



MADER TSCHACHER  
PETERSON & CO.

**CARBON COUNTY, WYOMING**

**FINANCIAL AND COMPLIANCE REPORT**

**June 30, 2013**

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## INDEPENDENT AUDITOR'S REPORT

To the County Commissioners  
Carbon County, Wyoming  
Rawlins, Wyoming

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carbon County, Wyoming, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the 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 the entity'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 the entity'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, each major fund, and the aggregate remaining fund information of Carbon County, Wyoming, as of June 30, 2013, and the respective changes in financial position for the year then ended in conformity 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 9 and 39 through 41 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 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***

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 individual 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 December 30, 2013, on our consideration of Carbon County, Wyoming'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, Wyoming's internal control over financial reporting and compliance.

*Madel Tschacher Peterson + Co, LLC*

Laramie, Wyoming  
December 30, 2013

## CARBON COUNTY, WYOMING

### MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2013

As management of Carbon County, we offer readers of the Carbon County financial statements this narrative overview and analysis of the financial activities of Carbon County for the fiscal year ended June 30, 2013.

#### Financial Highlights

- \$ The assets of Carbon County exceeded its liabilities at the close of the most recent fiscal year by \$62,363,967 (*net position*). Of this amount, \$10,409,546 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- \$ At the end of the current fiscal year, the Carbon County general fund reported \$4,866,446 *available for spending* at the government's discretion (*unassigned fund balance*) and \$5,981,493 reserved for future funding requirements.
- \$ Last fiscal year (FY 2011-2012) the County received \$12,773,643 in property taxes. For the fiscal year ending on June 30, 2013 the County received \$11,998,430 in property taxes noting a decrease of \$775,213. Overall, total revenues decreased \$791,103.
- \$ The County's valuation for the fiscal year ending June 30, 2013 decreased to \$877,327,227 from the fiscal year ending June 30, 2012 of \$915,134,660, a decrease of \$37,807,433. The decrease is mainly due to the decrease in production tax of the mineral industry.

#### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Carbon County's basic financial statements which 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 Carbon County finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Carbon County 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.

## CARBON COUNTY, WYOMING

### MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2013

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguished functions of the County that are principally supported by taxes and grants. The government activities of the County include general government, public safety, highways and streets (county roads), health and welfare, and culture and recreation.

The government-wide financial statements can be found on pages 10 and 11 of this report.

**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 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 the County can be divided into two categories: governmental funds and fiduciary funds.

*Government 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 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*.

The 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 balance for the general fund. Data from other nonmajor funds are combined into a single, aggregated presentation.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

CARBON COUNTY, WYOMING

**MANAGEMENT DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2013

**Fiduciary funds.** 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 statements 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 basic fiduciary funds financial statements can be found on pages 16 and 17 of this report.

**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. The notes to the financial statements can be found on pages 18 through 36 of this report.

**Other information.** Due to the County’s implementation of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*, comparative analysis of government-wide data for the preceding fiscal year and current fiscal year is included in this report.

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 the County, net position reflects its investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the 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.

**Carbon County’s Net Position**

	Governmental Activities		Fiduciary-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other assets	\$ 13,765,638	\$ 14,028,802	\$ 11,605,132	\$ 9,576,875	\$ 25,370,770	\$ 23,605,677
Capital assets	52,697,192	54,258,695	-	-	52,697,192	54,258,695
Total assets	66,462,830	68,287,497	11,605,132	9,576,875	78,067,962	77,864,372
Long-term liabilities outstanding	2,968,364	2,523,421	-	-	2,968,364	2,523,421
Other liabilities	1,130,499	2,278,022	10,617,339	8,809,528	11,747,838	11,087,550
Total liabilities	4,098,863	4,801,443	10,617,339	8,809,528	14,716,202	13,610,971
Net assets:						
Invested in capital assets, net of related debt	49,728,828	50,920,489	-	-	49,728,828	50,920,489
Restricted	2,225,593	355,245	987,793	767,347	3,213,386	1,122,592
Unrestricted	10,409,546	12,210,320	-	-	10,409,546	12,210,320
Total net position	\$ 62,363,967	\$ 63,486,054	\$ 987,793	\$ 767,347	\$ 63,351,760	\$ 64,253,401

CARBON COUNTY, WYOMING

**MANAGEMENT DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2013

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$63,351,760 at the close of the most recent fiscal year. By far the largest portion of the County's net position reflects its net investment of \$49,728,828 in capital assets (for example, land, buildings, infrastructure, machinery and equipment), net of related debt used to acquire those assets and that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County 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.

The remaining balance of unrestricted net position in all County funds of \$10,409,546 may be used to meet the government's ongoing obligations to citizens and creditors. Specific expenditure restrictions apply to specific revenue funds and to much of the capital project funds.

At June 30, 2013, the County is able to report positive balances in both categories of net position for the government as a whole and for fiduciary-type activities.

**Carbon County Changes in Net Income**

	Governmental Activities		Fiduciary-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,826,195	\$ 1,815,287	\$ -	\$ -	\$ 1,826,195	\$ 1,815,287
Operating Grants and Contributions	2,203,157	3,027,775	231,671	76,765	2,434,828	3,104,540
General Revenues:						
Property Taxes	11,998,430	12,773,643	-	-	11,998,430	12,773,643
Sales Taxes	2,169,220	2,117,064			2,169,220	2,117,064
Other Taxes	1,439,169	830,170	-	-	1,439,169	830,170
Payment in Lieu of Taxes	1,158,298	1,201,747	-	-	1,158,298	1,201,747
Other Revenues	727,398	547,284	-	-	727,398	547,284
Total Revenues	21,521,867	22,312,970	231,671	76,765	21,753,538	22,389,735

CARBON COUNTY, WYOMING

**MANAGEMENT DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2013

Expenses:						
General Government	9,129,493	9,604,927	-	-	9,129,493	9,604,927
Public Safety	4,977,404	4,365,331	-	-	4,977,404	4,365,331
Public Works	3,450,561	3,551,478	-	-	3,450,561	3,551,478
Health, Welfare and Recreation	729,093	1,012,719	-	-	729,093	1,012,719
Non-departmental	4,220,964	4,647,945			4,220,964	4,647,945
Interest on Long Term Debt	136,439	162,293	-	-	136,439	162,293
Admin Fees	-	-	2,468	2,492	2,468	2,492
Participant Withdrawal	-	-	8,757	45,234	8,757	45,234
Total Expenses	22,643,954	23,344,693	11,225	47,726	22,655,179	23,392,419
Total General Revenues:	21,521,867	22,312,970	231,671	76,765	21,753,538	22,389,735
Changes in Net Position	(1,122,087)	(1,031,723)	220,446	29,039	(901,641)	(1,002,684)
Net Position - beginning	63,486,054	64,517,777	767,347	738,308	64,253,401	65,256,085
Net Position - ending	\$ 62,363,967	\$ 63,486,054	\$ 987,793	\$ 767,347	\$ 63,351,760	\$ 64,253,401

Analysis of Changes in Net Position

The County's net position decreased \$901,641 (FY 2011-2012 amount was \$64,253,401 as compared to our current year-end amount of \$63,351,760) during the current fiscal year.

