

**CARBON COUNTY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

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

## INDEPENDENT AUDITORS' REPORT

Board of County Commissioners  
Carbon County  
Price, Utah 84501

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

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, Utah as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Carbon County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Carbon County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Carbon County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and pages 64 through 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carbon County's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 31, 2013, on our consideration of Carbon County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Carbon County's internal control over financial reporting and compliance.

SMUIN, RICH & MARSING

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

Price, Utah

July 31, 2013

**CARBON COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

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This discussion of Carbon County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2012. 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, 2012 by \$136,484,989 (net position), compared to \$133,994,775 as of December 31, 2011, an increase of \$2,490,214. Of this amount, \$11,936,718 (unrestricted net position) may be used to meet the governments' ongoing obligations to citizens and creditors. Part of the increase occurred from a prior period adjustment of \$211,085. Current year net position increase by \$2,279,129.
- The government's total net position increased by \$2,490,214. Net position increased by \$22,776,469 in the prior year. The major difference between the two years was a decrease in funding for capital projects and an increase in capital projects expenditures for 2012.
- At the close of the current year, the Carbon County governmental funds reported combined ending fund balances of \$19,460,625, a decrease of \$11,372,035 in comparison with the prior year. Approximately 22 percent of this total amount, \$4,297,045 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current year, unassigned fund balance for the general fund was \$4,297,045, or approximately 89 percent of total general funds' fund balance.
- Carbon County's total debt decreased \$37,123 during the current year, because new loan proceeds of \$869,884 were less than the payments of \$907,007.

**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 Position 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 Position presents information on all of Carbon County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of 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 position changed during the most recent year. All changes in net position 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 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 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, Building Authority, and capital projects all of which are considered to be major funds. Data from the other 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 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 position may serve over time as a useful indicator of a government's financial position. In the case of Carbon County, assets exceeded liabilities by \$136,484,989 at December 31, 2012.

By far the largest portion of Carbon County's net assets (85.5 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	
	2011	2012	2011	2012	2011	2012
Current and other assets	\$ 33,540,562	\$ 21,037,259	\$ 961,025	\$ 1,075,601	\$ 34,501,587	\$ 22,112,860
Capital assets	117,743,903	131,519,859	911,089	865,636	118,654,992	132,385,495
Total assets	<u>\$ 151,284,465</u>	<u>\$ 152,557,118</u>	<u>\$ 1,872,114</u>	<u>\$ 1,941,237</u>	<u>\$ 153,156,579</u>	<u>\$ 154,498,355</u>
Long-term debt outstanding	\$ 15,660,703	\$ 15,623,580			\$ 15,660,703	\$ 15,623,580
Other liabilities	3,412,534	2,357,892		\$ 93,966	3,412,534	2,451,858
Total liabilities	<u>\$ 19,073,237</u>	<u>\$ 17,981,472</u>	<u>\$ ...</u>	<u>\$ 93,966</u>	<u>\$ 19,073,237</u>	<u>\$ 18,075,438</u>
Net assets:						
Investment in capital assets, net of debt	\$ 102,083,200	\$ 115,896,279	\$ 911,089	\$ 865,636	\$ 102,994,289	\$ 116,761,915
Restricted	4,085,072	7,786,356	872,458	981,635	4,957,530	8,767,991
Unrestricted (Deficit)	26,042,956	10,955,083			26,042,956	10,955,083
Total net assets	<u>\$ 132,211,228</u>	<u>\$ 134,637,718</u>	<u>\$ 1,783,547</u>	<u>\$ 1,847,271</u>	<u>\$ 133,994,775</u>	<u>\$ 136,484,989</u>

A portion of Carbon County's net assets (6.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$10,955,083 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 position, 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 position by \$2,215,405. Key elements of this increase are as follows:

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2012	2011	2012	2011	2012
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 8,164,154	\$ 7,633,840	\$ 278,846	\$ 184,928	\$ 8,443,000	\$ 7,818,768
Operating grants and cont.	4,371,409	4,900,457			4,371,409	4,900,457
Capital grants and cont.	25,049,324	6,201,513			25,049,324	6,201,513
General Revenues:						
Property taxes	6,693,312	6,766,294			6,693,312	6,766,294
Sales taxes	2,277,970	1,971,556			2,277,970	1,971,556
Other general revenues	8,794,604	3,831,558			8,794,604	3,831,558
Total revenues	\$ 55,350,773	\$ 31,305,218	\$ 278,846	\$ 184,928	\$ 55,629,619	\$ 31,490,146
<b>Program expenses</b>						
General government	\$ 5,320,763	\$ 6,081,262			\$ 5,320,763	\$ 6,081,262
Public safety	10,409,531	7,597,494			10,409,531	7,597,494
Public health	4,592,806	4,529,832			4,592,806	4,529,832
Highways and public improve.	4,836,045	7,038,357			4,836,045	7,038,357
Parks and recreation	6,638,521	2,518,669			6,638,521	2,518,669
Conservation & Econ. Dev.	844,177	482,147			844,177	482,147
Contributions and Misc.	139,482	103,530			139,482	103,530
Capital outlay						
Interest on long-term liab.		738,522				738,522
County Court Complex			\$ 104,604	\$ 121,204	104,604	121,204
Total expenses	\$ 32,781,325	\$ 29,089,813	\$ 104,604	\$ 121,204	\$ 32,885,929	\$ 29,211,017
Excess (deficiency) before transfers	\$ 22,569,448	\$ 2,215,405	\$ 174,242	\$ 63,724	\$ 22,743,690	\$ 2,279,129
Change in net assets	\$ 22,569,448	\$ 2,215,405	\$ 174,242	\$ 63,724	\$ 22,743,690	\$ 2,279,129
Net assets - beginning	\$ 109,641,780	\$ 132,211,228	\$ 1,609,305	\$ 1,783,547	\$ 111,251,085	\$ 133,994,775
Prior period adjustment		211,085				
Net assets - ending	132,211,228	134,637,718	1,783,547	1,847,271	133,994,775	136,484,989
Change in net assets	\$ 22,569,448	\$ 2,215,405	\$ 174,242	\$ 63,724	\$ 22,743,690	\$ 2,490,214

## Government-wide financial analysis (Continued)

For 2013 Carbon County experienced a decrease in growth totaling \$354,716,611 as reported to the State Tax Commission. This decrease in growth is due primarily to the value of centrally assessed property decreasing from \$1,014,038,147 in 2012 to \$991,138,962 in 2013. This represents a \$22,899,185 decrease in property values by the largest value property holders in Carbon County. Certified tax rates were adjusted for the decrease in centrally assessed property values.

Business-type activities increased Carbon County's net assets by \$63,724. 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 \$19,460,625, which is a decrease of \$11,372,035 in comparison with the prior year. Approximately, 22.08 percent or \$4,297,045 constitutes unreserved fund balance, which is available for spending at the government's discretion. The general fund is the chief operating fund of Carbon County. At the end of the current year, unreserved fund balance of the general fund was \$4,297,045.

- **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 \$981,635.

## 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>Inc. (Dec.)</u>
General Government	\$ 6,655,562	\$ 6,602,038	\$ (53,524)
Public Safety	3,659,900	3,708,684	48,784
Public Health	357,453	355,453	(2,000)
Highway and Public Improvements	1,400,800	1,420,800	20,000
Parks, recreation and public property	1,262,040	676,600	(585,440)
Conservation and Economic Development	113,740	113,740	
Contributions and miscellaneous	288,950	238,950	(50,000)
Other Financing Sources (Uses)	1,006,270	2,058,450	1,052,180
Net			<u>\$ 430,000</u>

## Capital Asset and Debt Administration

### Capital Assets

Carbon County's investment in capital assets for its governmental activities as of December 31, 2012, amounts to \$131,519,859 (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 increases in Carbon County's governmental activities capital assets for the current year was \$13,775,956.

Carbon County's investment in capital assets for its business-type activities as of December 31, 2012, amounts to \$865,636 (net of accumulated depreciation). This investment in capital assets includes land and buildings. The total amount represents a decrease in Carbon County's business-type activities capital assets for the current year of \$45,453.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2012	2011	2012	2011	2012
Right of ways	\$ 1,401,918	\$ 1,401,918			\$ 1,401,918	\$ 1,401,918
Land	1,867,894	1,867,894	\$ 198,000	\$ 198,000	2,065,894	2,065,894
Buildings	33,239,226	32,572,929	572,470	667,636	33,811,696	33,240,565
Improvements other than buildings	9,886,977	11,476,583			9,886,977	11,476,583
Machinery and equipment	7,046,725	7,489,776	140,619		7,187,344	7,489,776
Infrastructure	55,064,841	76,009,257			55,064,841	76,009,257
Water stock	146,000	146,000			146,000	146,000
Work in progress	9,090,322	555,502			9,090,322	555,502
	<u>\$ 117,743,903</u>	<u>\$ 131,519,859</u>	<u>\$ 911,089</u>	<u>\$ 865,636</u>	<u>\$ 118,654,992</u>	<u>\$ 132,385,495</u>

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

## Long-term debt

As presented in the schedule below, the total long-term debt of Carbon County was \$16,342,766, 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	
	2011	2012	2011	2012	2011	2012
Revenue Bonds	\$ 15,630,696	\$ 15,623,580			\$ 15,630,696	\$ 15,623,580
Capital Leases	30,007				30,007	
Compensated Absences	704,632	719,186			704,632	719,186
	<u>\$ 16,365,335</u>	<u>\$ 16,342,766</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ 16,365,335</u>	<u>\$ 16,342,766</u>

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

The unemployment rate for Carbon County in 2012 was 7.2%, an increase of 1.1% from 2011. This is higher than the state's average unemployment rate of 5.4%, but lower than the national average of 7.8% as of December 2012. Population in Carbon County hit a low point in 2005 of 19,205 and has shown a slight increase in the following years. Population in Carbon County was approximately 21,246 in 2012.

The value of centrally assessed property in Carbon County decreased \$22,899,185 in 2013. This decrease is a major reason why the County experienced negative Growth of \$35,716,611.

Coal mining and oil and gas production have struggled due to poor prices and regulation. The County is actively encouraging development throughout the County to help move the economy forward in 2013.

## 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 POSITION**  
**DECEMBER 31, 2012**

	PRIMARY GOVERNMENT			
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
<u>ASSETS</u>				
Cash and cash equivalents	\$ 15,775,000	\$ 1,075,601	\$ 16,850,601	\$ 4,411,121
Restricted - Cash and cash equivalents	3,576,735		3,576,735	8,598,563
Due from other governments	1,680,144		1,680,144	620,816
Miscellaneous receivables				6,471
Inventory of supplies	5,380		5,380	
Capital assets (net of accumulated depreciation):				
Land	1,867,894	198,000	2,065,894	1,681,614
Rights-of-way	1,401,918		1,401,918	41,550
Water stock	146,000		146,000	110,000
Works of art				11,500
Buildings	32,572,929	667,636	33,240,565	7,197,847
Improvements other than buildings	11,476,583		11,476,583	2,152,596
Fixtures and equipment	7,489,776		7,489,776	454,167
Work in progress	555,502		555,502	357,736
Infrastructure	76,009,257		76,009,257	
Total assets	<u>\$ 152,557,118</u>	<u>\$ 1,941,237</u>	<u>\$ 154,498,355</u>	<u>\$ 25,643,981</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 802,780	\$ 1,017	\$ 803,797	\$ 197,603
Accrued payroll	282,100		282,100	
Accrued liabilities	345,380		345,380	928
Deferred revenue	146,374	92,949	239,323	
Bond interest payable	62,072		62,072	15,357
Revenue bonds payable - Due within one year	858,000		858,000	824,132
Revenue bonds payable - Due in more than one year	14,765,580		14,765,580	3,920,000
Compensated absences	719,186		719,186	
Total liabilities	<u>\$ 17,981,472</u>	<u>\$ 93,966</u>	<u>\$ 18,075,438</u>	<u>\$ 4,958,020</u>

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



CARBON COUNTY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2012

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL	
<u>NET POSITION</u>				
Invested in capital assets, net of related debt	\$ 115,896,279	\$ 865,636	\$ 116,761,915	\$ 11,999,878
Nonspendable:				
Inventory	5,380		5,380	
Restricted:				
Class "B" roads	1,814,231		1,814,231	
Economic development	511,451		511,451	
Municipal services	1,546,847		1,546,847	
Health care	300,908		300,908	
Capital projects	2,695,555		2,695,555	1,552,449
Landfill	27,539		27,539	
Debt service	884,445		884,445	451,335
Unrestricted	10,955,083	981,635	11,936,718	6,682,299
Total net position	<u>\$ 134,637,718</u>	<u>\$ 1,847,271</u>	<u>\$ 136,484,989</u>	<u>\$ 20,685,961</u>

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

**CARBON COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

Function/Programs	PROGRAM REVENUES				NET (EXPENSE) REVENUE & CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			COMPONENTS UNITS
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 6,081,262	\$ 396,953			\$ (5,684,309)		\$ (5,684,309)	
Public safety	7,597,494	1,937,784	\$ 824,272	\$ 232,022	(4,603,416)		(4,603,416)	
Highways and public improvements	7,038,357	4,067,726	1,018,185	5,969,491	4,017,045		4,017,045	\$ (4,018,083)
Public health	4,529,832	903,630	2,734,523		(891,679)		(891,679)	
Parks and recreation	2,518,669	327,747	292,277		(1,898,645)		(1,898,645)	(3,233,559)
Conservation and economic development	482,147		31,200		(450,947)		(450,947)	
Contributions and miscellaneous	103,530				(103,530)		(103,530)	
Intergovernmental								(530,000)
Interest on long-term liabilities	738,522				(738,522)		(738,522)	(30,208)
Total governmental activities	\$ 29,089,813	\$ 7,633,840	\$ 4,900,457	\$ 6,201,513	\$ (10,354,003)	\$ .....	\$ (10,354,003)	\$ (7,811,850)
Business-type activities:								
County Court Complex	\$ 121,204	\$ 184,928				\$ 63,724	\$ 63,724	
Total business-type activities	\$ 121,204	\$ 184,928	\$ .....	\$ .....	\$ .....	\$ 63,724	\$ 63,724	
Total primary government	\$ 29,211,017	\$ 7,818,768	\$ 4,900,457	\$ 6,201,513	\$ (10,354,003)	\$ 63,724	\$ (10,290,279)	
<b>Component Units:</b>								
Scofield Reservoir Special Service District								\$ (45,762)
Total component units	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....	\$ (45,762)
General revenues:								
Property taxes					\$ 6,766,294		\$ 6,766,294	
State PILT					6,451		6,451	\$ 120,071
Federal PILT					1,075,469		1,075,469	
Sales taxes					1,971,556		1,971,556	
Miscellaneous taxes					747,965		747,965	
Unrestricted investment earnings					80,833		80,833	130,645
Royalties and rents					811,827		811,827	
Gain/(Loss) on sale of fixed assets					(31,513)		(31,513)	
Miscellaneous					204,395		204,395	
Mineral reserve monies					936,131		936,131	5,572,133
Total general revenues and transfers					\$ 12,569,408	\$ .....	\$ 12,569,408	\$ 5,822,849
Change in net position					\$ 2,215,405	\$ 63,724	\$ 2,279,129	\$ (2,034,763)
Net position - beginning					132,211,228	1,783,547	133,994,775	22,720,724
Prior period adjustment					211,085		211,085	
Net position - ending					\$ 134,637,718	\$ 1,847,271	\$ 136,484,989	\$ 20,685,961

