Snowville Town
June 30, 2007

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ACCOUNTANTS' REVIEW REPORT

The Mayor and City Council
Snowville Town
Snowville, Utah

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities and each major fund, which collectively comprise the basic financial statements of Snowville, Utah, as of and for the year ended June 30, 2007, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

All information included in these financial statements is the representation of the management of Snowville Town.

A review consists principally of inquiries of Town personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management discussion and analysis and budgetary comparison information on pages 2 through 8 and page 24, respectively, are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Davis & Bott
Davis & Bott
Certified Public Accountants, L.C.

Brigham City, Utah
October 8, 2007

Snowville Town
Management's Discussion and Analysis
For the Year Ended June 30, 2007

As management of Snowville, Utah, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2007.

FINANCIAL HIGHLIGHTS

A. The assets of the Town exceeded its liabilities at June 30, 2007, by $683,628. Of this amount, unrestricted net assets of $206,073 may be used to meet the Town's ongoing obligations to citizens and creditors.

B. The total net assets decreased by $21,591 over the prior fiscal year. The decrease resulted mainly from depreciation exceeding capital additions.

C. As of June 30, 2007, the Town's governmental funds reported combined ending fund balances of $161,813, an increase of $27,496 in comparison to the prior fiscal year. The entire fund balance amount is unreserved and available for spending.

D. At June 30, 2007, the unreserved fund balance for the general fund was $86,826, or 45 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The statement of activities presents information showing how the Town's net assets changed during the fiscal year ended June 30, 2007. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, 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.

Both of the government-wide financial statements distinguish functions of the Town 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 (business-type activities). The governmental activities of the Town include general government, public safety, highways and streets, sanitation, and parks and cemetery. The Town has no business-type activities.

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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town are governmental funds.

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

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 Town'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 the two.

The Town maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects fund. Both are considered major funds.

The Town adopts a one-year budget for its governmental funds. A budgetary comparison statement has been provided.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2007, the Town's assets exceeded liabilities by $683,628. Approximately 70 percent of the Town's net assets reflect its investment in capital assets. Capital assets are used to provide services to citizens and they are not available for future spending.

Net Assets

	Governmental Activities	
	2007	2006
Noncapital assets	$ 221,447	$ 201,108
Capital assets	477,555	519,807
Total assets	699,002	720,915
Other liabilities	15,656	15,696
Total liabilities	15,656	15,696
Net assets:		
Investment in capital assets, net of related debt	477,555	519,807
Unrestricted	206,073	185,412
Total net assets	$ 683,628	$ 705,219

The balance of unrestricted net assets, $206,073 (30 percent), may be used to meet the Town's ongoing obligations to citizens and creditors.

At June 30, 2007, the Town was able to report positive balances in all categories of net assets.

Snowville Town
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2007

Changes in Net Assets

	Governmental Activities	
	2007	2006
Revenues:		
Program revenues:		
Charges for services	$ 89,388	$ 65,938
Operating grants and contributions	35,599	36,771
Capital grants and contributions	1,800	105,500
General revenues:		
Property taxes	13,433	13,228
Sales and use taxes	67,060	67,017
Other	6,535	5,391
Total revenues	213,815	293,845
Expenses:		
General government	46,877	39,682
Public safety	107,540	74,550
Highways and streets	48,449	66,954
Parks and cemetery	17,467	21,675
Sanitation	15,073	16,254
Total expenses	235,406	219,115
Excess before special item	(21,591)	74,730
Special item - sale of ambulance	-	25,000
Increase in net assets	(21,591)	99,730
Net assets - beginning	705,219	605,489
Net assets - ending	$ 683,628	$ 705,219

See Accountants' Report

Governmental Activities. Governmental activities decreased the Town's net assets by $21,591.

The decrease in governmental net assets is mainly due to depreciation being greater than capital additions.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Government Funds. The purpose of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town'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 fiscal year.

The general fund is the Town's chief operating fund. At June 30, 2007, the unreserved fund balance of the general fund was $86,826, which comprises the total fund balance. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The unreserved general fund balance represents 45 percent of total general fund expenditures. The fund balance of the Town's general fund increased by $4,526 during the fiscal year ended June 30, 2007.