Budgetary Highlights

The significant highlight of the fiscal year 2012-2013 was the decrease in assessed valuation explained above which resulted in a decrease in property tax collections.

Capital Assets and Debt Administration

Capital asset and debt administration are discussed in Notes to Financial Statements 4 and 5 in detail. A summary follows:

<u>Capital Assets</u>	<u>Governmental Activities</u>
Land & construction in progress	\$ 2,099,347
Capital assets being depreciated	104,394,353
Accumulated depreciation	<u>(53,796,508)</u>
Net capital assets	<u>\$ 52,697,192</u>
Long term debt	<u>\$ 2,185,488</u>

## CARBON COUNTY, WYOMING

### MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2013

#### Economic Factors and Next Year's Budget

With the increase in fuel tax, this coming fiscal year Carbon County will receive a full year of the increase, which will help with the Road and Bridge budgets. With the extension of the Secure Rural Schools Act funding for fiscal year 2014, this will increase the County's revenue unexpectedly. With three years of production now completed for two major wind farms in Carbon County there will be an increase in wind production taxes for the upcoming fiscal year. There is a settlement per an oil spill in Carbon County which will benefit the fire department with purchasing spillage equipment. There is a new formula for assessing agricultural land which could potentially increase the local assessment. The County will also benefit from the expansion of the Sinclair Refinery and the building of a new sub-station in the County.

The Payment in Lieu of Taxes (PILT) funding is still undetermined and potentially could be a major loss of revenue to the County. Additionally, another potential major loss of revenue could be whether or not the legislature decides not to reimburse the County for the County Attorney's office.

#### Requests for Information

The financial report is designed to provide a general overview of Carbon County 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, Office of the County Clerk, P.O. Box 6, Rawlins, WY 82301 or Carbon County, Office of the Treasurer, P.O. Box 7, Rawlins, WY 82301.

CARBON COUNTY, WYOMING

STATEMENT OF NET POSITION

June 30, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	5,323,755
Investments		7,826,811
Receivables:		
Taxes		194,354
Accounts		40,399
Other		17,299
Due from other governments		143,569
Prepaid expenses		63,529
Inventories		155,922

NONCURRENT ASSETS

Land		2,099,347
Infrastructure		47,663,970
Buildings and improvements		40,365,379
Equipment		16,365,004
Less: accumulated depreciation		<u>(53,796,508)</u>
Net capital assets		<u>52,697,192</u>
Total Assets	\$	<u><u>66,462,830</u></u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$	606,625
Accrued compensated absences		420,898
Deferred revenue		89,906
Accrued interest payable		13,070

NONCURRENT LIABILITIES

Due within one year		782,876
Due in more than one year		<u>2,185,488</u>
Total Liabilities		<u>4,098,863</u>

NET POSITION

Invested in capital assets		49,728,828
Restricted		2,225,593
Unrestricted		<u>10,409,546</u>
Total Net Position	\$	<u><u>62,363,967</u></u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2013

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Functions/Programs				
Governmental activities				
General government	\$ 9,129,493	\$ 1,616,343	\$ 390,488	\$ (7,122,662)
Public safety	4,977,404	139,319	824,574	(4,013,511)
Highways and streets	3,450,561	4,474	107,208	(3,338,879)
Health and welfare	729,093	66,059	480,030	(183,004)
Culture and recreation	1,666,798	-	400,857	(1,265,941)
Interest	136,439	-	-	(136,439)
Depreciation - unallocated	2,554,166	-	-	(2,554,166)
Total governmental activities	22,643,954	1,826,195	2,203,157	(18,614,602)
General Revenues				
Property taxes				11,998,430
Sales taxes				2,169,220
Other taxes				1,439,169
Interest and investment revenue				270,467
Other				456,931
Payment in lieu of taxes				1,158,298
Total general revenues				17,492,515
Change in net position				(1,122,087)
Net position - beginning of year				63,486,054
Net position - end of year				\$ 62,363,967

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 June 30, 2013

	General Fund	Nonmajor - Special Revenue Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and temporary investments	\$ 3,492,563	\$ 1,831,192	\$ 5,323,755
Investments	7,742,682	84,129	7,826,811
Receivables:			
Accounts receivable	-	52,483	52,483
Taxes	154,267	17,819	172,086
Interest	17,299	-	17,299
Due from other governments	143,569	-	143,569
Prepaid expenses	63,530	-	63,530
Inventory	<u>-</u>	<u>155,922</u>	<u>155,922</u>
Total Assets	<u>\$ 11,613,910</u>	<u>\$ 2,141,545</u>	<u>\$ 13,755,455</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 531,879	\$ 73,544	\$ 605,423
Deferred revenue	89,906	-	89,906
Accrued compensated absences	<u>144,186</u>	<u>7,153</u>	<u>151,339</u>
Total Liabilities	<u>765,971</u>	<u>80,697</u>	<u>846,668</u>
<b>FUND BALANCES</b>			
Fund balances			
Nonspendable	378,665	226,224	604,889
Restricted	2,225,413	-	2,225,413
Committed	1,227,113	-	1,227,113
Assigned	2,150,302	1,834,624	3,984,926
Unassigned - undesignated	<u>4,866,446</u>	<u>-</u>	<u>4,866,446</u>
Total Fund Balances	<u>10,847,939</u>	<u>2,060,848</u>	<u>12,908,787</u>
Total Liabilities and Fund Balances	<u>\$ 11,613,910</u>	<u>\$ 2,141,545</u>	<u>\$ 13,755,455</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

June 30, 2013

**Total fund balances - governmental funds** \$ 12,908,787

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 as assets in governmental funds.

Cost of capital assets	106,493,700	
Less accumulated depreciation	<u>(53,796,508)</u>	52,697,192

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

Governmental leases payable	(2,968,364)	
Compensated absences	(269,559)	
Accrued interest on long-term debt	<u>(13,070)</u>	(3,250,993)

Long-term receivables applicable to governmental activities are not due and collectible in the current period and therefore are not reported in fund balance in the governmental funds.