"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, 2012**

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	CAPITAL PROJECTS FUND	BUILDING AUTHORITY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,923,515		\$ 3,182,436	\$ 2,691,859	\$ 3,204,314	\$ 1,834,948	\$ 15,837,072
Restricted cash and cash equivalents		\$ 594,010			618,513	2,364,212	3,576,735
Receivables (net):							
Other	460,524	265,747	388,520	313,936	190,000	61,417	1,680,144
Inventories		5,380					5,380
Total assets	<u>\$ 5,384,039</u>	<u>\$ 865,137</u>	<u>\$ 3,570,956</u>	<u>\$ 3,005,795</u>	<u>\$ 4,012,827</u>	<u>\$ 4,260,577</u>	<u>\$ 21,099,331</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Cash deficit						\$ 62,072	\$ 62,072
Accounts payable	\$ 138,662	\$ 70,986	\$ 109,000	\$ 310,240		173,892	802,780
Accrued payroll	242,936	39,164					282,100
Accrued liabilities	166,406	36,393	100,878			41,703	345,380
Deferred revenue		146,374					146,374
Total liabilities	<u>\$ 548,004</u>	<u>\$ 292,917</u>	<u>\$ 209,878</u>	<u>\$ 310,240</u>	<u>\$</u>	<u>\$ 277,667</u>	<u>\$ 1,638,706</u>
Fund balances:							
Nonspendable:							
Inventory		\$ 5,380					\$ 5,380
Restricted:							
Class "B" Road			\$ 1,814,231				1,814,231
Debt service reserve					\$ 618,513		618,513
Permanent funds						\$ 2,364,212	2,364,212
Committed:							
Landfill	\$ 27,539						27,539
Municipal services			1,546,847				1,546,847
Building Authority					3,394,314		3,394,314
RDA Development						519,035	519,035
Assigned:							
Economic Development - restaurant tax	511,451					474,951	986,402
Economic Development - other						69,237	69,237
Health Care		300,908					300,908
Debt service		265,932					265,932
Capital projects				\$ 2,695,555			2,695,555
Parks and recreation						542,730	542,730
Emergency services						79,891	79,891
Aging programs						137,087	137,087
Unassigned:							
General	4,297,045					(204,233)	4,092,812
Total fund balances	<u>\$ 4,836,035</u>	<u>\$ 572,220</u>	<u>\$ 3,361,078</u>	<u>\$ 2,695,555</u>	<u>\$ 4,012,827</u>	<u>\$ 3,982,910</u>	<u>\$ 19,460,625</u>
Total liabilities and fund balances	<u>\$ 5,384,039</u>	<u>\$ 865,137</u>	<u>\$ 3,570,956</u>	<u>\$ 3,005,795</u>	<u>\$ 4,012,827</u>	<u>\$ 4,260,577</u>	<u>\$ 21,099,331</u>

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

**CARBON COUNTY**  
**BALANCE SHEET RECONCILIATION TO**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2012**

Total fund balances - governmental fund types: \$ 19,460,625

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	\$ 1,867,894	
Rights of Way	1,401,918	
Water stock	146,000	
Buildings	32,572,929	
Improvements other than buildings	11,476,583	
Fixtures and equipment	7,489,776	
Work in progress	555,502	
Infrastructure	<u>76,009,257</u>	
 Total		 131,519,859

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

Revenue bonds payable - Due within one year	\$ (858,000)	
Revenue bonds payable - Due in more than one year	(14,765,580)	
Compensated absences	<u>(719,186)</u>	
 Total		 <u>(16,342,766)</u>

Net position of government activities		<u><u>\$ 134,637,718</u></u>
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"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, 2012**

	GENERAL FUND	SOUTHEASTERN UTAH DISTRICT HEALTH	MUNICIPAL SERVICES	CAPITAL PROJECTS FUND	BUILDING AUTHORITY	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Taxes	\$ 7,439,352		\$ 1,320,631			\$ 725,833	\$ 9,485,816
Licenses and permits	43,347		49,051				92,398
Intergovernmental revenues	1,760,242	\$ 2,477,842	6,198,989	\$ 301,293	\$ 1,658,498	569,166	12,966,030
Charges for services	1,479,100	709,340	106,367			607,750	2,902,557
Fines and forfeitures	278,504						278,504
Interest income	57,064	2,915	4,379	932		15,543	80,833
Contributions	5,700		1,419,048	2,520,536	940,000	10,992	4,896,276
Miscellaneous	1,119,777	36,024	18,573		348,472	6,163	1,529,009
Total revenues	\$ 12,183,086	\$ 3,226,121	\$ 9,117,038	\$ 2,822,761	\$ 2,946,970	\$ 1,935,447	\$ 32,231,423
EXPENDITURES:							
Current:							
General government	\$ 5,548,068		\$ 108,515				\$ 5,656,583
Public safety	3,283,750		4,225,962			\$ 220,026	7,729,738
Highways and public improvements	1,196,111		3,368,907				4,565,018
Public health	352,893	\$ 3,199,352				902,845	4,455,090
Parks, recreation, and public property	604,196					2,134,043	2,738,239
Conservation and economic development	80,629					389,480	470,109
Capital outlay				\$ 1,175,954	\$ 16,062,282		17,238,236
Contributions and miscellaneous	103,530						103,530
Principal retirement					858,000		858,000
Total expenditures	\$ 11,169,177	\$ 3,199,352	\$ 7,703,384	\$ 1,175,954	\$ 16,920,282	\$ 3,646,394	\$ 43,814,543
Excess revenues over (under) expenditures	\$ 1,013,909	\$ 26,769	\$ 1,413,654	\$ 1,646,807	\$ (13,973,312)	\$ (1,710,947)	\$ (11,583,120)
OTHER FINANCING SOURCES (USES):							
Transfers in					\$ 6,505,000	\$ 2,043,450	\$ 8,548,450
Transfers out	\$ (8,548,450)						(8,548,450)
Total other financing sources (uses)	\$ (8,548,450)	\$ ...	\$ ...	\$ ...	\$ 6,505,000	\$ 2,043,450	\$ ...
Excess of revenues and other sources over (under) expenditures and other uses	\$ (7,534,541)	\$ 26,769	\$ 1,413,654	\$ 1,646,807	\$ (7,468,312)	\$ 332,503	\$ (11,583,120)
FUND BALANCES - beginning of year	12,159,491	545,451	1,947,424	1,048,748	11,481,139	3,650,407	30,832,660
Prior period adjustment	211,085						211,085
FUND BALANCES - end of year	\$ 4,836,035	\$ 572,220	\$ 3,361,078	\$ 2,695,555	\$ 4,012,827	\$ 3,982,910	\$ 19,460,625

"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, 2012**

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

Net changes in fund balances - total governmental funds \$ (11,583,120)

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	\$	67,016	
Public safety		536,867	
Public health		84,125	
Highways		1,930,566	
Parks and recreation		480,554	
Conservation and economic development		<u>16,415,589</u>	
Total assets shown as expenditures		\$ 19,514,717	
Less: depreciation		<u>(5,682,440)</u>	
Difference between expenditure and depreciation			13,832,277

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donation) is to increase net position. (56,322)

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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items. 37,124

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. (14,554)

Change in net position of governmental activities \$ 2,215,405

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

**CARBON COUNTY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2012**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND
	COUNTY COURT COMPLEX
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 1,075,601
Total current assets	\$ 1,075,601
Noncurrent assets:	
Land	\$ 198,000
Buildings	1,576,152
Furniture, fixtures and equipment	276,912
Less: accumulated depreciation	(1,185,428)
Total noncurrent assets	\$ 865,636
Total assets	\$ 1,941,237
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 1,017
Deferred rents	92,949
Total current liabilities	\$ 93,966
Noncurrent liabilities:	
Total noncurrent liabilities	\$ ...
Total liabilities	\$ 93,966
Net Position:	
Invested in capital assets, net of related debt	\$ 865,636
Unrestricted	981,635
Total net position	\$ 1,847,271

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

**CARBON COUNTY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	COUNTY COURT COMPLEX
Operating revenues:	
Rental income	\$ 184,928
Total operating revenues	\$ 184,928
Operating expenses:	
Utilities	\$ 34,963
Repairs and maintenance	35,317
Depreciation	50,924
Total operating expenses	\$ 121,204
Operating income (loss)	\$ 63,724
Nonoperating revenues (expenses):	
Total nonoperating revenues (expenses)	\$ ...
Income (loss) before contributions and transfers	\$ 63,724
Change in net position	\$ 63,724
Total net position - beginning	1,783,547
Total net position - ending	\$ 1,847,271

"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, 2012**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
	COUNTY COURT COMPLEX
<b>Cash Flows From Operating Activities:</b>	
Receipts from customers	\$ 191,052
Payments to suppliers	(71,005)
Net cash provided (used) by operating activities	\$ 120,047
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Acquisition of capital assets	\$ (5,471)
Net cash provided (used) by capital and related financing activities	\$ (5,471)
Net increase (decrease) in cash and cash equivalents	\$ 114,576
Cash and cash equivalents, January 1	961,025
Cash and cash equivalents, December 31	\$ 1,075,601
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ 63,724
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	\$ 50,924
Increase (Decrease) in accounts payable	(725)
Increase (Decrease) in deferred rents	6,124
Total adjustments	\$ 56,323
Net cash provided (used) by operating activities	\$ 120,047

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

**CARBON COUNTY**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2012**

	<u>AGENCY FUNDS</u>
 <u>ASSETS</u>	
Cash and cash equivalents	<u>\$ 1,713,952</u>
Total assets	<u><u>\$ 1,713,952</u></u>
 <u>LIABILITIES</u>	
Accounts payable	\$ 352,990
Precinct fees, bail and bonds payable	79,006
Due taxing units	13,924
Miscellaneous reimbursements	1,285
Due to other governments and agencies	<u>1,266,747</u>
Total liabilities	<u><u>\$ 1,713,952</u></u>

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

**CARBON COUNTY  
STATEMENT OF NET POSITION  
COMPONENT UNITS  
DECEMBER 31, 2012**

	SCOFIELD RESERVIOR SPECIAL SERVICE DISTRICT	CARBON COUNTY RECREATION & TRANSPORTATION SPECIAL SERVICE DISTRICT	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 239,603	\$ 4,171,518	\$ 4,411,121
Restricted - Cash and cash equivalents		8,598,563	8,598,563
Accounts receivable	6,471		6,471
Due from other governments		620,816	620,816
Capital assets (net of accumulated depreciation):			
Land	16,128	1,665,486	1,681,614
Rights-of-way		41,550	41,550
Buildings		7,197,847	7,197,847
Equipment		454,167	454,167
Sewer systems and improvements	520,250		520,250
Improvements other than buildings		1,632,346	1,632,346
Works of art		11,500	11,500
Water stock		110,000	110,000
Work in progress		357,736	357,736
Total assets	<u>\$ 782,452</u>	<u>\$ 24,861,529</u>	<u>\$ 25,643,981</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 21,290	\$ 176,313	\$ 197,603
Accrued liabilities		928	928
Bond interest payable	45	15,312	15,357
Revenue bonds payable - Due within one year	7,132	817,000	824,132
Revenue bonds payable - Due in more than one year		3,920,000	3,920,000
Total liabilities	<u>\$ 28,467</u>	<u>\$ 4,929,553</u>	<u>\$ 4,958,020</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	\$ 529,246	\$ 11,470,632	\$ 11,999,878
Restricted for:			
Debt service		451,335	451,335
Capital projects		1,552,449	1,552,449
Unrestricted	224,739	6,457,560	6,682,299
Total net position	<u>\$ 753,985</u>	<u>\$ 19,931,976</u>	<u>\$ 20,685,961</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, 2012**

Function/Programs	PROGRAM REVENUES		NET (EXPENSE) REVENUE & CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
				GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Governmental activities:</b>						
<b>Carbon County Recreation &amp; Transportation Special Service District</b>						
Highways and public improvements	\$ 4,710,313	\$ 692,230		\$ (4,018,083)		\$ (4,018,083)
Parks, recreation and public improvements	3,373,559	140,000		(3,233,559)		(3,233,559)
Intergovernmental	530,000			(530,000)		(530,000)
Interest on long term liabilities	30,208			(30,208)		(30,208)
Total governmental activities	\$ 8,644,080	\$ 832,230	\$ ...	\$ (7,811,850)	\$ ...	\$ (7,811,850)
<b>Business-type activities:</b>						
<b>Scofield Reservoir Special Service District</b>	\$ 97,930	\$ 52,168			\$ (45,762)	\$ (45,762)
Total business-type activities	\$ 97,930	\$ 52,168	\$ ...	\$ ...	\$ (45,762)	(45,762)
Total component units	\$ 8,742,010	\$ 884,398	\$ ...	\$ (7,811,850)	\$ (45,762)	\$ (7,857,612)
<b>General revenues:</b>						
Mineral lease revenue				\$ 5,572,133		\$ 5,572,133
Investment earnings				128,863	\$ 1,782	130,645
State PILT				120,071		120,071
Total general revenues and transfers				\$ 5,821,067	\$ 1,782	\$ 5,822,849
Change in net assets				\$ (1,990,783)	\$ (43,980)	\$ (2,034,763)
Net positon - beginning				21,922,759	797,965	22,720,724
Net position - ending				\$ 19,931,976	\$ 753,985	\$ 20,685,961

"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, 2012**

**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. They have a seven-member board. Their primary purpose and function is to provide a waste disposal system for the residence in and around Scofield Reservoir. The District's review report can be obtained at 65 S 100 E, Price Utah 84501

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

A. **Reporting Entity (Continued)**

**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 from Carbon County Rec/Trans SS District, located at 65 S 100 E, Price Utah 84501

**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. The District was audited and their report can be reviewed at 65 S 100 E, Price Utah 84501

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

The government-wide financial statements ( i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the 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.