The capital projects fund increased mainly because of a transfer from the general fund to future capital purchase.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the fiscal year ending June 30, 2007, was modified to provide for the previously unplanned grant for the Fire Department, more fires than expected and a road project that was not originally planned.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town's investment in capital assets for its governmental activities at June 30, 2007, amounted to $477,555 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, roads and similar infrastructure. The total decrease in the Town's investment in capital assets for the fiscal year ending June 30, 2007, was $42,252 (a decrease of 8 percent for governmental activities). The decrease in governmental capital assets was due to depreciation.

Capital Assets
(Net of Depreciation)

	Governmental Activities	
	2007	2006
Land	$ 20,000	$ 20,000
Buildings	76,103	80,656
Improvements other than buildings	35,303	37,424
Infrastructure	83,248	88,051
Equipment	262,901	293,676
Net capital assets	$ 477,555	$ 519,807

Additional information on the Town's capital assets can be found in Note 3 on page 22 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS/RATES

The Town is not planning to modify any rates for the fiscal year ending June 30, 2007. The Town plans on putting a new roof and siding on the Town Hall during the 2007-2008 fiscal year.

Snowville Town
Statement of Net Assets
June 30, 2007

	Primary Government
	Governmental Activities
Assets:	
Cash and cash equivalents	$ 168,688
Accounts receivable, net of allowance for doubtful accounts of $23,000	17,761
Intergovernmental receivables	
Property taxes receivable	8,823
Sales and use tax receivable	14,024
Fire fighting fees	7,362
B&C road fund receivable	4,789
Capital assets, net of accumulated depreciation:	
Land	20,000
Buildings	76,103
Improvements	35,303
Infrastructure	83,248
Equipment	262,901
Total assets	699,002
Liabilities:	
Accounts payable and accrued liabilities	6,833
Deferred revenue	8,823
Total liabilities	15,656
Net assets:	
Invested in capital assets, net of related debt	477,555
Unrestricted	206,073
Total net assets	$ 683,628

See accompanying notes and Accountants' Report

Snowville Town
Statement of Activities
For the Year Ended June 30, 2007

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities
Governmental activities:					
General government	$ 46,877	$ 1,483	$ -	$ -	$ (45,394)
Public safety	107,540	71,595	12,544	1,800	(21,601)
Highways and streets	48,449	-	23,055	-	(25,394)
Parks and cemetery	17,467	2,899	-	-	(14,568)
Sanitation	15,073	13,411	-	-	(1,662)
Total governmental activities	$235,406	$89,388	$35,599	$1,800	(108,619)
General revenues:					
Taxes:					
Property taxes					13,433
Sales and use taxes					67,060
Unrestricted investment earnings					6,535
Total general revenues					87,028
Change in net assets					(21,591)
Net assets - beginning					705,219
Net assets - ending					$ 683,628

See accompanying notes and Accountants' Report

Snowville Town
Balance Sheet - Governmental Funds
June 30, 2007

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents (Note 2)	$ 93,701	$ 74,987	$ 168,688
Receivables (net of $2,300 allowance):			
Accounts	17,761	-	17,761
Intergovernmental			
Property tax	8,823	-	8,823
Sales and use tax	14,024	-	14,024
Firefighting fees	7,362		7,362
B&C road	4,789	-	4,789
Total assets	$ 146,460	$ 74,987	$ 221,447
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 6,833	$ -	$ 6,833
Deferred revenue	52,801	-	52,801
Total liabilities	59,634	-	59,634
Fund balances:			
Unreserved	86,826	74,987	161,813
Total fund balances	86,826	74,987	161,813
Total liabilities and fund balances	$ 146,460	$ 74,987	$ 221,447

See accompanying notes and Accountants' Report

Snowville Town
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
June 30, 2007

Total fund balances - governmental fund types:	$ 161,813
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.	477,556
Revenues not considered available are deferred in the funds. These include $14,025 in sales and use taxes, $7,362 in fire fighting fees and $4,789 in B&C road allotment	26,498
EMS net receivables are not considered available in the funds.	17,761
Net assets of governmental activities	$ 683,628

See accompanying notes and Accountants' Report

Snowville Town
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds
For the Year Ended June 30, 2007