Taxes and other receivables		<u>8,981</u>
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**Total net position - statement of net position (governmental activities)** \$ 62,363,967

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2013

	Governmental Funds		Total Governmental Funds
	General Fund	Nonmajor - Special Revenue Funds	
<b>REVENUES</b>			
Taxes	\$ 13,682,920	\$ 1,886,146	\$ 15,569,066
Licenses and permits	449,328	-	449,328
Intergovernmental	3,651,982	-	3,651,982
Program revenue	-	767,800	767,800
Interest	264,691	5,776	270,467
Miscellaneous	628,537	30,313	658,850
Total revenues	<u>18,677,458</u>	<u>2,690,035</u>	<u>21,367,493</u>
<b>EXPENDITURES</b>			
Current:			
General government	9,247,382	-	9,247,382
Public safety	4,993,702	-	4,993,702
Highways and streets	2,217,250	1,190,678	3,407,928
Health and welfare	893,905	-	893,905
Culture and recreation	66,227	1,600,955	1,667,182
Capital outlay	505,856	65,198	571,054
Debt service:			
Principal retirement	875,702	-	875,702
Interest	142,758	-	142,758
Total expenditures	<u>18,942,782</u>	<u>2,856,831</u>	<u>21,799,613</u>
Excess of expenditures over revenues	<u>(265,324)</u>	<u>(166,796)</u>	<u>(432,120)</u>
<b>OTHER FINANCING SOURCES</b>			
Capital lease financing	<u>505,856</u>	-	<u>505,856</u>
Total other financing sources	505,856	-	505,856
Net change in fund balance	240,532	(166,796)	73,736
Fund balance, beginning	<u>10,607,407</u>	<u>2,227,644</u>	<u>12,835,051</u>
Fund balance, ending	<u>\$ 10,847,939</u>	<u>\$ 2,060,848</u>	<u>\$ 12,908,787</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

June 30, 2013

**Total net change in fund balances - governmental funds** \$ 73,736

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	801,383	
Current year depreciation	<u>(2,554,166)</u>	(1,752,783)

Capital lease proceeds provide current resources to governmental funds, but issuing debt increases long-term debt liabilities in the statement of net assets. Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceed repayments. The construction period interest expense for construction projects in progress is an expenditure in the governmental funds but the interest is capitalized as construction in progress in the statement of net assets.

Capital lease proceeds	(505,856)	
Capital lease principal payments	<u>875,699</u>	369,843

Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in governmental funds.

Change in long-term compensated absences		27,811
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Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds.

Change in property taxes receivable		<u>159,306</u>
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**Change in net position on statement of activities (governmental activities)** \$ (1,122,087)

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

June 30, 2013

	<u>Deferred Compensation</u>	<u>Agency Funds</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 10,429,126	\$ 10,429,126
Investments	987,793	-	987,793
Taxes receivable	-	188,213	188,213
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 987,793</u>	<u>\$ 10,617,339</u>	<u>\$ 11,605,132</u>
<b>LIABILITIES</b>			
Due to other tax units	\$ -	\$ 10,617,339	\$ 10,617,339
	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET POSITION HELD IN TRUST</b>	<u>987,793</u>	<u>-</u>	<u>987,793</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and net position held in trust	<u>\$ 987,793</u>	<u>\$ 10,617,339</u>	<u>\$ 11,605,132</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

For the Year Ended June 30, 2013

	<u>Deferred Compensation</u>
ADDITIONS	
Employee contributions	\$ 126,249
Investment income	
Interest and dividends	10,803
Net appreciation (depreciation) in fair value of investments	<u>94,619</u>
Total investment income	<u>105,422</u>
Total additions	<u>231,671</u>
DEDUCTIONS	
Administrative expenses and fees	2,468
Participant withdrawals	<u>8,757</u>
Total deductions	<u>11,225</u>
Net increase in plan net position	220,446
Net position held in trust, beginning of year	<u>767,347</u>
Net position held in trust, end of year	<u>\$ 987,793</u>

See Notes to Financial Statements.

## CARBON COUNTY, WYOMING

### NOTES TO FINANCIAL STATEMENTS

#### Note 1. Nature of Operations, Reporting Entity, Description of Funds and Significant Accounting Policies

##### Nature of Operations

Carbon County provides a broad range of services to citizens, including general government, public safety, highways and streets, health, cultural, recreational, conservation, and social services.

The financial statements of Carbon County, Wyoming have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the County's accounting policies.

##### Reporting Entity

The general purpose financial statements of Carbon County include the accounts of all County operations and those of separately administered organizations that are controlled by or are dependent on the County. Control or dependency is determined by financial interdependency, selection of governing board, and ability to significantly influence operations.

Based on the foregoing criteria, the financial statements of the following entities have been combined with those of the County for the fiscal year ended June 30, 2013:

Carbon County Public Library  
Carbon County Fair Board  
Carbon County Weed and Pest Control District  
Carbon County Museum  
Charles W. Jeffrey, M.D. – Carbon County Memorial Center

##### Description of Funds

The accounts of the County are organized on the basis of funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, equity, revenue and expenditures. The various funds are as follows in the financial statements.

## NOTES TO FINANCIAL STATEMENTS

### Governmental Funds

General Fund – The General Fund is used to account for all financial transactions not properly includable in other funds. Property taxes, sales tax, license and permit fees, charges for services, fines and forfeitures, and reimbursements provide revenue to the General Fund.

Special Revenue Funds – The Special Revenue Funds account for the proceeds of specific revenue sources used to finance specified activities as required by law or administrative regulation.

Public Library Fund – Accounts for services related to the operation of the County Library.

Weed and Pest Control District Fund – Accounts for services related to weed and pest control in the County.

Fair Board Fund – Accounts for the operation and maintenance of the Carbon County Fairgrounds and the Carbon County Fair and Rodeo.

Museum Fund – Accounts for the County’s museum programs.

Charles W. Jeffrey, M.D. – Carbon County Memorial Center Fund – Accounts for the County’s general purpose convention center.

### Major and Nonmajor Funds

The funds are further classified as major and nonmajor as follows:

<u>Fund</u>	<u>Major or Nonmajor</u>
General	Major
Public Library	Nonmajor
Fair Board	Nonmajor
Museum	Nonmajor
Weed and Pest Control District	Nonmajor
Jeffrey Center	Nonmajor

## NOTES TO FINANCIAL STATEMENTS

Significant Accounting Policies Followed By The County Are As Follows:

### Basis of Presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule the effect of interfund activity has been eliminated 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 and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds, special revenue funds, and fiduciary funds of the County. The County's major individual governmental fund is reported as a separate column in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized 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. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The 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. 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 government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants

## NOTES TO FINANCIAL STATEMENTS

designated for payment of specific County expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as deferred revenues until earned. Expenditures generally are recognized when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

### Investments

The County uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. In accordance with the *Fair Value Measurements and Disclosures* topic of FASB ASC, the fair value of a financial instrument is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the County's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. These techniques are significantly affected by the assumptions used, including the discount rate and estimate of future cash flows. Accordingly the fair value estimates may not be realized in an immediate settlement of the instrument.

FASB ASC guidance establishes a fair value hierarchy which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment, the characteristics specific to the investment, and the state of the marketplace (including the existence and transparency of transactions between market participants). Investments with readily-available actively quoted prices or for which fair value can be measured from actively-quoted prices in an orderly market will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

- Level 1: Quoted prices available in active markets for indicated investments as of the reporting date. The type of investments which would generally be included in Level I include listed equity securities and listed derivatives.