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

### 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.

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.
- Local Building Authority - The Local Building Authority activities encompasses various real estate properties which have been constructed and leased to other county operations and outside entities. The Authority is also involved with several road and infrastructure projects.
- Municipal Service Fund – This fund is used to account the various activities of the County including; protective services, highway and roads, etc. Major revenue sources are taxes, charges for services, state allotments, and operating grants.



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

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

- Capital Projects Fund – The Capital Projects fund accounts for funds received from contributions, transfers and debt proceeds. These funds are then used for capital expenditures on the County.

The County's non-major governmental funds include other special revenue funds. The non-major special revenue funds account for specific revenue sources that are legally restricted to expenditures, for specified purposes.

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

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

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.

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.

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.

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

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

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 \$719,186.

**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 Position/Fund Balances**

The difference between assets and liabilities is "Net Position" on the government-wide and proprietary fund financial statements and "Fund Balance" on the governmental fund financial statements. Net position is divided into invested in capital assets (net of related debt), restricted, and unrestricted. Net position is 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, 2012 was as follows:

<b>Primary Government Governmental activities:</b>	<b>BEGINNING BALANCE</b>	<b>INCREASES</b>	<b>DECREASES</b>	<b>ENDING BALANCE</b>
Capital assets not being depreciated:				
Land	\$ 1,867,894			\$ 1,867,894
Rights of Way	1,401,918			1,401,918
Water stock	146,000			146,000
Construction in progress	9,090,322	\$16,062,312	(24,597,132)	555,502
Total capital assets not not being depreciated	\$ 12,506,134	\$16,062,312	\$ (24,597,132)	\$ 3,971,314
Capital assets being depreciated:				
Buildings	\$ 41,100,875	\$ 1,909,214	\$ (1,222,749)	\$ 41,787,340
Improvements other than buildings	16,609,361	941,881	1,209,449	18,760,691
Machinery and equipment	18,764,456	1,997,152	(468,102)	20,293,506
Infrastructure (Roads & Bridges)	134,166,168	23,201,290		157,367,458
Total capital assets being depreciated	\$ 210,640,860	\$28,049,537	\$ (481,402)	\$238,208,995
Less accumulated depreciation for:				
Buildings	\$ 7,861,649	\$ 1,485,789	\$ (133,027)	\$ 9,214,411
Improvements other than buildings	6,722,384	441,997	119,727	7,284,108
Machinery and equipment	11,717,731	1,497,779	(411,780)	12,803,730
Infrastructure (Roads & Bridges)	79,101,326	2,256,875		81,358,201
Total accumulated depreciation	\$ 105,403,090	\$ 5,682,440	\$ (425,080)	\$110,660,450
Total capital assets, being depreciated, net	\$ 105,237,770	\$22,367,097	\$ (56,322)	\$127,548,545
Governmental activities capital assets, net	\$ 117,743,904	\$38,429,409	\$ (56,322)	\$131,519,859

## 2. CAPITAL ASSETS (Continued)

	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 198,000			\$ 198,000
Total capital assets not being depreciated	\$ 198,000	\$ ...	\$ ...	\$ 198,000
Capital assets being depreciated:				
Buildings	\$ 1,576,152			\$ 1,576,152
Machinery and equipment	271,171	5,741		276,912
Total capital assets being depreciated	\$ 1,847,323	\$ 5,741	\$ ...	\$ 1,853,064
Less accumulated depreciation for:				
Buildings	\$ 1,003,682	\$ 39,404		\$ 1,043,086
Machinery and equipment	130,822	11,520		142,342
Total accumulated depreciation	\$ 1,134,504	\$ 50,924	\$ ...	\$ 1,185,428
Total capital assets, being depreciated, net	\$ 712,819	\$ (45,183)	\$ ...	\$ 667,636
Business-type activities capital assets, net	\$ 910,819	\$ (45,183)	\$ ...	\$ 865,636

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

Governmental activities:

General government	\$ 488,363
Public safety	647,180
Public Health	4,184,965
Highways and public improvements	91,885
Parks and recreation	260,984
Conservation and economic development	9,063
Total depreciation expense - governmental activities	\$ 5,682,440

Business-type activities:

County Court Complex	\$ 50,924
Total depreciation expense - Business-Type Activities	\$ 50,924
Total depreciation expense	\$ 5,733,364

## 2. CAPITAL ASSETS (Continued)

<b>Component units:</b>	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
Capital assets not being depreciated:				
Land and rights of way	\$ 1,723,164			\$ 1,723,164
Water stock	110,000			110,000
Works of art	11,500			11,500
Work in progress		\$ 357,736		357,736
Total capital assets not being depreciated	<u>\$ 1,844,664</u>	<u>\$ 357,736</u>	<u>\$ ...</u>	<u>\$ 2,202,400</u>
Capital assets being depreciated:				
Buildings	\$ 7,627,551	\$ 20,579		\$ 7,648,130
Improvements other than buildings	2,930,131	914,835		3,844,966
Machinery and equipment	753,040	118,817		871,857
Total capital assets being depreciated	<u>\$ 11,310,722</u>	<u>\$ 1,054,231</u>	<u>\$ ...</u>	<u>\$ 12,364,953</u>
Less accumulated depreciation for:				
Buildings	\$ 259,080	\$ 191,203		\$ 450,283
Improvements other than buildings	1,549,732	142,638		1,692,370
Machinery and equipment	362,212	55,478		417,690
Total accumulated depreciation	<u>\$ 2,171,024</u>	<u>\$ 389,319</u>	<u>\$ ...</u>	<u>\$ 2,560,343</u>
Total capital assets, being depreciated, net	<u>\$ 9,139,698</u>	<u>\$ 664,912</u>	<u>\$ ...</u>	<u>\$ 9,804,610</u>
Component units capital assets, net	<u>\$ 10,984,362</u>	<u>\$ 1,022,648</u>	<u>\$ ...</u>	<u>\$ 12,007,010</u>

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

Carbon County Recreation & Transportation Special Service District	\$ 356,819
Scofield Reservoir Special Service District	<u>32,500</u>
Total depreciation expense	<u>\$ 389,319</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
2013	\$ 883,672		\$ 883,672			
2014	880,336		880,336			
2015	880,336		880,336			
2016	880,336		880,336			
2017	880,336		880,336			
2018-2022	4,386,000		4,386,000			
2023-2027	4,105,696		4,105,696			
2028-2032	1,114,000		1,114,000			
2033-2037	465,000		465,000			
2038-2041	1,147,868		1,147,868			
	<u>\$ 15,623,580</u>	<u>\$ ...</u>	<u>\$ 15,623,580</u>	<u>\$ ...</u>	<u>\$ ...</u>	<u>\$ ...</u>

**Revenue Bonds** – Revenue Bonds payable at December 31, 2011, with their outstanding balances are comprised of the following individual issues:

#### 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>
09-01-13		\$ 16,000	\$ 16,000
09-01-14		16,000	16,000
09-01-15		16,000	16,000
09-01-16		16,000	16,000
09-01-17		16,000	16,000
2018-2022		80,000	80,000
2023-2026		63,190	63,190
	<u>\$ ...</u>	<u>\$ 223,190</u>	<u>\$ 223,190</u>



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

**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>
09-01-13		\$ 6,000	\$ 6,000
09-01-14		6,000	6,000
09-01-15		6,000	6,000
09-01-16		6,000	6,000
09-01-17		6,000	6,000
2018-2022		30,000	30,000
	<u>\$ ...</u>	<u>\$ 60,000</u>	<u>\$ 60,000</u>

**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>
01-01-13		\$ 14,000	\$ 14,000
01-01-14		14,000	14,000
01-01-15		14,000	14,000
01-01-16		14,000	14,000
01-01-17		14,000	14,000
2018-2022		70,000	70,000
2023-2027		65,000	65,000
	<u>\$ ...</u>	<u>\$ 205,000</u>	<u>\$ 205,000</u>

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

**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>
01-01-13		\$ 108,000	\$ 108,000
01-01-14		108,000	108,000
01-01-15		108,000	108,000
01-01-16		108,000	108,000
01-01-17		108,000	108,000
2023-2027		540,000	540,000
2023-2027		546,000	546,000
	\$ ...	\$ 1,626,000	\$ 1,626,000

**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>
01-01-13		\$ 61,000	\$ 61,000
01-01-14		61,000	61,000
01-01-15		61,000	61,000
01-01-16		61,000	61,000
01-01-17		61,000	61,000
2018-2022		305,000	305,000
2023-2027		305,000	305,000
2028-2032		305,000	305,000
	\$ ...	\$ 1,220,000	\$ 1,220,000

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

**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>
01-01-13		\$ 65,000	\$ 65,000
01-01-14		65,000	65,000
01-01-15		65,000	65,000
01-01-16		65,000	65,000
01-01-17		65,000	65,000
2018-2022		325,000	325,000
2023-2027		315,000	315,000
	<u>\$ ...</u>	<u>\$ 965,000</u>	<u>\$ 965,000</u>

**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>
01-01-13		\$ 50,000	\$ 50,000
01-01-14		50,000	50,000
01-01-15		50,000	50,000
01-01-16		50,000	50,000
01-01-17		50,000	50,000
2018-2022		250,000	250,000
2023-2027		248,000	248,000
	<u>\$ ...</u>	<u>\$ 748,000</u>	<u>\$ 748,000</u>

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

**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>
04-01-13		\$ 155,000	\$ 155,000
04-01-14		155,000	155,000
04-01-15		155,000	155,000
04-01-16		155,000	155,000
04-01-17		155,000	155,000
2018-2022		775,000	775,000
2023-2027		632,506	632,506
	<u>\$ ...</u>	<u>\$ 2,182,506</u>	<u>\$ 2,182,506</u>

**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>
01-01-13		\$ 150,000	\$ 150,000
01-01-14		150,000	150,000
01-01-15		150,000	150,000
01-01-16		150,000	150,000
01-01-17		150,000	150,000
2018-2022		750,000	750,000
2023-2027		750,000	750,000
2028		150,000	150,000
	<u>\$ ...</u>	<u>\$ 2,400,000</u>	<u>\$ 2,400,000</u>

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

**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>
04-01-13		\$ 29,000	\$ 29,000
04-01-14		29,000	29,000
04-01-15		29,000	29,000
04-01-16		29,000	29,000
04-01-17		29,000	29,000
2018-2022		145,000	145,000
22022-2027		145,000	145,000
2028-2029		51,000	51,000
	<u>\$ ...</u>	<u>\$ 486,000</u>	<u>\$ 486,000</u>

**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>
10-01-13		\$ 23,000	\$ 23,000
10-01-14		23,000	23,000
10-01-15		23,000	23,000
10-01-16		23,000	23,000
10-01-17		23,000	23,000
2018-2022		115,000	115,000
2023-2027		115,000	115,000
2028		23,000	23,000
	<u>\$ ...</u>	<u>\$ 368,000</u>	<u>\$ 368,000</u>

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

**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>
01-01-13		\$ 40,000	\$ 40,000
01-01-14		40,000	40,000
01-01-15		40,000	40,000
01-01-16		40,000	40,000
01-01-17		40,000	40,000
2018-2022		200,000	200,000
2023-2027		200,000	200,000
2028-2032		200,000	200,000
2032-2033		80,000	80,000
	<u>\$ ...</u>	<u>\$ 880,000</u>	<u>\$ 880,000</u>

**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>
07-01-13		\$ 14,000	\$ 14,000
07-01-14		14,000	14,000
07-01-15		14,000	14,000
07-01-16		14,000	14,000
07-01-17		14,000	14,000
2018-2022		70,000	70,000
2023-2027		70,000	70,000
2028-2032		70,000	70,000
2033-2037		70,000	70,000
2038-2040		49,000	49,000
	<u>\$ ...</u>	<u>\$ 399,000</u>	<u>\$ 399,000</u>

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

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE  
BOND- SERIES 2011A**

The Municipal Building of Carbon County Utah sold \$1,312,000 in revenue bonds during the current year. The proceeds will used to fund projects at the Carbon County Fairgrounds.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
07-01-13		\$ 44,000	\$ 44,000
07-01-14		44,000	44,000
07-01-15		44,000	44,000
07-01-16		44,000	44,000
07-01-17		44,000	44,000
2018-2022		220,000	220,000
2023-2027		220,000	220,000
2028-2032		220,000	220,000
2033-2037		220,000	220,000
2038-2041		168,000	168,000
	\$ ...	\$ 1,268,000	\$ 1,268,000

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE  
BOND-SERIES 2011B**

The Building Authority sold \$1,250,000 in revenue bonds, to fund in part, the 9 Mile Canyon Road Project.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
07-01-13		\$ 83,000	\$ 83,000
07-01-14		83,000	83,000
07-01-15		83,000	83,000
07-01-16		83,000	83,000
07-01-17		83,000	83,000
2018-2022		415,000	415,000
2023-2026		337,000	337,000
	\$ ...	\$ 1,167,000	\$ 1,167,000

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

**MUNICIPAL BUILDING AUTHORITY OF CARBON COUNTY UTAH LEASE REVENUE  
BOND - SERIES 2012**

The Municipal Building Authority of Carbon County Utah is in the process of selling revenue bonds in the amount of \$1,000,000. During the year, the MBA had only received \$869,884 of this total amount. The proceeds are being used to construct a new animal shelter.