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues:			
Taxes			
Property	$ 13,110	$ -	$ 13,110
Sales & use	68,813	-	68,813
Licenses and permits	1,326	-	1,326
Intergovernmental			
Grants received	11,812	-	11,812
Other	23,599	-	23,599
Charges for services	92,490	-	92,490
Earnings on investments	3,565	2,970	6,535
Miscellaneous	1,166	-	1,166
Total revenues	215,881	2,970	218,851
Expenditures:			
Current:			
General government	45,106	-	45,106
Public safety	74,982	-	74,982
Highways and streets	43,577	-	43,577
Parks and cemetery	12,617	-	12,617
Sanitation	15,073	-	15,073
Total expenditures	191,355	-	191,355
Excess (deficiency) of revenues over expenditures	24,526	2,970	27,496
Other financing sources (uses):			
Transfers in	-	20,000	20,000
Transfers out	(20,000)	-	(20,000)
Total other financing sources (uses)	(20,000)	20,000	-
Net change in fund balances	4,526	22,970	27,496
Fund balances - beginning	82,300	52,017	134,317
Fund balances - ending	$ 86,826	$ 74,987	$ 161,813

See accompanying notes and Accountants' Report

Snowville Town
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2007

Net changes in fund balance - government funds.	$ 27,496
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period ending June 30, 2007.	(42,251)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(6,836)
Change in net assets of governmental activities	$ (21,591)

See accompanying notes and Accountants' Report

Snowville Town
Notes to Financial Statements
June 30, 2007

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Snowville, Utah, is governed by an elected mayor and four council members. As required by generally accepted accounting principles, these financial statements present the financial condition of the government. Snowville, Utah, is not a component unit of any other entity, nor does it have any component units for which the government would be considered financially accountable.

B. Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental-type.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all governmental activities of the Town. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. 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 or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Financial statements are provided for the governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statement, rather than reported as an expenditure.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The government has the following fund types:

Governmental funds are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable" and "available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers all revenues available if they are collected by year end. Expenditures are recorded when the related fund liability is incurred. Governmental funds include the following fund types:

The ***general fund*** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The ***capital project fund*** accounts for the acquisition of capital assets or construction of major capital projects.

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

D. Assets, Liabilities and Equity

i. Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with the original maturities of three months or less from the date of acquisition. Currently, the only investing is done with the State Treasurer's Investment Pool.

ii. Capital Assets

Capital assets used in governmental fund type operations are accounted for in the governmental activities column in the statement of net assets, but not in governmental funds. Governmental capital assets consisting of certain improvements other than buildings, including roads, bridges, streets, drainage systems, and lighting system, placed in service prior to June 30, 2003, have not been capitalized.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Assets are capitalized if they are expected to last more than one year and cost greater than $500.

Depreciation of all exhaustible capital assets is charged as an expense against its operations in the government-wide financial statements. Accumulated depreciation is reported on the government-wide statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The estimated useful lives are as follows:

Buildings and improvements	5 - 30 years
Equipment	3 - 15 years
Infrastructure	10 - 20 years

iii. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Budget and Budgetary Accounting

The Town follows the budget and budgetary accounting procedures established by Utah law and described in the Uniform Accounting Manual for Utah Cities and Towns. The current year budget was amended according to Utah law.

F. Restricted Resources

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

NOTE 2. DEPOSITS AND INVESTMENTS

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

The Town follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the deposit of the Town's funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

A. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a formal deposit policy for custodial credit risk. As of June 30, 2007, all of the Town's bank balances of $55,876 were covered by FDIC insurance.

B. Investments

The Money Management Act defines the types of securities authorized as appropriate investments for the Town's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers or directly with issuers of the investment securities.

These statutes authorize the Town to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes and bonds; bonds, notes and other evidence of indebtedness of political subdivisions of the state; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurer's Investment Fund.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953,* as amended. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF, and details the types of authorized investments.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses - net of administration fees - of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

As of June 30, 2007, the Town had the following investments and maturities:

	Investment Maturities (in Years)				
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10	More Than 10
State of Utah Public Treasurer's Investment Fund	$71,286	$71,286			

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits and fixed rate corporate obligations to 270 to 365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

D. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed.

At June 30, 2007, the Town had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
State of Utah Public Treasurer's Investment Fund	$71,286				$71,286

E. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Town's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council, as applicable.