## NOTES TO FINANCIAL STATEMENTS

Level 2: Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in this category include publicly-traded securities with restrictions on disposition.

Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation.

The County has valued its investments utilizing the Level 1 approach.

### Inventories

Inventories are accounted for at the lower of cost (first-in, first-out method) or market. Inventories are equally offset by the fund balance reserve which indicates they do not constitute “available spendable resources” even though they are a component of net current assets.

### Property Taxes and Interest Receivable, Deferred Tax Revenue, and Allowance for Uncollectible Taxes and Interest

Property taxes are levied in the first week of August each year and are collectible in two installments. Installments are due on September 1 and March 1 and are collectible on November 10 and May 10. If the first installment payment is made after November 10, the entire amount is due by December 31. Property taxes attach as an enforceable lien on the property if payment is not made by November 10 and May 10.

The County bills and collects its own property taxes and also collects taxes for the County School District, City of Rawlins and other County districts. Collection of the City of Rawlins and District’s taxes and remittance of these are accounted for in the Fiduciary Funds. Property tax revenue represents the 2012 tax levy, which was collectible during the year ended June 30, 2013.

### Compensated Absences

All regular, full-time employees of the General Fund, Fair Board Fund, Weed and Pest Control District Fund are entitled to vacation leave. Employees accumulate vacation leave hours monthly based on number of years of service with the County. Employees paid by the General Fund, Fair Board Fund and Weed and the Pest Control District Fund will be paid for the unused vacation leave at their salary rate in effect upon termination of employment at a maximum of 480 accumulated hours. The entire vested compensated absences liability is reported in the government-wide

## NOTES TO FINANCIAL STATEMENTS

financial statements. The liability on the governmental funds financial statements represents the amounts used within 60 days of the County's fiscal year end.

Regular employees of the General Fund accrue sick leave of one day per month. The Fair Board Fund and the Weed and Pest Control District Fund accrue sick leave on the basis of the number of hours worked in a month. Sick leave may be accumulated to a total of sixty (60) working days. The Fair Board Fund and Weed and Pest Control District employees will be paid for one-half (1/2) of their unused sick leave at their salary rate in effect upon termination of employment. General Fund employees will receive payment for one-half (1/2) the current balance of unused sick leave, up to a maximum of 30 days, at the rate of \$50 per day. The liability for the vested sick leave has been included in the government-wide financial statements.

### Use of Estimates

Management uses estimates and assumptions in preparing the financial statements in accordance with statutory accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

### Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements but are not reported in the governmental funds financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$5,000 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

## NOTES TO FINANCIAL STATEMENTS

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	80
Buildings	60
Building improvements	10
Equipment	10-20

### Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

### Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

### Governmental Fund Balance Reserves

The County reserves those portions of governmental fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Fund balance reserves have been established for road projects, prepaid expenses, inventory and cash reserve.

## NOTES TO FINANCIAL STATEMENTS

The Government Accounting Standards Board (GASB) has issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as a fund balance associated with inventories. This Statement also provides for additional classifications as *restricted*, *committed*, *assigned*, and *unassigned* based on the relative strength of the constraints that control how specific amounts can be spent.

**Nonspendable** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (1) not in spendable form (2) legally or contractually required to be maintained intact. The County does have fund balances that meet the criteria above.

**Restricted** – The restrictive fund balance classification includes amounts that are (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. The County does have fund balances that meet the criteria above.

**Committed** – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, i.e. State of Wyoming or Granting Federal Agency. The County does have fund balances that meet the criteria above.

**Assigned** – The assigned fund balance classification includes amounts constrained by the government's intent (Town Council) to be used for specific purposes, but are neither restricted nor committed. The County does have some fund balances that meet the criteria above.

**Unassigned** – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When restricted and other fund balance resources are available for use, it is the County's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

## NOTES TO FINANCIAL STATEMENTS

### Subsequent Events

Management has evaluated subsequent events through December 30, 2013, the date the financial statements were available for use.

### Note 2. Budgets, Budgetary Basis of Accounting

The County annually adopts a budget and approves the related appropriations for all governmental fund types. The budgets and related appropriations are prepared on the modified accrual basis of accounting.

The adjustments necessary to convert from the modified accrual basis to the budgetary basis of accounting for the general fund and special revenue funds are presented in the following schedule:

<u>General Fund</u>	<u>Actual</u>	<u>Adjustment to Budget Basis</u>	<u>Budget Basis</u>
Revenues:			
Taxes	\$ 13,682,920	\$ (179,305)	\$ 13,503,615
Licenses and permits	449,328	-	449,328
Intergovernmental	3,651,982	45,048	3,697,030
Interest	264,691	4,886	269,577
Miscellaneous	<u>628,537</u>	<u>11,232</u>	<u>639,769</u>
Total revenues	<u>\$ 18,677,458</u>	<u>\$ (118,139)</u>	<u>\$ 18,559,319</u>
Expenditures:			
General government	\$ 9,247,382	\$ 702,798	\$ 9,950,180
Public safety	4,993,702	(15,581)	4,978,121
Highways and streets	2,217,250	262,412	2,479,662
Health and welfare	893,905	299,116	1,193,021
Cultural and recreation	66,227	(1,141)	65,086
Capital outlay	-	-	-
Principal retirement	875,702	(875,702)	-
Interest	<u>142,758</u>	<u>(142,758)</u>	<u>-</u>
Total expenditures	<u>\$ 18,436,926</u>	<u>\$ 229,144</u>	<u>\$ 18,666,070</u>
<u>Special Revenue Fund</u>	<u>Actual</u>	<u>Adjustment to Budget Basis</u>	<u>Budget Basis</u>
Revenues:			
Taxes	\$ 1,886,146	\$ (17,915)	\$ 1,868,231
Program revenue	767,800	(764,783)	3,017
Interest	5,776	753,531	759,307
Miscellaneous	<u>30,313</u>	<u>4,210</u>	<u>34,523</u>
Total revenues	<u>\$ 2,690,035</u>	<u>\$ (24,957)</u>	<u>\$ 2,665,078</u>
Expenditures:			
Highways and streets	\$ 1,190,678	\$ (68,162)	\$ 1,122,516
Cultural and recreation	1,600,955	(29,324)	1,571,631
Capital outlay	<u>65,198</u>	<u>(7,148)</u>	<u>58,050</u>
Total expenditures	<u>\$ 2,856,831</u>	<u>\$ (104,634)</u>	<u>\$ 2,752,197</u>

## NOTES TO FINANCIAL STATEMENTS

### Note 2. Budgets, Budgetary Basis of Accounting - Continued

Legal spending control is at the fund level; however, management control is exercised at the department level. All budget appropriations lapse at the end of the budget year to the extent they are not expended. Budgets may be amended by the County Commissioners through a public hearing process as required by State statute. During the year ended June 30, 2013, there were no budgets of Carbon County that had expenditures in excess of appropriations.