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
10-01-13		\$ 33,000	\$ 33,000
10-01-14		33,000	33,000
10-01-15		33,000	33,000
10-01-16		33,000	33,000
10-01-17		33,000	33,000
2018-2022		165,000	165,000
2023-2027		165,000	165,000
2028-2032		165,000	165,000
2033-2037		165,000	165,000
2038-2042		44,884	44,884
	<u>\$ ...</u>	<u>\$ 869,884</u>	<u>\$ 869,884</u>

**SOUTHEASTERN UTAH DISTRICT HEALTH - BUILDING CAPITAL LEASE**

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

<u>DATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
01-01-13		\$ 25,672	\$ 25,672
01-01-14		22,336	22,336
01-01-15		22,336	22,336
01-01-16		22,336	22,336
01-01-17		22,336	22,336
2018-2022		95,000	95,000
2023-2027		95,000	95,000
2028-2032		95,000	95,000
2032-2038		95,000	95,000
2039-2040		60,984	60,984
	<u>\$ ...</u>	<u>\$ 556,000</u>	<u>\$ 556,000</u>



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

#### SUMMARY OF NET CHANGES - PRIMARY GOVERNMENT

Description	Balance 01-01-12	Retired	Issued	Balance 12-31-12	Due Within One Year
<u>Governmental Activities</u>					
Lease Revenue 2001A	\$ 239,190	\$ (16,000)		\$ 223,190	\$ 16,000
Lease Revenue 2001B	66,000	(6,000)		60,000	6,000
MBA Lease Revenue 2006A	219,000	(14,000)		205,000	14,000
MBA Lease Revenue 2006B	1,734,000	(108,000)		1,626,000	108,000
MBA Lease Revenue 2006C	1,281,000	(61,000)		1,220,000	61,000
MBA Lease Revenue 2006D	1,030,000	(65,000)		965,000	65,000
MBA Lease Revenue 2006E	798,000	(50,000)		748,000	50,000
MBA Lease Revenue 2006F	2,337,506	(155,000)		2,182,506	155,000
MBA Lease Revenue 2007	2,550,000	(150,000)		2,400,000	150,000
MBA Lease Revenue 2008B	515,000	(29,000)		486,000	29,000
MBA Lease Revenue 2008C	391,000	(23,000)		368,000	23,000
MBA Lease Revenue 2008	920,000	(40,000)		880,000	40,000
MBA Lease Revenue 2010	413,000	(14,000)		399,000	14,000
MBA Lease Revenue 2011A	1,312,000	(44,000)		1,268,000	44,000
MBA Lease Revenue 2011B	1,250,000	(83,000)		1,167,000	83,000
MBA Lease Revenue 2012			\$ 869,884	869,884	
	<u>\$ 15,055,696</u>	<u>\$ (858,000)</u>	<u>\$ 869,884</u>	<u>\$ 15,067,580</u>	<u>\$ 858,000</u>
<u>Governmental Activities</u>					
SEUDH Capital Leases:					
Series 2011	\$ 575,000	\$ (19,000)		\$ 556,000	\$ 19,000
Lease Series 1988	30,007	(30,007)			
	<u>\$ 605,007</u>	<u>\$ (49,007)</u>	<u>\$ ...</u>	<u>\$ 556,000</u>	<u>\$ 19,000</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>
2013	\$ 824,380	\$ 29,664	\$ 854,044
2014	140,000		140,000
2015	140,000		140,000
2016	140,000		140,000
2017	140,000		140,000
2018-2022	700,000		700,000
2023-2028	700,000		700,000
2028-2032	700,000		700,000
2033-2037	700,000		700,000
2038-2041	559,752		559,752
	<u>\$ 4,744,132</u>	<u>\$ 29,664</u>	<u>\$ 4,773,796</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>
2013	\$ 7,132	\$ 178	\$ 7,310
	<u>\$ 7,132</u>	<u>\$ 178</u>	<u>\$ 7,310</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 1<sup>st</sup> and October 1<sup>st</sup> commencing April 1, 1999. Principal payments on this bond issue began on October 1, 1999 and continue through October 1, 2013. The repayment schedule is as follows:

DATE PAYMENT DUE	PRINCIPAL DUE	INTEREST CHARGES	TOTAL
April 1, 2013		\$ 9,028	\$ 9,028
October 1, 2013	\$ 296,000	9,028	305,028
	<u>\$ 296,000</u>	<u>\$ 18,056</u>	<u>\$ 314,056</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 1<sup>st</sup> until the bonds mature on July 1, 2013. The repayment schedule is as follows:

DATE PAYMENT DUE	PRINCIPAL DUE	INTEREST CHARGES	TOTAL
2013	\$ 381,000	\$ 11,430	\$ 392,430
	<u>\$ 381,000</u>	<u>\$ 11,430</u>	<u>\$ 392,430</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 1<sup>st</sup> until the bonds mature on July 1, 2041. The repayment schedule is as follows:

DATE PAYMENT DUE	PRINCIPAL DUE	TOTAL
2013	\$ 140,000	\$ 140,000
2014	140,000	140,000
2015	140,000	140,000
2016	140,000	140,000
2017	140,000	140,000
2018-2022	700,000	700,000
2023-2027	700,000	700,000
2028-2032	700,000	700,000
2033-2037	700,000	700,000
2038-2041	560,000	560,000
	<u>\$ 4,060,000</u>	<u>\$ 4,060,000</u>

### SUMMARY OF NET CHANGES - COMPONENT UNITS

Description	Balance 01-01-12	Retired	Issued	Balance 12-31-12	Due Within One Year
Scofield Reservoir SSD					
Impact Bonus Loan	\$ 17,796	\$ (10,664)		\$ 7,132	\$ 7,132
C.C. Roads SSD Revenue					
Refunding Series 1994					
CCR&TSSD - Hwy Rev Bond					
Series 1998	575,000	(279,000)		296,000	296,000
CCR&TSSD - Toll Road Revenue					
Bond Series 1998	751,000	(370,000)		381,000	381,000
CCR&TSSD - Local Bldg Authority					
Taxable Lse Rev Bond Series 2009	4,200,000	(140,000)		4,060,000	140,000
	<u>\$ 5,543,796</u>	<u>\$ (799,664)</u>	<u>\$ ...</u>	<u>\$ 4,744,132</u>	<u>\$ 824,132</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, 2012, the bank balance of the County's deposits was \$2,339,063. Of this balance, \$250,000 was insured. The remaining balance, \$2,089,063 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, 2012, 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, 2012 is as follows:

<b><u>Investment Type</u></b>	Carrying Amount and Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Debt Securities:					
Repurchase Agreements	\$ 6,968,076	\$ 6,968,076			
	\$ 6,968,076	\$ 6,968,076	\$ ...	\$ ...	\$ ...
Other Investments:					
Utah Public Treas. Invest. Fund	7,101,390				
Total investments	\$ 14,069,466				

#### 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, 2012 were rated by Standard and Poor's and/or an equivalent nationally recognized statistical rating organization and the ratings are presented below using the Standard and Poor's rating scale.

	Carrying Amount and Fair Value	Quality Rating
<b><u>Debt Securities</u></b>		
Repurchase Agreements	\$ 6,968,076	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, 2012 were held by the County or in the County's name by the County's custodial banks except for repurchase agreements with qualified depositories totaling \$6,968,076 where the underlying securities were uninsured and held by the investment's counterparty, not in the name of the County.

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

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

##### **Total Reconciliation**

Description	Primary Government	Component Units	Fiduciary Funds
Cash and cash equivalents	\$ 16,912,673	\$ 4,411,121	\$ 1,715,587
Restricted cash and cash equivalents	3,576,735	8,598,563	
Cash deficit	(62,072)		
	<u>\$ 20,427,336</u>	<u>\$ 13,009,684</u>	<u>\$ 1,715,587</u>
Deposits	\$ 2,848,948	\$ 4,391,545	\$ 1,715,587
Investments (includes PTIF and Sweep accts.)	17,578,418	8,618,139	
	<u>\$ 20,427,366</u>	<u>\$ 13,009,684</u>	<u>\$ 1,715,587</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 9.760% for Tier 1 and 11.920% for Tier 2 of their annual covered salary. From July - December 12.030% for Tier 1 and 12.740% for Tier 2 of their annual covered salary. In the Local Governmental Noncontributory Retirement System Carbon County is required to contribute from January - June 13.770% and from July - December 16.040% of their annual covered salary. In the Public Safety Retirement System, Carbon County is required to contribute from January - June 28.820% for Tier 1 and 21.480% for Tier 2 of their annual covered salary. From July - December 21.940% for Tier 1 and 33.650% for Tier 2 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 Tier 1 and Tier 2 for the years ending December 31, 2012, 2011 and 2010 were \$53,995, \$33,920 and \$28,082 respectively and for the Noncontributory Retirement System Tier 1 the contributions for December 31, 2012, 2011 and 2010 were \$712,745, \$631,252 and \$584,997 respectively and for the Public Safety Retirement System Tier 2 Contributory the contributions for December 31, 2012 were \$5,378, and for the Tier 1 Noncontributory the contributions for December 31, 2012, 2011 and 2010 were \$542,264, \$497,992 and \$461,424 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 July 12- June 13 4.240% 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 July 12 – June 13 12.030% for Tier 1 employees and 12.740% for Tier 2 employees, of their annual covered salary. In the Local Governmental Noncontributory Retirement System, Southeastern Utah District Health is required to contribute from July 12 – June 13 16.040% for Tier 1 employees, 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 Tier 1 and Tier 2 for the years ending December 31, 2012, 2011 and 2010 were \$11,519, \$8,716 and \$7,813 respectively and for the Noncontributory Retirement System the contributions for December 31, 2012, 2011 and 2010 were \$178,295, \$183,981 and \$176,088 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 \$27,539 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:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General		\$ 8,548,450
Fairgrounds	\$ 800,000	
Leisure services	350,000	
RSVP	25,000	
COA	240,000	
Nutrition	490,000	
Tax Stability	50,000	
MBA - Capital and Debt	6,505,000	
Carbon County Futures	88,450	
	<u>\$ 8,548,450</u>	<u>\$ 8,548,450</u>

**12. BUDGETARY COMPLIANCE**

Unfavorable budget variances were incurred in the following funds:

**GENERAL FUND -**

Highways/Public Improve - Airport	\$ 12,841
Transfers out	6,490,000

**MUNICIPAL BUILDING AUTHORITY**

Highways and public improvements	16,062,282
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**13. JOINT VENTURE**

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

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

Four Corners Community Mental Health Center, was audited for the fiscal year ended June 30, 2012, by Wiggins & Company, Ogden, Utah.

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

**GENERAL FUND –**

\$511,451 is the balance of Restaurant tax collected, to be used for the promotion of tourism and related activity within the county and surrounding area.

\$27,539 is reserved to cover the estimated costs of the landfill closure at some future date.

**MUNICIPAL SERVICES FUND –**

\$1,814,231 is reserved for Class “B” Road expenditures for the County.

\$1,546,847 is the balance of Municipal Services Fund and has been reserved for the purpose of meeting sinking fund and reserve requirements of bond covenants.

**SEU DISTRICT HEALTH DEPARTMENT –**

\$300,908 is the restricted fund balance of Southeastern Utah Health District and represents amounts that are legally restricted for specific purposes by external contracts.

**BUILDING AUTHORITY –**

\$618,513 is for debt service requirements, \$3,394,314 is for capital expenditures

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 Council of Aging non-major, had a deficit fund balance of \$204,233 at December 31, 2012.

16. **FUND EQUITY**

In February 2009, GASB issued Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal years beginning after June 15, 2010. Fund balance classification changes apply only to governmental fund types; thus, only fund financial statements are affected.

**Nonspendable Fund Balance** – Fund balances are reported as nonspendable when they cannot be spent because they are not spendable in form or are legally or contractually required to be maintained intact.

**Restricted Fund Balance**—Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, or by law through constitutional provisions or enabling legislation.

**Committed Fund Balance**—Fund balances are reported as committed when the County Commission, the County's highest level of decision-making authority, formally designates the use of resources, by resolution, for a specific purpose. The same formal action must be taken to remove or change the constraints placed on the resources.

**Assigned Fund Balance**—Fund balances are reported as assigned when the County intends to use funds, which are neither restricted nor committed, for a specific purpose. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.

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

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

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

**17. MAJOR CONSTRUCTION PROJECT**

During the current year, the County has determined to construct a new County Building in a new location. The County has secured funding for the new building, but the actual cost of the new construction has not been determined. Funding will come from the County, CIB grant and loan funds. Bids will be awarded in the current calendar year with the projected completion date in calendar year 2014. The estimated cost of the new facility is over \$18,000,000.

**18. PRIOR PERIOD ADJUSTMENT**

While performing the current year financial work and determining ending balances in financial statement accounts, additional resources that should have been recorded in the prior year financial information was discovered. A prior period adjustment has been recorded in the General Fund in the amount of \$211,085 to reflect the prior year amount.