NOTE 3. CAPITAL ASSETS

The following is a summary of changes in capital assets during the fiscal year:

Governmental Activities

	Balance June 30, 2006	Additions	Retirements	Balance June 30, 2007
Capital assets not being depreciated:				
Land	$ 20,000	$ -	$ -	$ 20,000
Capital assets being depreciated:				
Buildings	140,463	-	-	140,463
Improvements	72,969	1,912	-	74,881
Infrastructure	96,056	-	-	96,056
Equipment	409,970	9,772	-	419,742
Totals at historical cost	739,458	11,684	-	751,142
Accumulated depreciation for:				
Buildings	(59,807)	(4,553)	-	(64,360)
Improvements	(35,545)	(4,033)	-	(39,578)
Infrastructure	(8,005)	(4,803)	-	(12,808)
Equipment	(116,294)	(40,547)	-	(156,841)
Total accumulated depreciation	(219,651)	(53,936)	-	(273,587)
Government activities capital assets, net	$ 519,807	$ (42,252)	$ -	$ 477,555

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

Governmental activities:	
General government	$ 1,771
Public safety	41,040
Highway and streets	6,275
Sanitation	-
Parks and cemetery	4,850
Total depreciation expense - govermental activities	$ 53,936

NOTE 4. PROPERTY TAX

Property taxes attached as an enforceable lien on property as of January 1. Taxes are levied on June 15, and are due November 30. Property tax revenues are not recognized when levied because they are not expected to be collected within 60 days after the end of the current year. This policy meets the criteria of GASB.

NOTE 5. RISK MANAGEMENT

Snowville Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. All general liability, real property, and all vehicles, including heavy equipment, are insured through Utah Local Government Trust. Injuries to employees are insured through Utah Local Government Trust. Settled claims have not exceeded the Town's insurance. For insured programs, there have been no significant reductions in insurance coverage.

NOTE 6. OPERATING LEASE

On June 21, 2005, the Town entered into a lease agreement for a building to be used to store Town vehicles and equipment. The agreement is for five years with monthly payments of $250. Rental expense for the fiscal year ended June 30, 2007, was $3,000. Future minimum lease payments are $3,000 for each year through June 30, 2010.

NOTE 7. INTERFUND TRANSFERS

The transfers reported are a result of transfers from the general fund to the capital projects fund for future major purchases.

REQUIRED SUPPLEMENTARY INFORMATION

Snowville Town
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2007

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Budget to GAAP Differences Over (Under)	Actual Amounts GAAP Basis
Revenues:					
Taxes					
Property	$ 12,300	$ 12,300	$ 13,110	$ -	$ 13,110
Sales & use	57,000	57,000	68,813	-	68,813
Licenses and permits	1,000	1,000	1,326	-	1,326
Intergovernmental					
Grants received	3,000	11,812	11,812	-	11,812
Other	22,550	23,732	23,599	-	23,599
Charges for service	75,700	88,700	92,490	-	92,490
Earnings on investments	3,600	3,600	3,565	-	3,565
Miscellaneous	250	250	1,166	-	1,166
Total revenues	175,400	198,394	215,881	-	215,881
Expenditures:					
General government	45,000	45,000	41,652	3,454	45,106
Public safety	63,000	85,262	74,899	83	74,982
Highways and streets	16,000	47,000	43,707	(130)	43,577
Parks and cemetery	16,100	14,600	11,681	936	12,617
Sanitation	15,300	16,800	16,174	(1,101)	15,073
Total expenditures	155,400	208,662	188,113	3,242	191,355
Excess (deficiency) of revenues over expenditures	20,000	(10,268)	27,768	(3,242)	24,526
Other financing sources (uses):					
Transfers in (out)	(20,000)	(20,000)	(20,000)	-	(20,000)
Total other financing sources	(20,000)	(20,000)	(20,000)	-	(20,000)
Net change in fund balance	-	(30,268)	7,768	(3,242)	4,526
Fund balance - beginning	85,891	85,891	85,891	(3,591)	82,300
Fund balance - ending	$ 85,891	$ 55,623	$ 93,659	$(6,833)	$ 86,826

The City's budgets are prepared on the cash method. The following accruals are not reflected in the budgetary basis:

Decrease in accounts payable	$ 606
Decrease in prepaid expenses	(3,848)
Net decrease in fund balance - budget to GAAP	$(3,242)

See Accountants' Report