### Note 3. Cash and Investments

Wyoming Statute 9-4-817 authorizes agencies of the State to deposit public funds in financial institutions authorized to do business in the State of Wyoming. These deposits must be fully insured by the Federal Deposit Insurance Corporation (FDIC) or secured by a pledge of assets including bonds, debentures and other securities in which the State Treasurer may by law invest in. Alternatively, a depository may pledge to deposits with conventional real estate mortgages and loans connected with mortgages at a ratio of one and one half (1 ½:1) of the value of public funds secured by the securities.

The County investment policy specifies that internally invested funds may be invested in a combination of fixed-income, minimal risk instruments and money market funds. Investment goals for internally invested funds are designed to achieve a return to provide income, protect assets from risk and maintain liquidity to meet spending requirements. Investments are limited to collateralized bank certificates of deposits, money market funds or federally guaranteed or insured securities. Custodial services are utilized to safeguard the assets and provide monthly reports.

#### Deposits

At June 30, 2013, the carrying amount of the County's deposits in financial institutions was \$11,482,883. The deposits were fully insured with a combination of FDIC insurance and pledged collateral held in the name of the County. All deposits qualified were held by a qualified depository as outlined in the State statutes.

At June 30, 2013, the County had \$3,419,179 on deposit with the State Treasurer. Detailed information on the State Treasurer's pooled cash and investments is available from that office.

## NOTES TO FINANCIAL STATEMENTS

### Note 3. Cash and Investments - Continued

#### Investments

As of June 30, 2013, the County had investments with weighted average maturities as shown in the following table:

Investment Type	Carrying Amount	Fair Value	Weighted Average Maturity in Years
Federal National Mortgage Association	\$ 1,167,457	\$ 1,167,457	8.07
Government National Mortgage Association	23,750	23,750	0.16
Federal Home Loan Bank Certificates of Deposit	1,417,190	1,417,190	5.48
State of Wyoming Investment Pool	1,679,144	1,679,144	0.39
	<u>3,455,141</u>	<u>3,455,141</u>	
 Total	 <u>\$ 7,742,682</u>	 <u>\$ 7,742,682</u>	

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal policy for interest rate risk. However, the County does manage its exposure to fair value loss arising from interest rate changes on internally invested funds by reviewing the portfolio on an ongoing basis for changes in effective yields amounts.

Within the U.S. Government Agency Securities Discount Notes category are Federal Home Loan, Fannie Mae securities and GNMA securities that are highly sensitive to changes in interest rates. The County does not have a formal policy for interest rate risk. However, the risk is mitigated by the review the portfolio on an ongoing basis for changes in effective yields amounts.

## NOTES TO FINANCIAL STATEMENTS

### Note 3. Cash and Investments - Continued

#### Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The table below shows quality ratings and insured status of investments that are not rated:

Investment Type	Fair Value	AAA	Insured	Unrated
Federal National Mortgage Association	\$ 1,167,457	\$ -	\$ 1,167,457	\$ -
Government National Mortgage Association	23,750	-	23,750	-
Federal Home Loan Bank Certificates of Deposit	1,417,190	-	1,417,190	-
State of Wyoming Investment Pool	1,679,144	-	1,679,144	-
	<u>3,455,141</u>	<u>-</u>	<u>-</u>	<u>3,455,141</u>
<b>Total</b>	<u>\$ 7,742,682</u>	<u>\$ -</u>	<u>\$ 4,287,541</u>	<u>\$ 3,455,141</u>

#### Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the County will not be able to recover the value of the investments or collateral securities that are in possession of an outside party. The County does not have a formal policy for custodial credit risk. Investments are held in safekeeping by external custodians in the County's name.

#### Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment or deposit. The County's policy is not to invest in foreign currency and have no such investments, which mitigates its exposure to foreign currency risk.

## NOTES TO FINANCIAL STATEMENTS

### Note 3. Cash and Investments - Continued

#### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. Concentration of risk is not addressed in the internal investment policy. At June 30, 2013, the County held securities from the following issuers in excess of 5% of the total portfolio:

Federal National Mortgage Association	\$ 1,167,457
Federal Home Loan Bank	1,417,190
Bank of Commerce	1,126,300
Rawlins National Bank	450,667
State of Wyoming Investment Pool	<u>3,419,179</u>
<b>Total</b>	<b><u>\$ 7,580,793</u></b>

### Note 4. Changes in Capital Assets

During the year ended June 30, 2013, changes in capital assets were as follows:

	Governmental Activities			
	Balance			Balance
	June 30, 2012	Additions	Deletions	June 30, 2013
Land	\$ 2,099,347	\$ -	\$ -	\$ 2,099,347
Infrastructure	48,362,383	-	698,413	47,663,970
Buildings and improvements	39,837,098	528,281	-	40,365,379
Equipment	<u>15,563,621</u>	<u>801,383</u>	-	<u>16,365,004</u>
<b>Total</b>	<b><u>\$ 105,862,449</u></b>	<b><u>\$ 1,329,664</u></b>	<b><u>\$ 698,413</u></b>	<b><u>\$ 106,493,700</u></b>

	Accumulated Depreciation Governmental Activities			
	Balance			Balance
	June 30, 2012	Additions	Deletions	June 30, 2013
Infrastructure	\$ 28,811,722	\$ 1,196,834	\$ 698,413	\$ 29,310,143
Buildings and improvements	15,180,961	1,272,154	-	16,453,115
Equipment	<u>7,611,071</u>	<u>422,179</u>	-	<u>8,033,250</u>
<b>Total</b>	<b><u>\$ 51,603,754</u></b>	<b><u>\$ 2,891,167</u></b>	<b><u>\$ 698,413</u></b>	<b><u>\$ 53,796,508</u></b>

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2013:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>
Accrued compensated absences	\$ 412,716	\$ 8,182	\$ -	\$ 420,898
Capital lease obligations	<u>3,338,207</u>	<u>505,856</u>	<u>875,699</u>	<u>2,968,364</u>
Total	<u>\$ 3,750,923</u>	<u>\$ 514,038</u>	<u>\$ 875,699</u>	<u>\$ 3,389,262</u>

As of June 30, 2013, the governmental long-term debt of the financial reporting entity consisted of the following:

Capital lease payable to the U.S. Bank National Association, due in annual principal and semi-annual interest installments ranging from \$295,400 to \$306,800 including interest at 3.53% through June 2018, secured by real estate and the hospital building.	\$1,365,000
Capital lease payable to Community First Leasing Services, due in semi-annual installments of \$88,063, including interest at 4.755% through June 2014, secured by real estate.	170,045
Capital lease payable to Caterpillar Financial Services Corporation, due in annual installments of \$20,616, including interest at 3.20% through November 2016, secured by equipment.	76,267
Capital lease payable to Caterpillar Financial Services Corporation, due in annual installments of \$46,665, including interest at 4.40% through November 2016, secured by equipment.	128,287
Capital lease payable to Kinetic Leasing Inc., due in semi-annual installments of \$52,594, including interest at 4.60% through December 2019, secured by equipment.	594,184
Capital lease payable to Kinetic Leasing Inc., due in semi-annual installments of \$8,822, including interest at 4.60% through December 2019, secured by equipment.	98,648

## NOTES TO FINANCIAL STATEMENTS

Capital lease payable to Caterpillar Financial Services Corporation, due in annual installments of \$44,652, including interest at 4.25% through December 2013, secured by equipment.	42,798
Capital lease payable to Caterpillar Financial Services Corporation, due in annual installments of \$21,102, including interest at 3.20% through November 2016, secured by equipment.	78,064
Capital lease payable to Kinetic Leasing Inc., due in semi-annual installments of \$25,038, including interest at 3.32% through January 2020, secured by equipment.	290,608
Capital lease payable to Caterpillar Financial Services Corporation, due in annual installments of \$572,971, including interest at 3.75% through December 2013, secured by equipment.	<u>124,463</u>
Total governmental activity debt	<u>\$ 2,968,364</u>

### Annual Debt Service Requirements

The annual requirements to amortize all outstanding debt as of June 30, 2014 are as follows:

	Governmental Activities		
	Principal	Interest	Total
2014	\$ 782,876	\$ 113,166	\$ 896,042
2015	479,178	82,034	561,212
2016	503,269	61,519	564,788
2017	471,086	41,662	512,748
2018	452,154	22,377	474,531
Thereafter	279,801	12,332	292,133
	<u>\$ 2,968,364</u>	<u>\$ 333,090</u>	<u>\$ 3,301,454</u>

The June 30, 2013 debt issued by the County did not exceed its legal debt margin which is computed as follows:

Assessed valuation	<u>\$ 877,327,227</u>
Debt limit – 2% of total assessed valuation	\$ 17,546,545
Amount of debt applicable to debt limit	-
Legal debt margin	<u>\$ 17,546,545</u>

## NOTES TO FINANCIAL STATEMENTS

### Compensated absences:

The County accrues a liability for future vacation benefits. This liability is attributable to employees' services already rendered. The liability for compensated absences is determined at the end of each fiscal year and the portion paid within 60 days of year-end is adjusted to current salary costs. The liability for the total remaining portion is recorded in the statement of net position (entity-wide reporting) for the vested amount owed as of June 30, 2013.

### Note 6. Retirement Commitments

All County full-time or regular part-time employees participate in the Wyoming Retirement System ("System"), a multiple-employer public employee retirement system. The payroll for employees covered by the System for the year ended June 30, 2013 was \$6,348,357 and the County's total payroll was \$6,574,132.

All County full-time or regular part-time employees are eligible to participate in the System. Employees who retire at or after age 60 with four years of credited service are entitled to a retirement benefit according to predetermined formulas and allowed to select one of five optional methods for receiving benefits. Early retirement is allowed provided the employee has completed four years of service and attained age 50, but will result in a reduction of benefits based on the length of time remaining to normal retirement age. The System also provides death and disability benefits. Benefits are established by State statute.

The System statutorily requires 14.12% of the covered employees' salary to be contributed to the plan, of which 7% is paid by the employee and the remaining 7.12% is paid by the County. For rehired retired employees, all 17.20% was paid to the plan by the County. For law enforcement officers, 17.20% was contributed to the plan, of which 8.60% was paid by the employee and 8.60% was paid by the County. The contribution requirement for the year ended June 30, 2013, was \$965,793 which consisted of \$480,842 from employees and \$484,951 from the County. 100% of the required contribution was made for the previous two years.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 2012 annual financial report for the periods for which the information is available.

The System's annual financial report is available by contacting the Wyoming Retirement System at 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming, 82002, (307) 777-7691 or online at <http://retirement.state.wy.us>.

## NOTES TO FINANCIAL STATEMENTS

### Note 6. Retirement Commitments - Continued

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The total assets under this plan were \$987,793 as of June 30, 2013. This amount is included in the fiduciary funds as investments held by the Wyoming Retirement System.

### Note 7. Contingencies

Carbon County is involved in numerous mineral industry, ad valorem and severance tax issues, including threatened litigation and claims for refunds and rebates. The extent of the possible liability is not known at this time. The tax monies received in protest have been placed in agency funds until such time that the claims have been settled at which time they will be distributed to the applicable taxing entity. In addition, Carbon County has transferred general fund monies together with funds received from other taxing entities to an agency fund until such time as the claims have been settled.

### Note 8. Self-Funded Health Insurance

The County's risk management activities are recorded in the General fund. An excess coverage insurance policy covers individual's claims in excess of \$5,000 for each insured during the policy year.

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the government carries commercial insurance. For insured programs, there have been no significant reductions in insurance of the County. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

### Note 9. Liability Risk

#### Claims Liabilities

The County records an estimated liability for health care claims against the County. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

## NOTES TO FINANCIAL STATEMENTS

### Note 9. Liability Risk - Continued

#### Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which include estimates of both future payments of losses and related claim adjustment expenses. The following represents the changes in approximate aggregate liabilities for the County from July 1, 2011 to June 30, 2013:

Liability balance, June 30, 2011	\$	177,370
Claims and changes in estimates		2,913,251
Claims payments		<u>(2,343,054)</u>
Liability balance, June 30, 2012		747,567
Claims and changes in estimates		2,296,559
Claims payments		<u>(2,675,325)</u>
Liability balance, June 30, 2013	\$	<u>368,801</u>
Assets available to pay claims, June 30, 2013	\$	<u>267,862</u>

The County has implemented voluntary dependent care assistance, flexible benefits, and medical reimbursement plans for their employees whereby an employee may contribute to any of these plans with tax savings. The County does not share in the costs of these plans. All contributions and expenses related to these plans are funded by the employee. A separate cash account has been established where these funds are deposited and the County then administers this account. Any funds contributed to these plans during the year and not used within 30 days after the end of the fiscal year forfeit to the County.

### Note 10. Other Postemployment Healthcare Benefits

**Plan Description.** The County's self-insured single-employer postemployment healthcare plan is available to retirees of the County who have attained the age of fifty (50) and has fifteen (15) or more years of service, or a retiree with twenty-five (25) years of service (with no age limit). This Plan is secondary to Medicare for all eligible retirees and/or dependents who are age sixty-five (65) or older.

The plan had a total of 19 active participants as of June 30, 2013 of which the participants paid premiums of \$90,713. For the year ended June 30, 2013 the total expense for the plan including fixed costs, claims, and prescriptions was \$180,228.