**19. USE OF ESTIMATES**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**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
- EXHIBIT 16    Statement of Revenues, Expenditures and Changes in Fund Balances –  
                         Budget and Actual – Municipal Building Authority



**CARBON COUNTY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
REVENUES				
Taxes:				
General property taxes - current year	\$ 4,925,500	\$ 4,925,500	\$ 4,679,333	\$ (246,167)
General property taxes - assessing & collecting	972,400	972,400	889,083	(83,317)
Prior year taxes - delinquent	50,000	50,000	225,893	175,893
General sales and use taxes	891,000	890,000	967,834	77,834
Fees in lieu of taxes	770,000	770,000	655,078	(114,922)
Franchise taxes	10,000	10,000	18,489	8,489
Miscellaneous taxes		1,000	3,642	2,642
Total taxes	\$ 7,618,900	\$ 7,618,900	\$ 7,439,352	\$ (179,548)
Licenses and Permits:				
Business licenses and permits	\$ 42,000	\$ 42,000	\$ 36,737	\$ (5,263)
Non-business licenses and permits	4,000	4,000	6,610	2,610
Total licenses and permits	\$ 46,000	\$ 46,000	\$ 43,347	\$ (2,653)
Intergovernmental Revenues:				
Federal sources -				
Children's Justice	\$ 446,800	\$ 446,800	\$ 358,400	\$ (88,400)
Victim's Rights	64,084	64,084	37,339	(26,745)
Forest Reserve	1,200	1,200	16,000	14,800
Miscellaneous	322,000	322,000	331,819	9,819
Total federal sources	\$ 834,084	\$ 834,084	\$ 743,558	\$ (90,526)
State sources -				
Payment in lieu of tax	\$ 15,000	\$ 15,000	\$ 6,451	\$ (8,549)
Jail reimbursements	1,000	1,000	44,089	43,089
EMS Grant	30,000	30,000	30,013	13
Mineral reserve funds	2,578,000	2,900,000	936,131	(1,963,869)
Total state sources	\$ 2,624,000	\$ 2,946,000	\$ 1,016,684	\$ (1,929,316)
Total intergovernmental revenues	\$ 3,458,084	\$ 3,780,084	\$ 1,760,242	\$ (2,019,842)

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, 2012**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Charges for Services:				
General government -				
Recorder fees	\$ 75,000	\$ 75,000	\$ 86,031	\$ 11,031
Auditor fees	11,000	11,000	12,607	1,607
Miscellaneous	1,800	1,800	205,164	203,364
Total general government	\$ 87,800	\$ 87,800	\$ 303,802	\$ 216,002
Public safety -				
Jail fees	\$ 5,000	\$ 5,000	\$ 745	\$ (4,255)
Justice court surcharge	12,000	12,000	13,318	1,318
Court costs and fees	65,000	65,000	63,152	(1,848)
Total public safety	\$ 82,000	\$ 82,000	\$ 77,215	\$ (4,785)
Other charges for services -				
Parks and public property	\$ 29,000	\$ 29,000	\$ 44,535	\$ 15,535
Ambulance fees	940,000	940,000	1,052,796	112,796
G.I.S. fees	1,000	1,000	752	(248)
Total other charges for services	\$ 970,000	\$ 970,000	\$ 1,098,083	\$ 128,083
Total charges for services	\$ 1,139,800	\$ 1,139,800	\$ 1,479,100	\$ 339,300
Fines and Forfeitures:				
Fines	\$ 315,000	\$ 315,000	\$ 278,504	\$ (36,496)
Total fines and forfeitures	\$ 315,000	\$ 315,000	\$ 278,504	\$ (36,496)
Miscellaneous Revenues:				
Interest	\$ 40,000	\$ 40,000	\$ 57,064	\$ 17,064
Rents and concessions	3,000	3,000	11,027	8,027
Royalties and Mineral Leases	800,000	800,000	452,328	(347,672)
Sale of fixed assets	6,000	6,000	24,809	18,809
Airport fees and fuel sales	155,000	155,000	380,332	225,332
Tippage fees - ECDC	60,000	60,000	67,323	7,323
Sale of materials and supplies	7,000	7,000	28,945	21,945
Contributions			5,700	5,700
Miscellaneous	104,020	104,020	155,013	50,993
Total miscellaneous revenues	\$ 1,175,020	\$ 1,175,020	\$ 1,182,541	\$ 7,521
Total Revenues	\$ 13,752,804	\$ 14,074,804	\$ 12,183,086	\$ (1,891,718)

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, 2012**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL AMOUNTS	
EXPENDITURES				
Current:				
General Government:				
Commission	\$ 465,700	\$ 465,700	\$ 428,304	\$ 37,396
Justice court	374,900	374,900	282,662	92,238
District court	7,000	7,000	1,881	5,119
Public defender	260,000	260,000	248,627	11,373
Personel	242,300	242,300	208,257	34,043
Clerk/Auditor	378,500	378,500	276,314	102,186
Treasurer	190,000	190,000	150,787	39,213
Recorder	314,700	314,700	247,047	67,653
Attorney	1,102,600	882,600	763,118	119,482
Assessor	502,680	502,680	448,875	53,805
Non-Departmental	988,440	762,000	645,287	116,713
Data processing	616,700	616,700	511,519	105,181
Law library	2,000	4,000	2,767	1,233
Central purchasing	14,000	14,000	2,456	11,544
Micro filming	27,800	27,800	26,378	1,422
Central mailing	28,000	28,000	24,240	3,760
Communications		134,700	114,759	19,941
Attorney - Childrens Justice	100,592	446,808	371,876	74,932
Building and grounds	255,600	155,600	139,506	16,094
Engineering	263,600	263,600	229,700	33,900
Safety	10,300	20,300	17,258	3,042
Elections	31,000	31,000	26,757	4,243
Graphical information service	374,150	374,150	285,631	88,519
Industrial park	105,000	105,000	94,062	10,938
Total general government	\$ 6,655,562	\$ 6,602,038	\$ 5,548,068	\$ 1,053,970
Public Safety:				
Victims rights	\$ 20,300	\$ 69,084	\$ 66,714	\$ 2,370
Dispatch	215,000	215,000	211,300	3,700
Ambulance service	1,359,800	1,396,800	1,216,131	180,669
Jail complex	2,064,800	2,027,800	1,789,605	238,195
Total public safety	\$ 3,659,900	\$ 3,708,684	\$ 3,283,750	\$ 424,934

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, 2012**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
Public Health:				
Indigent	\$ 13,500	\$ 11,500	\$ 8,940	\$ 2,560
Public health	121,830	121,830	121,830	
Mental health	222,123	222,123	222,123	
Total public health	\$ 357,453	\$ 355,453	\$ 352,893	\$ 2,560
Highways and Public Improvements:				
Landfill	\$ 402,800	\$ 402,800	\$ 248,783	\$ 154,017
Maintenance and abatement	555,300	555,300	471,787	83,513
Airport	442,700	462,700	475,541	(12,841)
Total highways and public improvements	\$ 1,400,800	\$ 1,420,800	\$ 1,196,111	\$ 224,689
Parks, Recreation and Public Property:				
Recreation - Television	\$ 1,147,040	\$ 531,600	\$ 508,303	\$ 23,297
Library	115,000	145,000	95,893	49,107
Total parks, recreation and public property	\$ 1,262,040	\$ 676,600	\$ 604,196	\$ 72,404
Conservation and Economic Development:				
Agriculture and extension services	\$ 63,740	\$ 63,740	\$ 59,048	\$ 4,692
Water development	50,000	50,000	21,581	28,419
Total conservation and economic development	\$ 113,740	\$ 113,740	\$ 80,629	\$ 33,111
Contributions and Miscellaneous:				
Contributions to other governmental agencies	\$ 191,130	\$ 141,130	\$ 42,530	\$ 98,600
Rents	43,820	43,820	16,000	27,820
Miscellaneous	54,000	54,000	45,000	9,000
Total contributions and miscellaneous	\$ 288,950	\$ 238,950	\$ 103,530	\$ 135,420
Total expenditures	\$ 13,738,445	\$ 13,116,265	\$ 11,169,177	\$ 1,947,088
Excess of revenues over (under) expenditures	\$ 14,359	\$ 958,539	\$ 1,013,909	\$ 55,370

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, 2012**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,006,270)	(2,058,450)	\$ (8,548,450)	(6,490,000)
Total other financing sources (uses)	\$ (1,006,270)	\$ (2,058,450)	\$ (8,548,450)	\$ 6,490,000
Excess of revenues and other sources over (under) expenditures and other uses	\$ (991,911)	\$ (1,099,911)	\$ (7,534,541)	\$ (6,434,630)
Fund balance - beginning of year	991,911	1,099,911	12,159,491	11,059,580
Prior period adjustment			211,085	211,085
Fund balance - end of year	\$ ...	\$ ...	\$ 4,836,035	\$ 4,836,035

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, 2012**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>AMOUNTS</u>	<u>FINAL BUDGET</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
<b>REVENUES</b>				
Intergovernmental				
Federal, State and Local funds	\$ 3,033,698	\$ 3,120,097	\$ 2,477,842	\$ (642,255)
Total Intergovernmental	\$ 3,033,698	\$ 3,120,097	\$ 2,477,842	\$ (642,255)
Charges for services				
Charges for services	\$ 600,000	\$ 596,600	\$ 709,340	\$ 112,740
Total Charges for services	\$ 600,000	\$ 596,600	\$ 709,340	\$ 112,740
Miscellaneous				
Miscellaneous			\$ 36,024	\$ 36,024
Investment earnings			2,915	2,915
Total miscellaneous	\$ ...	\$ ...	\$ 38,939	\$ 38,939
Total Revenues	\$ 3,633,698	\$ 3,716,697	\$ 3,226,121	\$ (490,576)
<b>EXPENDITURES</b>				
Current:				
Public health	\$ 3,333,698	\$ 3,276,656	\$ 3,199,352	\$ 77,304
Total public health	\$ 3,333,698	\$ 3,276,656	\$ 3,199,352	\$ 77,304
Total expenditures	\$ 3,333,698	\$ 3,276,656	\$ 3,199,352	\$ 77,304
Excess of revenue over (under) expenditures	\$ 300,000	\$ 440,041	\$ 26,769	\$ (413,272)
Fund balance - beginning of year	(300,000)	(440,041)	545,451	985,492
Fund balance - end of year	\$ ...	\$ ...	\$ 572,220	\$ 572,220

"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, 2012**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Taxes	\$ 1,166,200	\$ 1,166,200	\$ 1,320,631	\$ 154,431
Licenses and permits	55,200	55,200	49,051	(6,149)
Intergovernmental	6,287,500	6,287,500	6,198,989	(88,511)
Charges for services	83,000	83,000	106,367	23,367
Contributions		913,000	1,419,048	506,048
Interest Earnings	2,000	2,000	4,379	2,379
Miscellaneous	2,000	2,000	18,573	16,573
Total Revenues	\$ 7,595,900	\$ 8,508,900	\$ 9,117,038	\$ 608,138
<b>EXPENDITURES:</b>				
General government	\$ 206,800	\$ 113,400	\$ 108,515	\$ 4,885
Public safety	4,544,268	4,732,668	4,225,962	506,706
Highways and public improvements	3,784,974	4,602,974	3,368,907	1,234,067
Total expenditures	\$ 8,536,042	\$ 9,449,042	\$ 7,703,384	\$ 1,745,658
Excess of revenue over (under) expenditures	\$ (940,142)	\$ (940,142)	\$ 1,413,654	\$ 2,353,796
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in				
Operating transfers out				
Total other financing sources (uses)	\$ ...	\$ ...	\$ ...	\$ ...
Excess of revenue and other sources over (under) expenditures and other uses	\$ (940,142)	\$ (940,142)	\$ 1,413,654	\$ 2,353,796
Fund balance - beginning of year	940,142	940,142	1,947,424	1,007,282
Fund balance - end of year	\$ ...	\$ ...	\$ 3,361,078	\$ 3,361,078

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

**CARBON COUNTY  
MUNICIPAL BUILDING AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	BUDGET AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
<b>REVENUES:</b>				
Intergovernmental	\$ 717,000		\$ 1,658,498	\$ 1,658,498
Contributions		\$ 358,000	940,000	582,000
Miscellaneous	160,000	359,000	348,472	(10,528)
Total Revenues	\$ 877,000	\$ 717,000	\$ 2,946,970	\$ 2,229,970
<b>EXPENDITURES:</b>				
Bond principal - payments	\$ 1,164,911	\$ 1,024,911	\$ 858,000	\$ 166,911
Highways and public improvements	100,000		16,062,282	(16,062,282)
Total expenditures	\$ 1,264,911	\$ 1,024,911	\$ 16,920,282	\$ (15,895,371)
Excess of revenue over (under) expenditures	\$ (387,911)	\$ (307,911)	\$ (13,973,312)	\$ (13,665,401)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in			\$ 6,505,000	\$ 6,505,000
Total other financing sources (uses)	\$ ...	\$ ...	\$ 6,505,000	\$ 6,505,000
Excess of revenue and other sources over (under) expenditures and other uses	\$ (387,911)	\$ (307,911)	\$ (7,468,312)	\$ (7,160,401)
Fund balance - beginning of year	\$ 387,911	307,911	11,481,139	11,173,228
Fund balance - end of year	\$ ...	\$ ...	\$ 4,012,827	\$ 4,012,827

"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, 2012**

	SPECIAL REVENUE FUNDS									PERMANENT 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	
<u>ASSETS</u>											
Cash and cash equivalents	\$ 462,563	\$ 406,419	\$ 172,741	\$ 66,447	\$ 519,035	\$ 73,065	\$ 38,242		\$ 96,436		\$ 1,834,948
Restricted - cash and cash equivalents										\$ 2,364,212	2,364,212
Receivables - other	26,371			13,652			6,875	\$ 3,510	11,009		61,417
Total assets	<u>\$ 488,934</u>	<u>\$ 406,419</u>	<u>\$ 172,741</u>	<u>\$ 80,099</u>	<u>\$ 519,035</u>	<u>\$ 73,065</u>	<u>\$ 45,117</u>	<u>\$ 3,510</u>	<u>\$ 107,445</u>	<u>\$ 2,364,212</u>	<u>\$ 4,260,577</u>
<u>LIABILITIES AND FUND BALANCES</u>											
LIABILITIES:											
Cash deficit								\$ 62,072			\$ 62,072
Accounts payable	\$ 10,190	\$ 9,254	\$ 5,270	\$ 208		\$ 1,250	\$ 1,449	142,186	\$ 4,085		173,892
Accrued liabilities	3,793	14,091	7,815			2,578	1,338	3,485	8,603		41,703
Total liabilities	<u>\$ 13,983</u>	<u>\$ 23,345</u>	<u>\$ 13,085</u>	<u>\$ 208</u>	<u>\$ ...</u>	<u>\$ 3,828</u>	<u>\$ 2,787</u>	<u>\$ 207,743</u>	<u>\$ 12,688</u>	<u>\$ ...</u>	<u>\$ 277,667</u>
FUND BALANCES:											
Unreserved, reported in:											
Special revenue fund	\$ 474,951	\$ 383,074	\$ 159,656	\$ 79,891	\$ 519,035	\$ 69,237	\$ 42,330	\$ (204,233)	\$ 94,757		\$ 1,618,698
Permanent - tax stability										\$ 2,364,212	2,364,212
Total fund balances	<u>\$ 474,951</u>	<u>\$ 383,074</u>	<u>\$ 159,656</u>	<u>\$ 79,891</u>	<u>\$ 519,035</u>	<u>\$ 69,237</u>	<u>\$ 42,330</u>	<u>\$ (204,233)</u>	<u>\$ 94,757</u>	<u>\$ 2,364,212</u>	<u>\$ 3,982,910</u>
Total liabilities and fund equity	<u>\$ 488,934</u>	<u>\$ 406,419</u>	<u>\$ 172,741</u>	<u>\$ 80,099</u>	<u>\$ 519,035</u>	<u>\$ 73,065</u>	<u>\$ 45,117</u>	<u>\$ 3,510</u>	<u>\$ 107,445</u>	<u>\$ 2,364,212</u>	<u>\$ 4,260,577</u>

