at year end were not accurate. This caused the balance sheet to be misstated and also the revenue accounts.

We recommend the Health Department establish an internal control process that covers all account receivable accounts, not just those billed on the Monthly Expense Reimbursement (MER). Accurate entries in the general ledger for both billings and collections should continue to be performed each month. This will ensure that recorded amounts are accurate and any discrepancies will be found timely.

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 enhance our monthly check and balance system to include all of the accounts receivable for the year.

SUMMARY

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

Sincerely,

SMUIN, RICH & MARSING

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

Price, Utah

July 18, 2011