## NOTES TO FINANCIAL STATEMENTS

### Note 11. Fund Balance Classification

Classification of fund balances and descriptions as of June 30, 2013 are as follows:

General Fund	
Nonspendable for receivables	
Taxes	\$ 154,267
Interest	17,299
Due from other governments	143,569
Nonspendable for prepaid expenses	<u>63,530</u>
Total general fund nonspendable fund balances	\$ 378,665
Restricted for road projects	\$ 731,777
Restricted for detention center operating	837,689
Restricted for hospital	415,787
Restricted for unclaimed property	109
Restricted for abandoned vehicles	16,941
Restricted for E911 surcharge	<u>223,110</u>
Total general fund restricted fund balances	\$ 2,225,413
Committed for forest reserve	\$ 35,961
Committed for self funded insurance	267,862
Committed for special projects	463,347
Committed for museum	308,919
Committed for health	<u>151,024</u>
Total general fund committed fund balances	\$ 1,227,113
Assigned for breast pumps	\$ 5,302
Assigned for cash reserve	<u>2,145,000</u>
Total general fund assigned fund balances	\$ 2,150,302
Special Revenue Funds	
Nonspendable for receivables	
Accounts receivable	\$ 52,483
Taxes	17,819
Nonspendable for inventory	<u>155,922</u>
Total special revenue fund nonspendable fund balances	\$ 226,224
Assigned for cash reserve	\$ 1,834,624

**REQUIRED SUPPLEMENTARY INFORMATION**

CARBON COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND**

For the Year Ended June 30, 2013

	General Fund		Variance
	Budget - Original & Final	Actual (Budgetary Basis)	Positive (Negative)
Revenues			
Taxes	\$ 14,828,178	\$ 13,503,615	\$ (1,324,563)
Licenses and permits	644,410	449,328	(195,082)
Intergovernmental	8,468,285	3,697,030	(4,771,255)
Interest	158,513	269,577	111,064
Miscellaneous	3,651,243	639,769	(3,011,474)
	<u>27,750,629</u>	<u>18,559,319</u>	<u>(9,191,310)</u>
Total revenues			
Expenditures			
Current:			
General government	18,259,932	9,950,180	8,309,752
Public safety	5,057,474	4,978,121	79,353
Highways and streets	3,675,231	2,479,662	1,195,569
Health and welfare	1,359,775	1,193,021	166,754
Culture and recreation	94,450	65,086	29,364
Capital outlay	-	-	-
	<u>28,446,862</u>	<u>18,666,070</u>	<u>9,780,792</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(696,233)	(106,751)	589,482
Fund balance, beginning	<u>10,607,407</u>	<u>10,607,407</u>	<u>-</u>
Fund balance, ending	<u>\$ 9,911,174</u>	<u>\$ 10,500,656</u>	<u>\$ 589,482</u>

(Continued)

CARBON COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND**

For the Year Ended June 30, 2013

(Continued)

Explanation of differences between budgetary revenue and expenditures and  
GAAP revenue and expenditures.

Revenue:

Actual total revenue budgetary basis	\$ 18,559,319
Differences- budget to GAAP	
Property taxes accrual difference	179,304
Grants receivable	(45,048)
Unearned grant revenue	(11,231)
Interest receivable difference	<u>(4,886)</u>

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance- governmental basis	<u>\$ 18,677,458</u>
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Expenditures:

Actual total expenditures budgetary basis	\$ 18,666,070
Differences- budget to GAAP	
Vacation accrual difference	42,644
Accounts payable and other accrual differences	106,978
Unpaid claims liabilities accrual difference	<u>(378,766)</u>

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance- governmental basis	<u>\$ 18,436,926</u>
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CARBON COUNTY, WYOMING

**NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**

June 30, 2013

**A. Budgetary Basis**

Annual budgets are adopted for all governmental fund types on a basis of accounting that demonstrates compliance with Wyoming Statutes. Since all accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of the resultant timing differences has been provided on page 35. All annual appropriations lapse at year end.

**B. Budgetary Information**

The appropriated budget is prepared by fund, function, and department. The government's department heads, with the County Commissioners' approval, may make transfers of appropriations within a department or division. Transfers of appropriations between departments and/or divisions require approval of the County Commissioners. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the department level.

**C. Excess of Expenditures over Appropriations**

For the year ended June 30, 2013, there were no instances of excess of expenditures over appropriations in the General Fund.

**OTHER SUPPLEMENTARY INFORMATION**

CARBON COUNTY, WYOMING

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE BUDGET AND ACTUAL (NON-GAAP  
BUDGETARY BASIS)**

**SPECIAL REVENUE FUNDS**

For the Year Ended June 30, 2013

	<u>Special Revenue Funds</u>		Variance
	<u>Budget Original &amp; Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Positive (Negative)</u>
Revenues			
Taxes	\$ 1,682,388	\$ 1,868,231	\$ 185,843
Interest	5,500	3,017	(2,483)
Program revenue	887,678	759,307	(128,371)
Miscellaneous	<u>43,000</u>	<u>34,523</u>	<u>(8,477)</u>
Total revenues	<u>2,618,566</u>	<u>2,665,078</u>	<u>46,512</u>
Expenditures			
Current:			
Highways and streets	1,346,700	1,122,516	224,184
Culture and recreation	1,886,037	1,571,631	314,406
Capital outlay	<u>142,000</u>	<u>58,050</u>	<u>83,950</u>
Total expenditures	<u>3,374,737</u>	<u>2,752,197</u>	<u>622,540</u>
Excess (deficiency) of revenues over (under) expenditures	(756,171)	(87,119)	669,052
Fund balance, beginning	<u>2,085,791</u>	<u>2,085,791</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,329,620</u>	<u>\$ 1,998,672</u>	<u>\$ 669,052</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS**

June 30, 2013

	<u>Weed and Pest</u>	<u>Fair</u>	<u>Library</u>
<b>ASSETS</b>			
Cash	\$ 934,249	\$ 323,940	\$ 15,430
Investments	-	-	84,129
Receivables			
Taxes	-	1,852	11,224
Accounts	44,506	830	-
Inventory	<u>155,702</u>	<u>-</u>	<u>-</u>
 Total Assets	 <u>\$ 1,134,457</u>	 <u>\$ 326,622</u>	 <u>\$ 110,783</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 73,544	\$ -	\$ -
Accrued liabilities	<u>4,381</u>	<u>-</u>	<u>2,772</u>
 Total liabilities	 <u>77,925</u>	 <u>-</u>	 <u>2,772</u>
 <b>FUND BALANCES</b>			
Nonspendable	200,208	2,682	11,224
Assigned	<u>856,324</u>	<u>323,940</u>	<u>96,787</u>
 Total fund balances	 <u>1,056,532</u>	 <u>326,622</u>	 <u>108,011</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,134,457</u>	 <u>\$ 326,622</u>	 <u>\$ 110,783</u>