**CARBON COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	SPECIAL REVENUE FUNDS									PERMANENT 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	\$ 262,648				\$ 463,185						\$ 725,833
Intergovernmental revenue	228,917		\$ 61,710			\$ 31,200	\$ 47,886	\$ 52,857	\$ 146,596		569,166
Charges for services		\$ 136,978	146,234	\$ 166,272				6,334	151,932		607,750
Contributions		1,650						9,342			10,992
Miscellaneous	6,056						107				6,163
Interest income				90						\$ 15,453	15,543
Total revenues	\$ 497,621	\$ 138,628	\$ 207,944	\$ 166,362	\$ 463,185	\$ 31,200	\$ 47,993	\$ 68,533	\$ 298,528	\$ 15,453	\$ 1,935,447
EXPENDITURES:											
Public safety				\$ 220,026							\$ 220,026
Parks, recreation and public property		\$ 1,134,138	\$ 534,939					\$ 464,966			2,134,043
Public health							\$ 73,215		\$ 829,630		902,845
Conservation and economic development	\$ 278,220					\$ 111,260					389,480
Total expenditures	\$ 278,220	\$ 1,134,138	\$ 534,939	\$ 220,026	\$ ...	\$ 111,260	\$ 73,215	\$ 464,966	\$ 829,630	\$ ...	\$ 3,646,394
Excess of revenues over (under) expenditures	\$ 219,401	\$ (995,510)	\$ (326,995)	\$ (53,664)	\$ 463,185	\$ (80,060)	\$ (25,222)	\$ (396,433)	\$ (531,102)	\$ 15,453	\$ (1,710,947)
Other financing sources (uses):											
Transfers in		\$ 800,000	\$ 350,000			\$ 88,450	\$ 25,000	\$ 240,000	\$ 490,000	\$ 50,000	\$ 2,043,450
Total other financing sources (uses)	\$ ...	\$ 800,000	\$ 350,000	\$ ...	\$ ...	\$ 88,450	\$ 25,000	\$ 240,000	\$ 490,000	\$ 50,000	\$ 2,043,450
Excess of revenues and other sources over (under) expenditures and other uses	\$ 219,401	\$ (195,510)	\$ 23,005	\$ (53,664)	\$ 463,185	\$ 8,390	\$ (222)	\$ (156,433)	\$ (41,102)	\$ 65,453	\$ 332,503
Fund Balances - Beginning of year	255,550	578,584	136,651	133,555	\$ 55,850	60,847	42,552	(47,800)	135,859	2,298,759	3,650,407
Fund Balances - End of year	\$ 474,951	\$ 383,074	\$ 159,656	\$ 79,891	\$ 519,035	\$ 69,237	\$ 42,330	\$ (204,233)	\$ 94,757	\$ 2,364,212	\$ 3,982,910

**CARBON COUNTY**  
**COMBINING STATEMENT OF NET POSITION - FIDUCIARY FUNDS**  
**DECEMBER 31, 2012**

	HEUGLY AND CARBON COUNTY	SOUTHEASTERN UTAH DISTRICT HEALTH	FOUR CORNERS COMMUNITY BEHAVIORAL HEALTH	DISTRICT AND PRECINCT COURT	CLERK'S TRUST	COLLECTION TRUST	TOTAL ALL FIDUCIARY FUNDS
<u>ASSETS</u>							
Cash and cash equivalents	\$ 51,334	\$ 530,812	\$ 1,063,173	\$ 53,424	\$ 1,634	\$ 15,210	\$ 1,715,587
Total assets	<u>\$ 51,334</u>	<u>\$ 530,812</u>	<u>\$ 1,063,173</u>	<u>\$ 53,424</u>	<u>\$ 1,634</u>	<u>\$ 15,210</u>	<u>\$ 1,715,587</u>
<u>LIABILITIES</u>							
Accounts payable			\$ 327,238	\$ 25,752			\$ 352,990
Precinct fees, bail and bonds payable	\$ 51,334			27,672			79,006
Due to taxing units						\$ 15,210	15,210
Miscellaneous reimbursements					\$ 1,634		1,634
Due to other agencies		\$ 530,812	735,935				1,266,747
Total liabilities	<u>\$ 51,334</u>	<u>\$ 530,812</u>	<u>\$ 1,063,173</u>	<u>\$ 53,424</u>	<u>\$ 1,634</u>	<u>\$ 15,210</u>	<u>\$ 1,715,587</u>

**CARBON COUNTY**  
**SCHEDULE OF CURRENT TAXES LEVIED, COLLECTED AND TREASURER'S RELIEF**  
**DECEMBER 31, 2012**

TAX UNITS	ADJUSTED TAXABLE VALUE	TAX RATE	TOTAL TAXES LEVIED	TREASURER'S RELIEF					PERCENT	OTHER COLLECTIONS		DELINQUENCIES TAXES PENALTY AND INTEREST	
				UNPAID TAXES	ABATEMENTS	OTHER ADJUSTMENTS	TOTAL RELIEF	NET TAXES COLLECTED		FEES IN LIEU	MISCELLANEOUS		
COUNTY FUNDS:													
General fund	\$ 1,928,667,386	0.002628	\$ 5,066,334	\$ 180,645	\$ 33,711	\$ 20,223	\$ 234,579	\$ 4,831,755	95.37%	\$ 361,324	\$ 48,229	\$ 257,128	
Municipal services	1,344,042,499	0.000221	296,974	9,484	1,047	498	11,029	285,945	96.29%	18,066	2,048	14,739	
Assessing and collecting	1,929,290,832	0.000168	324,415	11,548	2,155	1,691	15,394	309,021	95.25%	23,098	3,125	14,370	
Local and collecting	1,929,290,832	0.000338	651,807	23,234	4,336	2,567	30,137	621,670	95.38%	46,472	6,219	28,252	
Total County Funds			\$ 6,339,530	\$ 224,911	\$ 41,249	\$ 24,979	\$ 291,139	\$ 6,048,391		\$ 448,960	\$ 59,621	\$ 314,489	
SCHOOL DISTRICT:													
Carbon													
Grouped budgets	1,928,667,386	0.005295	\$ 10,208,549	\$ 363,971	\$ 67,923	\$ 41,696	\$ 473,590	\$ 9,734,959	95.36%	\$ 728,011	\$ 97,128	\$ 442,770	
Basic school levy	1,928,667,386	0.001651	3,179,823	113,488	21,179	8,390	143,057	3,036,766	95.50%	226,996	29,831	134,286	
CITIES AND TOWNS:													
Price City	350,985,592	0.002162	\$ 757,916	\$ 29,654	\$ 11,167	\$ 4,866	\$ 45,687	\$ 712,229	93.97%	\$ 76,373	\$ 8,688	\$ 18,779	
Helper City	76,739,602	0.003114	238,854	12,351	4,677	4,392	21,420	217,434	91.03%	26,452	7,557	10,277	
East Carbon City	49,532,895	0.005926	293,462	22,040	3,533	5,477	31,050	262,412	89.42%	20,595	6,889	10,992	
Wellington City	60,174,984	0.001799	108,036	5,213	1,238	925	7,376	100,660	93.17%	13,128	1,563	2,669	
Sunnyside	38,577,010	0.004985	192,229	5,157	704	502	6,363	185,866	96.69%	4,811	2,749	2,331	
Scofield Town	8,614,804	0.000469	4,033	231		13	244	3,789	93.95%	87	14	298	
Total Cities and Towns			\$ 1,594,530	\$ 74,646	\$ 21,319	\$ 16,175	\$ 112,140	\$ 1,482,390		\$ 141,446	\$ 27,460	\$ 45,346	
OTHER DISTRICTS:													
Price River Water Improvement	1,095,071,681	0.000882	\$ 965,156	\$ 27,357	\$ 10,650	\$ 5,567	\$ 43,574	\$ 921,582	95.49%	\$ 117,113	\$ 9,609	\$ 34,297	
Carbon Water Conservancy	1,929,290,832	0.000136	262,310	9,348	1,745	1,076	12,169	250,141	95.36%	18,699	2,506	11,422	
Total Other Districts			\$ 1,227,466	\$ 36,705	\$ 12,395	\$ 6,643	\$ 55,743	\$ 1,171,723		\$ 135,812	\$ 12,115	\$ 45,719	
GRAND TOTAL			\$ 22,549,898	\$ 813,721	\$ 164,065	\$ 97,883	\$ 1,075,669	\$ 21,474,229		\$ 1,681,225	\$ 226,155	\$ 982,610	

**CARBON COUNTY**  
**SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>GENERAL HEALTH</b>	<b>IMMUNIZATIONS NON VFC</b>	<b>WIC</b>	<b>MCH BLOCK</b>	<b>FLU</b>	<b>CANCER CONTROL</b>
Revenues:						
State Reimbursement	\$ 234,629	\$ 67,968	\$ 525,349	\$ 109,319	\$ 59,803	\$ 18,855
General Health	143,242					415
County	344,228					
School Nurses						
Miscellaneous	38,939					
Occupancy allocation	1,720	130	2,578	453	123	94
Grants and other government resources	2,304	3,582			2,964	
<b>Total Revenues</b>	<b>\$ 765,062</b>	<b>\$ 71,680</b>	<b>\$ 527,927</b>	<b>\$ 109,772</b>	<b>\$ 62,890</b>	<b>\$ 19,364</b>
Expenditures:						
Salaries	\$ 219,191	\$ 16,247	\$ 312,391	\$ 57,613	\$ 19,254	\$ 11,468
Fringe Benefits	133,645	6,871	133,902	24,562	9,985	4,970
Consultants	2,835	147	5,455	616	62	101
Contract - MD						
Contract - Travel						
Patient care				15,260		
Pharmacy		75,219		2,889	30,832	
Supplies - Medical	1,598	1,703	1,237	1,152	1,537	
Travel	14,953	267	10,471	2,970	272	216
Dues - Periodicals	2,758	136	3,160	365	18	96
Education - Training	1,774	31	2,204	633	4	20
Capital Purchases	62,065	14	4,294	1,009	49	9
Utilities	5,406	381	7,380	1,348	455	267
Maintenance - Repairs	8,044	653	11,268	2,141	627	1,450
Insurance	2,853	436	5,553	560	139	153
Data Processing	3,117	824	3,765	1,040	1,555	162
Postage	1,576	100	1,564	330	99	57
Printing - Binding	3,541	15	591	53	13	144
Supplies - Office	4,080	114	3,375	506	129	417
Laboratory	6,141					
Telephone	3,922	254	8,012	938	274	179
Other	6,362	215	3,782	1,245	188	116
Interest	1,050					
Debt payment	49,007					
State match						
Rent	83	6	116	19	7	4
Refunds						
Advertising	1,055	40	873	215	576	102
Mini Grants						
<b>Total Expenditures</b>	<b>\$ 535,056</b>	<b>\$ 103,673</b>	<b>\$ 519,393</b>	<b>\$ 115,464</b>	<b>\$ 66,075</b>	<b>\$ 19,931</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ 230,006</b>	<b>\$ (31,993)</b>	<b>\$ 8,534</b>	<b>\$ (5,692)</b>	<b>\$ (3,185)</b>	<b>\$ (567)</b>

**CARBON COUNTY  
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>TOBACCO PREVENTION</b>	<b>INDOOR CLEAN AIR</b>	<b>POISON CONTROL</b>	<b>TUBERCULOSIS ELIMINATION</b>	<b>HEALTH CARE ASSOC. INFECT</b>	<b>SENIOR HEALTH</b>
Revenues:						
State Reimbursement	\$ 140,904	\$ 2,244	\$ 2,500	\$ 6,438	\$ 11,989	\$ 2,946
General Health	50					
County						
School Nurses						
Miscellaneous						
Occupancy allocation	388	20	21	78		6
Grants and other government resources						
<b>Total Revenues</b>	<b>\$ 141,342</b>	<b>\$ 2,264</b>	<b>\$ 2,521</b>	<b>\$ 6,516</b>	<b>\$ 11,989</b>	<b>\$ 2,952</b>
Expenditures:						
Salaries	\$ 51,793	\$ 2,430	\$ 2,355	\$ 8,691	\$ 1,476	\$ 1,039
Fringe Benefits	23,291	1,031	807	3,947	344	390
Consultants	436	24	13	107		4
Contract - MD						
Contract - Travel						
Patient Care						
Pharmacy				58		
Supplies - Medical						
Travel	9,890	33	49	123		16
Dues - Periodicals	384	25	20	58		3
Education - Training	2,322	4	3	23		
Capital Purchases	2,533	1		9		3,244
Utilities	1,283	61	49	200		28
Maintenance - Repairs	1,891	95	83	308		367
Insurance	671	84		64		37
Data Processing	1,764	37	26	393		11
Postage	271	12	16	45		5
Printing - Binding	2,214	2	3	7		
Supplies - Office	2,463	20	12	63		7
Laboratory						
Telephone	1,342	42	34	136		17
Other	7,736	24	17	93		1,053
Interest						
Debt payment						
State match						
Rent	20	1	1	3		
Refunds						
Advertising	14,554	10	4	21		2
Mini Grants	14,000					
<b>Total Expenditures</b>	<b>\$ 138,858</b>	<b>\$ 3,936</b>	<b>\$ 3,492</b>	<b>\$ 14,349</b>	<b>\$ 1,820</b>	<b>\$ 6,223</b>
<b>Net Revenues/(Expenditures)</b>	<b>\$ 2,484</b>	<b>\$ (1,672)</b>	<b>\$ (971)</b>	<b>\$ (7,833)</b>	<b>\$ 10,169</b>	<b>\$ (3,271)</b>

**CARBON COUNTY  
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>IMMUNIZATIONS</u>	<u>UT NEEDS</u>	<u>PREVENTION BLOCK</u>	<u>HIV</u>	<u>ENVIRON- MENTAL HEALTH CHS</u>	<u>MONTICELLO STUDY</u>
Revenues:						
State Reimbursement	\$ 50,625	\$ 5,000	\$ 64,959	\$ 1,000	\$ 12,500	\$ 228,897
General Health	13,024				102,369	
County						
School Nurses						
Miscellaneous						
Occupancy allocation	589	45	222	7	1,290	208
Grants and other government resources	49,776					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 114,014	\$ 5,045	\$ 65,181	\$ 1,007	\$ 116,159	\$ 229,105
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:						
Salaries	\$ 72,628	\$ 5,088	\$ 26,052	\$ 1,027	\$ 149,315	\$ 25,446
Fringe Benefits	31,504	1,990	11,218	394	62,294	10,118
Consultants	656		303	3	1,501	945
Contract - MD						
Contract - Travel						
Patient Care						128,689
Pharmacy						1,361
Supplies - Medical	2,975			237		
Travel	1,251	124	7,751	72	7,517	52,999
Dues - Periodicals	602	335	240	2	1,221	187
Education - Training	133	16	6,741	1	562	46
Capital Purchases	65		983		134	26
Utilities	1,749	121	633	24	3,667	638
Maintenance - Repairs	2,935	117	966	40	5,838	967
Insurance	1,208		270	19	2,713	660
Data Processing	3,248	116	341	12	1,918	334
Postage	400	3	141	6	771	603
Printing - Binding	1,788	23	31		167	62
Supplies - Office	528	6	1,686	7	1,204	236
Laboratory						
Telephone	1,167	68	432	16	2,542	430
Other	769	21	5,327	9	1,768	2,309
Interest						
Debt payment						
State match						
Rent	27	4	10		56	10
Refunds						
Advertising	1,830		136	3	511	2,084
Mini Grants			7,183			
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 125,463	\$ 8,032	\$ 70,444	\$ 1,872	\$ 243,699	\$ 228,150
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Revenues/(Expenditures)	\$ (11,449)	\$ (2,987)	\$ (5,263)	\$ (865)	\$ (127,540)	\$ 955
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



**CARBON COUNTY  
SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF CONTRACT REVENUES/EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>TOBACCO BUYS</u>	<u>EPSDT/ CHEC</u>	<u>TABACCO CONTROL</u>	<u>ALL COUNTIES SCHOOL NURSE</u>	<u>NEWBORN CARE</u>
Revenues:					
State Reimbursement	\$ 13,204	\$ 24,839	\$ 25,550		\$ 24,313
General Health County	170				
School Nurses				\$ 105,842	
Miscellaneous					
Occupancy allocation	61	109	46	494	73
Grants and other government resources					2,467
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 13,435	\$ 24,948	\$ 25,596	\$ 106,336	\$ 26,853
Expenditures:					
Salaries	\$ 6,202	\$ 13,604	\$ 6,620	\$ 63,349	\$ 9,283
Fringe Benefits	2,310	6,024	2,611	27,183	4,354
Consultants	67	180	501	274	117
Contract - MD					
Contract - Travel					
Patient Care					
Pharmacy					
Supplies - Medical	5,011	546			
Travel	305	238	1,179	2,853	456
Dues - Periodicals	10	93	4	715	73
Education - Training	16	31	1,079	167	20
Capital Purchases		1,064	1,278	1,495	9
Utilities	149	339	175	1,430	219
Maintenance - Repairs	282	528	225	2,183	324
Insurance	3	133	1	1,038	62
Data Processing	29	581	32	728	194
Postage	37	70	51	356	49
Printing - Binding	2	11	2	46	8
Supplies - Office	35	113	34	689	70
Laboratory					
Telephone	100	223	109	1,711	141
Other	264	434	51	629	93
Interest					
Debt payment					
State match					8,413
Rent	2	5	2	21	4
Refunds					
Advertising	12	34	11,245	165	16
Mini Grants					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 14,836	\$ 24,251	\$ 25,199	\$ 105,032	\$ 23,905
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Revenues/(Expenditures)	\$ (1,401)	\$ 697	\$ 397	\$ 1,304	\$ 2,948

**SCHEDULE 5**  
**(Continued)**

**CARBON COUNTY**  
**SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<b>CASH PRENATAL TO AGE 5</b>	<b>HIGHWAY SAFETY</b>	<b>COMMUNITY TRANSFORM</b>	<b>ASPR MRC</b>	<b>ASPR HPP</b>
Revenues:					
State Reimbursement	\$ 16,000	\$ 17,818	\$ 43,440	\$ 3,557	\$ 100,583
General Health					
County					
School Nurses					
Miscellaneous					
Occupancy allocation	72	74	174	13	315
Grants and other government resources					
Total Revenues	<u>\$ 16,072</u>	<u>\$ 17,892</u>	<u>\$ 43,614</u>	<u>\$ 3,570</u>	<u>\$ 100,898</u>
Expenditures:					
Salaries	\$ 9,232	\$ 10,464	\$ 18,761	\$ 1,948	\$ 36,484
Fringe Benefits	4,119	4,887	7,884	961	15,651
Consultants	80	130	5,646	9	356
Contract - MD					
Contract - Travel					
Patient Care					
Pharmacy					
Supplies - Medical					
Travel	127	2,786	(202)	217	4,837
Dues - Periodicals	43	561	332	12	337
Education - Training	20	1,564	1,379	1	897
Capital Purchases	7	3	3,277	4	14,423
Utilities	221	280	458	49	905
Maintenance - Repairs	356	403	627	108	1,371
Insurance	5	91	8	29	407
Data Processing	98	206	241	32	1,433
Postage	47	42	99	9	192
Printing - Binding	4	1,621	152	2	37
Supplies - Office	62	864	150	18	2,663
Laboratory					
Telephone	148	201	294	32	1,844
Other	123	796	3,353	60	19,216
Interest					
Debt payment					
State match					
Rent	3	4	8	1	14
Refunds					
Advertising	24	384	31	8	126
Mini Grants					
Total Expenditures	<u>\$ 14,719</u>	<u>\$ 25,287</u>	<u>\$ 42,498</u>	<u>\$ 3,500</u>	<u>\$ 101,193</u>
Net Revenues/(Expenditures)	<u>\$ 1,353</u>	<u>\$ (7,395)</u>	<u>\$ 1,116</u>	<u>\$ 70</u>	<u>\$ (295)</u>

**CARBON COUNTY**  
**SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT**  
**SCHEDULE OF CONTRACT REVENUES/EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>EPIDEMIOLOGY</u>	<u>PREPAREDNESS RESPONSE</u>	<u>CASE MANAGEMENT</u>	<u>ENVIRONMENTAL HEALTH DEQ</u>	<u>COMMUNITY BASED SERVICES</u>	<u>TOTAL</u>
Revenues:						
State Reimbursement	\$ 29,882	\$ 261,499	\$ 46,966	\$ 145,197	\$ 117,976	\$ 2,416,749
General Health						259,270
County						344,228
School Nurses						105,842
Miscellaneous						38,939
Occupancy allocation	189	833	232	802	542	12,001
Grants and other government resources						61,093
Total Revenues	<u>\$ 30,071</u>	<u>\$ 262,332</u>	<u>\$ 47,198</u>	<u>\$ 145,999</u>	<u>\$ 118,518</u>	<u>\$ 3,238,122</u>
Expenditures:						
Salaries	\$ 19,987	\$ 100,314	\$ 27,936	\$ 90,779	\$ 68,942	\$ 1,467,409
Fringe Benefits	8,622	45,724	11,984	39,379	30,383	673,339
Consultants	403	930	292	879	595	23,667
Contract - MD						
Contract - Travel						
Patient Care						143,949
Pharmacy						110,359
Supplies - Medical						15,996
Travel	1,542	34,402	409	3,947	1,010	163,080
Dues - Periodicals	271	1,885	220	845	438	15,449
Education - Training	656	10,179	58	459	113	31,156
Capital Purchases	1	16,661	1,071	69	3,443	117,240
Utilities	487	2,498	696	2,240	1,666	35,502
Maintenance - Repairs	796	4,760	1,071	3,292	1,461	55,577
Insurance	226	1,592	658	2,200	868	22,741
Data Processing	2,083	21,276	378	1,265	2,410	49,649
Postage	90	536	143	505	349	8,574
Printing - Binding	16	118	24	94	63	10,854
Supplies - Office	342	9,883	231	721	1,017	31,745
Laboratory						6,141
Telephone	1,189	10,894	476	1,527	1,105	39,799
Other	701	13,938	322	920	1,223	73,157
Interest						1,050
Debt payment						49,007
State match						8,413
Rent	7	41	10	36	25	550
Refunds						-
Advertising	98	1088	100	298	122	35,767
Mini Grants						21,183
Total Expenditures	<u>\$ 37,517</u>	<u>\$ 276,719</u>	<u>\$ 46,079</u>	<u>\$ 149,455</u>	<u>\$ 115,233</u>	<u>\$ 3,211,353</u>
Net Revenues/(Expenditures)	<u>\$ (7,446)</u>	<u>\$ (14,387)</u>	<u>\$ 1,119</u>	<u>\$ (3,456)</u>	<u>\$ 3,285</u>	<u>\$ 26,769</u>

# SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

294 East 100 South

Price, Utah 84501

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

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

## MEMBERS

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

Board of County Commissioners  
Carbon County  
Price, Utah 84501

Re: Independent Auditor's Report on Compliance  
In Accordance with the State of Utah Legal  
Compliance Audit Guide

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, 2012. 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 Road Funds	Justice Court
Uniform Building Code	Truth in Taxation & Property Tax Limitations
Taxes	Asset Forfeiture
Other General Compliance Issues	URS Compliance
Fund Balance Limitation	

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 Grants (Department of Community and Culture)  
CIB Loans (Department of Community and Culture)

Our compliance with the requirements referred to above is the responsibility of Carbon 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.

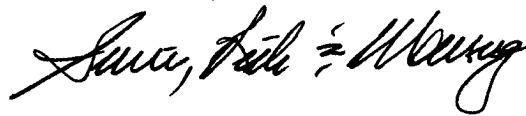
In our opinion, Carbon County, complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended December 31, 2012. However, the results of our auditing procedures disclosed 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 31, 2013 as items 2012-1, 2012-2, 2012-3, 2012-4 and 2012-5.

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.

We have audited the basic financial statements of Carbon County for the year ended December 31, 2012. Our audit was performed for the purpose of forming opinions on the financial statements of Carbon County. The accompanying schedule of transient room tax is presented for purposes of additional analysis as required by the State of Utah Legal Compliance Audit Guide, and is not a required part of the basic financial statements of Carbon County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of 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

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Price, Utah

July 31, 2013

**CARBON COUNTY**  
**SCHEDULE OF TRANSIENT ROOM TAX EXPENDITURE BREAKDOWN**  
**AUDIT DECEMBER 31, 2012**

SUMMARY OF EXPENDITURES

ESTABLISHING AND PROMOTING:

Tourism	<u>\$ 278,220</u>
Total Transient Room Tax Expenditures	<u><u>\$ 278,220</u></u>

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UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners  
Carbon County  
Price, Utah 84501

RE: Report on Compliance and Other Matters  
and on Internal Control Over Financial  
Reporting Based on an Audit of Financial  
Statements Performed in Accordance With  
Government Auditing Standards

We have audited in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2012, and the related notes to the financial statements, which collectively comprise Carbon County's basic financial statements and have issued our report thereon dated July 31, 2013.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Carbon County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carbon County's internal control. Accordingly, we do not express an opinion on the effectiveness of Carbon County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned 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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist, that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. See items 2012-1, 2012-2, 2012-3 and 2012-4.

### **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 2012-1, 2012-2, 2012-3 and 2012-4.

We noted certain matters that we reported to management of the County in a separate letter dated July 31, 2013.

### **Carbon County's Response to Findings**

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. Carbon County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SMUIN, RICH & MARSING

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

Price, Utah

July 31, 2013



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UTAH ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners  
Carbon County  
Price, Utah 84501

RE: Independent Auditor's Report on Compliance for  
Each Major Program and on Internal Control over  
Compliance Required by OMB Circular A-133

### **Report on Compliance for Each Major Federal Program**

We have audited Carbon County's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2012. 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.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Carbon County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Carbon County's compliance.

## **Opinion on Each Major Federal Programs**

In our opinion Carbon County complied, in all material respect, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, 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 2012-1, 2012-2, 2012-3 and 2012-4. Our opinion on each major federal program is not modified with respect to these matters.

Carbon County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Carbon County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Management of Carbon County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Carbon 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirements of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

SMUIN, RICH & MARSING

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

Price, Utah

July 31, 2013

**CARBON COUNTY/SEUDHD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**A. SUMMARY OF AUDIT RESULTS**

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

<u>Program</u>	<u>CFDA#</u>
WIC Administration and Nutrition/Food Vouchers	10.557

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

**B. FINDINGS-FINANCIAL STATEMENTS AUDIT**

**FINDING 2012-1 RECONCILIATION OF SIGNIFICANT ACCOUNTS – Carbon County**

**Criteria:**

Statement on Auditing Standards No. 115 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 2012-1 RECONCILIATION OF SIGNIFICANT ACCOUNTS – Carbon County  
(Continued)**

**Statement of Condition:**

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

**Cause of Condition:**

The County failed to perform work and make necessary changes during the year that dealt with the aspects of the prior year audit findings. The current work load and changes in personnel have made it difficult to meet all the demands of making sure receivable balances from previous year were reversed and new receivables recorded, and accrued payroll liabilities were accurately accrued and reconciled to financial balances.

**Effect or Possible Effect of Condition:**

Unless accounts have been reversed and/or 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 receivables be reviewed on a monthly basis and receivables recognized in a prior period be reversed to reflect proper account balances. Accrued payroll liabilities need to be reviewed on a monthly basis and gain an understanding of what the account balances might reflect. These balances should be reconciled 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 of the County over the accounting functions review the processes, and if necessary change them, to ensure the County initiates, authorizes, records, processes, and reports accurate accounts receivable and accrued payroll liabilities balances in accordance with generally accepted accounting principles.

**County's Response:**

*County personnel will continue to review the accounting processes and make necessary changes in the current year. We have implemented certain procedures that have corrected some areas of concern from the previous audit, but failed to correct them all. We are in the process of finding a better approach to make certain all of the account balances are properly reflected. We will continue to educate those who are involved in the accounting functions for the County and make changes if needed. We have used the expertise of our outside auditors to help us understand and educate those involved in these processes and will continue to use their services.*

## **FINDING 2012-2 DEFICIT FUND BALANCES**

### **Statement of Condition:**

As of the year ended December 31, 2012, the County had a deficit fund balance in the Special Revenue fund - Council on Aging (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 special revenue fund sufficiently, thus creating a decrease in net revenues and expenses greater than the prior year fund 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 will prepare a plan to eliminate the deficit fund balance in the Special Revenue fund. We are aware of the requirements to maintain a fund balance that is within the limitations established by State Code and we are confident our plan will accomplish our goals.*

## **FINDING 2012-3 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. Transactions that are not recorded could cause the accounting records to be materially misstated. Decisions made by County government based on inaccurate financial statements could have a very negative affect on the County's 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 2012-4 EXPENDITURES IN EXCESS OF BUDGET**

### **Statement of Condition:**

During the year ended December 31, 2012, the County over spent its adopted budget in the General Fund: Department of Airport and Transfers Out, Municipal Building Authority: Highways and Public Improvements.

### **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.*

## **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, 2012**

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, 2012	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2012
<b>U.S. DEPARTMENT OF AGRICULTURE</b>							
Pass Through State Department:							
WIC Administration and Nutrition (Note 2)	10.557	*	C7-I	\$ 571,372	\$ 418,673	\$ 418,673	
WIC Administration and Nutrition (Note 2)	10.557	*	C7-I	505,229	106,677	106,677	
WIC Food Vouchers (Note 2)	10.557	*	C7-I	778,500	682,115	682,115	
WIC Food Vouchers (Note 2)	10.557	*	C7-I	778,500	225,407	225,407	
USDA Secure Rural Schools	10.666			15,075	15,075	15,075	
Pass Through Southeastern Utah Association of Governments:							
USDA Cash in Lieu	10.550		N/A	82,930	66,980	66,980	
Total U.S. Department of Agriculture				\$ 2,731,606	\$ 1,514,927	\$ 1,514,927	\$
<b>U.S. DEPARTMENT OF INTERIOR</b>							
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	\$
<b>U.S. DEPARTMENT OF JUSTICE</b>							
Direct Program:							
Victims of Crime	16.575		00-VOCA-11	\$ 57,500	\$ 37,339	\$ 37,339	
National Children's Alliance	16.543			10,000	8,741	8,741	
Pass Through Four Corners Mental Health:							
Adult Felony Drug Court	16.585			146,666	146,666	146,666	
Total U.S. Department of Justice				\$ 214,166	\$ 192,746	\$ 192,746	\$
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>							
Direct Program:							
FAA - Airport Resurfacing	20.106			\$ 450,000	\$ 286,997	\$ 286,997	
Pass through State Department:							
Highway Safety Project	20.600		11-0208	14,450	11,499	11,499	
Highway Safety Project	20.600		12-0208	14,500	7,316	7,316	
Hazmat Emergency Preparation - HLS	20.703		12-0208	8,572	5,372	5,372	
Total U.S. Department of Transportation				\$ 487,522	\$ 311,184	\$ 311,184	\$

\* Major Programs

CARBON COUNTY/SEUDHD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2012	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2011
U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY							
Pass through State Department:							
Environmental Services - DEQ	66.468		\$ 19,803		\$ 19,803	\$ 19,803	
Total U.S. Department of Environmental Protection Agency			\$ 19,803	\$ ...	\$ 19,803	\$ 19,803	\$ ...
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass through State Department:							
TB Elimination	93.116	C5-I	\$ 5,638		\$ 5,638	\$ 5,638	
H1N1 Flu Phase 1 & 2	93.069		253,783		125,481	125,481	
H1N1 Flu Phase 3	93.069		285,340		136,019	136,019	
Immunizations	93.268	C4-II	50,776		50,776	50,776	
Cancer Promotion	93.283	C3-I	49,988		10,306	10,306	
Cancer Promotion	93.283	C3-I	52,307		8,444	8,444	
Bioterrorism - Reg Epidemiologist	93.283	12-0793	42,791		29,882	29,882	
Bioterrorism - MRC and ASPR Reg Preparedness	93.889	12-0843	92,500		57,060	57,060	
Bioterrorism - MRC and ASPR Reg Preparedness	93.889	13-0765	86,015		47,082	47,082	
Comprehensive Tobacco	93.283	C3-V	48,990		4,574	4,574	
Comprehensive Tobacco	93.283	C3-V	44,112		21,990	21,990	
CHEC	93.778	12-0757	23,612		8,007	8,007	
CHEC	93.778	13-0524	26,235		9,733	9,733	
Cons. Education & Assistance	93.778	12-0757	30,498		12,615	12,615	
Cons. Education & Assistance	93.778	13-0524	30,498		10,868	10,868	
Monticello Cancer Initiative	93.888	10-1427	582,120		228,897	228,897	
Sexually Transmitted Disease	93.977	12-1747	1,000		1,000	1,000	
Title XIX, Early Childhood	93.778	C1-III	44,730		8,535	8,535	
Title XIX, Early Childhood	93.778	C1-III	55,913		19,014	19,014	
Physical Act, Nutrition and Obesity	93.991	11-2500	24,333		13,194	13,194	
Physical Act, Nutrition and Obesity	93.991	13-0972	22,408		1,602	1,602	
PBG Injury Prevention	93.991	C3-III	9,628		2,772	2,772	
PBG Injury Prevention	93.991	C3-III	11,196		5,590	5,590	
Healthcare Association Infection	93.521	C5-VI	16,989		16,989	16,989	
CDC Supplemental Tobacco	93.520	C3-XVI	6,242		1,468	1,468	

\* Major Programs

CARBON COUNTY/SEUDHD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2012	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2012
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Pass through State Department:							
MCH Injury Prevention	93.994	C3-III	\$ 31,328		\$ 15,615	\$ 15,615	
MCH Injury Prevention	93.994	C3-III	27,328		15,313	15,313	
P-5 Home Visitation	93.994	13-1223	16,000		8,000	8,000	
P-5 Home Visitation	93.994	C4-I	16,000		8,000	8,000	
Community Based Services	93.994	12-0299	100,000		52,150	52,150	
Community Based Services	93.994	12-1904	100,000		65,825	65,825	
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	
Community Transformation	93.531	C3-XVII	15,000		15,000	15,000	
Community Transformation	93.531	C3-XX	53,250		28,440	28,440	
Pass Through Southeastern Utah Association of Governments:							
Special Program of Aging -							
Support Services	93.044	N/A	40,115		20,910	20,910	
Support Services	93.044	N/A	42,118		21,059	21,059	
Title III, Nutrition	93.045	N/A	71,898		42,739	42,739	
Title III, Nutrition	93.045	N/A	74,448		31,836	31,836	
Senior Health	93.043	AOG	4,001		1,118	1,118	
Senior Health	93.043	AOG	3,655		1,828	1,828	
Social Services Block Grant - XX	93.667	AOG	12,736		6,368	6,368	
Social Services Block Grant - XX	93.667	AOG	3,800		1,900	1,900	
Total U.S. Department of Health and Human Services			\$ 2,684,539	\$ ...	\$ 1,261,247	\$ 1,261,247	\$ ...

\* Major Programs

CARBON COUNTY/SEUDHD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2012	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENTS/ EXPENDITURES	CASH/ACCRUED (DEFERRED) REVENUE AT DECEMBER 31, 2012
CORPORATION FOR NATIONAL SERVICE							
Direct Program:							
Retired Senior Volunteer Program	94.002	440-P062/20	\$ 40,486		\$ 40,486	\$ 40,486	
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			\$ 45,986	\$ ...	\$ 45,986	\$ 45,986	\$ ...
U. S. DEPARTMENT OF HOMELAND SECURITY							
Direct Program:							
Hazardous Material - Hazmat Recovery	97.042		\$ 52,500		\$ 52,500	\$ 52,500	
Home Land Security - SHSP	97.067		710,753		160,618	160,618	
Total U.S. Department of Homeland Security			\$ 763,253	\$ ...	\$ 213,118	\$ 213,118	\$ ...
TOTAL FEDERAL ASSISTANCE			\$ 6,956,875	\$ ...	\$ 3,569,011	\$ 3,569,011	\$ ...

\* Major Programs

**CARBON COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**AS OF DECEMBER 31, 2012**

**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, 2012**

**Finding 2011-1 Reconciliation of Significant Accounts**

See current year audit findings. Not corrected

**Finding 2011-2 Deficit fund balance**

See current year audit finding. Not corrected

**Finding 2011-3 Application and presentation of GAAP financial statements**

See current year audit finding. Not corrected

**Finding 2011-4 Expenditures in Excess of Budget**

See current year audit finding. Not corrected.

**Finding 2011-5 Debt Service Reserve Requirements**

Item taken care of in the current year. Corrected

# SMUIN, RICH & MARSING

CERTIFIED PUBLIC ACCOUNTANTS

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Price, Utah 84501

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

## MEMBERS

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

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

Ladies/Gentlemen:

The following comments and recommendations are a result of our review of the accounting procedures and internal controls in connection with our examination of the financial statements of Carbon County for the year ended December 31, 2012.

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**

### **2012-1 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 are being performed and this information needs to be sent to the Clerk/Auditor timely. We recommend a check list of processes, that should be performed on a monthly basis by the jail, be generated by the Clerk/Auditor and approved by the County Commissioners.

### **Client Response**

*The County has implemented a monthly closing process for the jail and will continue to monitor and adapt this process as needed to ensure that monies are correctly deposited with the County on a monthly basis.*

## **CARBON COUNTY (continued)**

### **2012-2 NOTICE OF BUDGET HEARING**

According to Utah Code section 17-36-12, the governing body of the County shall determine the place and time for a public hearing on the adoption of a budget. A notice of this hearing is required to be published at least seven days before the hearing in at least one newspaper of general circulation within the County. After reviewing the date of the publication of the notice and the date of the public hearing, we found the County had only advertised the hearing one day before the public hearing was held for amending the 2012 budget.

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

#### **Client Response**

*The County knows and understands the requirements for publishing the public notifications for the budget hearings. These were isolated instances and somehow were overlooked. We will review the processes used to publish the budget hearing notices in the newspaper and ensure compliance with State Code.*

### **2012-3 CLOSURE AND POST CLOSURE CARE CASH RESERVE**

The County is required to reserve funds for closure and post closure care. A separate cash account has been established to maintain the required reserve balance. The balance of the account as of December 31, 2012 was \$27,539. The required balance at the end of the year should have been \$35,540. The County failed to increase the required amount of the cash reserve.

We recommend the County review the mandatory funding for the Closure and Post Closure Care. The required yearly payments have been established by an actuarial and the County is obligated to fund these amounts to create an adequate cash reserve to cover the anticipated future costs.

#### **Clients Response**

*The County will review the process for adjusting post closure cost reserves to that the correct amounts are set aside in a separate account in a timely manner.*



## **CARBON COUNTY (continued)**

### **2012-4 NETTING REVENUES IN EXPENSE ACCOUNTS**

The County has recorded miscellaneous grants or revenues in the same accounts where the expenses associated with these revenues have been recorded. This reduces the expenditure account balances and provides no evidence of the grant or additional revenue being received or recorded. Although the amounts are small and do not materially affect the financial information of the County, the revenues are not being recorded properly.

We recommend the County review the processes of recording revenue and ensure that the amounts are properly recorded as additional revenue and not an offset to the expense accounts associated with the revenue.

#### **Clients Response**

*The County has implemented policy changes and training to help ensure that revenues and expenses are recorded separately and correctly. The Clerk-Auditor will continue to review and train staff with respect to correct accounting principles.*

### **2012-5 C-500 REQUIRED REPORTING**

Utah Code Section 51-9-402 requires that certain funds collected that are due to the State Treasurer shall, on or before the tenth day of each month, pay all of those funds that were receipted during the last month. From examination of the C-500 reports, it was found that eight of the twelve reports were not filed timely.

We recommend the County comply with Utah Code and file the C-500 reports within the ten days after the close of the following month.

#### **Clients Response**

*The County will review the reporting process to ensure the reports are filed in a timely manner.*

### **2012-6 BUILDING PERMIT FEES/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 third quarter report was filed incorrectly. The actual fees collected were \$19,366.18 and the amount submitted per the report was \$10,340.23.

We recommend the County review their processes for filing the quarterly reports and ensure that proper information is used in calculating the amounts owed to the State.

#### **Clients Response**

*The third quarter report was amended and the correct amount remitted to the State when the County became aware of the error. The County Auditor will work with the building department to facilitate accurate and timely reporting to the State.*

**CARBON COUNTY (continued)**

**SOUTHEASTERN UTAH DISTRICT HEALTH DEPARTMENT**

**2012-7 INVENTORY ADJUSTMENTS**

The Health Department is currently not taking an inventory at year end and the inventory sheets that are used to calculate the ending inventory does not contain adequate information to determine the amount that should be used as an ending inventory amount.

We recommend the Health Department implement a better process for evaluating and calculating the ending inventory. Although the inventory adjustment is not material, a better effort in determining the ending inventory needs to be performed.

**Client Response**

*The Health Department will establish an inventory system that will include the inventoried items and cost per unit. Inventory will be taken within the first two weeks of the month following the year end.*

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

Price, Utah

July 31, 2013