<u>Museum</u>	<u>Jeffrey Center</u>	<u>Total</u>
\$ 517,999	\$ 39,574	\$ 1,831,192
-	-	84,129
3,426	1,317	17,819
7,147	-	52,483
<u>220</u>	<u>-</u>	<u>155,922</u>
<u>\$ 528,792</u>	<u>\$ 40,891</u>	<u>\$ 2,141,545</u>
\$ -	\$ -	\$ 73,544
-	-	7,153
<u>-</u>	<u>-</u>	<u>80,697</u>
10,793	1,317	226,224
<u>517,999</u>	<u>39,574</u>	<u>1,834,624</u>
<u>528,792</u>	<u>40,891</u>	<u>2,060,848</u>
<u>\$ 528,792</u>	<u>\$ 40,891</u>	<u>\$ 2,141,545</u>

CARBON COUNTY, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES – SPECIAL REVENUE FUNDS**

For the Year Ended June 30, 2013

	Weed and Pest	Fair	Library
Revenues			
Taxes	\$ 788,448	\$ 196,081	\$ 499,505
Interest	1,719	1,298	1,328
Program revenue	434,090	58,769	244,606
Miscellaneous	<u>242</u>	<u>29,569</u>	<u>-</u>
Total revenues	<u>1,224,499</u>	<u>285,717</u>	<u>745,439</u>
Expenditures			
Highways and streets	1,190,678	-	-
Culture and recreation	-	156,775	962,561
Capital outlay	<u>49,918</u>	<u>15,280</u>	<u>-</u>
Total expenditures	<u>1,240,596</u>	<u>172,055</u>	<u>962,561</u>
Excess (deficiency) of revenues over (under) expenditures	(16,097)	113,662	(217,122)
Fund balances, beginning	<u>1,072,629</u>	<u>212,960</u>	<u>325,133</u>
Fund balances, ending	<u><u>\$ 1,056,532</u></u>	<u><u>\$ 326,622</u></u>	<u><u>\$ 108,011</u></u>

<u>Museum</u>	<u>Jeffrey Center</u>	<u>Total</u>
\$ 382,051	\$ 20,061	\$ 1,886,146
1,227	204	5,776
26,085	4,250	767,800
<u>-</u>	<u>502</u>	<u>30,313</u>
<u>409,363</u>	<u>25,017</u>	<u>2,690,035</u>
-	-	1,190,678
423,291	58,328	1,600,955
<u>-</u>	<u>-</u>	<u>65,198</u>
<u>423,291</u>	<u>58,328</u>	<u>2,856,831</u>
(13,928)	(33,311)	(166,796)
<u>542,720</u>	<u>74,202</u>	<u>2,227,644</u>
<u>\$ 528,792</u>	<u>\$ 40,891</u>	<u>\$ 2,060,848</u>

CARBON COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
WEED AND PEST SPECIAL REVENUE FUND  
For the Year Ended June 30, 2013**

	Budget Original and Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ 360,000	\$ 793,089	\$ 433,089
Interest	5,000	1,719	(3,281)
Program revenue	<u>409,000</u>	<u>427,160</u>	<u>18,160</u>
Total revenues	<u>774,000</u>	<u>1,221,968</u>	<u>447,968</u>
Expenditures			
Highways and streets	1,346,700	1,122,516	224,184
Capital outlay	<u>109,000</u>	<u>49,918</u>	<u>59,082</u>
Total expenditures	<u>1,455,700</u>	<u>1,172,434</u>	<u>283,266</u>
Excess (deficiency) of revenues over (under) expenditures	(681,700)	49,534	731,234
Fund balance, beginning	<u>1,045,452</u>	<u>1,045,452</u>	<u>-</u>
Fund balance, ending	<u>\$ 363,752</u>	<u>\$ 1,094,986</u>	<u>\$ 731,234</u>

CARBON COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FAIR BOARD SPECIAL REVENUE FUND  
For the Year Ended June 30, 2013**

	Budget Original and Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ 112,229	\$ 193,777	\$ 81,548
Interest	500	1,298	798
Program revenue	65,000	59,898	(5,102)
Miscellaneous	<u>3,000</u>	<u>29,569</u>	<u>26,569</u>
Total revenues	<u>180,729</u>	<u>284,542</u>	<u>103,813</u>
Expenditures			
Culture and recreation	247,200	164,054	83,146
Capital outlay	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Total expenditures	<u>255,200</u>	<u>172,054</u>	<u>83,146</u>
Excess (deficiency) of revenues over (under) expenditures	(74,471)	112,488	186,959
Fund balance, beginning	<u>212,179</u>	<u>212,179</u>	<u>-</u>
Fund balance, ending	<u>\$ 137,708</u>	<u>\$ 324,667</u>	<u>\$ 186,959</u>

CARBON COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
LIBRARY SPECIAL REVENUE FUND**

For the Year Ended June 30, 2013

	Budget Original and Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ 841,945	\$ 478,020	\$ (363,925)
Program revenue	<u>238,500</u>	<u>245,934</u>	<u>7,434</u>
Total revenues	<u>1,080,445</u>	<u>723,954</u>	<u>(356,491)</u>
Expenditures			
Culture and recreation	1,055,445	900,586	154,859
Capital outlay	<u>25,000</u>	<u>132</u>	<u>24,868</u>
Total expenditures	<u>1,080,445</u>	<u>900,718</u>	<u>179,727</u>
Excess (deficiency) of revenues over (under) expenditures	-	(176,764)	(176,764)
Fund balance, beginning	<u>224,684</u>	<u>224,684</u>	<u>-</u>
Fund balance, ending	<u>\$ 224,684</u>	<u>\$ 47,920</u>	<u>\$ (176,764)</u>

CARBON COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MUSEUM SPECIAL REVENUE FUND  
For the Year Ended June 30, 2013**

	Budget Original and Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ 347,422	\$ 383,964	\$ 36,542
Program revenue	<u>175,178</u>	<u>26,315</u>	<u>(148,863)</u>
Total revenues	<u>522,600</u>	<u>410,279</u>	<u>(112,321)</u>
Expenditures			
Culture and recreation	<u>522,600</u>	<u>448,969</u>	<u>73,631</u>
Total expenditures	<u>522,600</u>	<u>448,969</u>	<u>73,631</u>
Excess (deficiency) of revenues over (under) expenditures	-	(38,690)	(38,690)
Fund balance, beginning	<u>529,495</u>	<u>529,495</u>	<u>-</u>
Fund balance, ending	<u>\$ 529,495</u>	<u>\$ 490,805</u>	<u>\$ (38,690)</u>

CARBON COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
JEFFREY CENTER SPECIAL REVENUE FUND  
For the Year Ended June 30, 2013**

	Budget Original and Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ 20,792	\$ 19,381	\$ (1,411)
Miscellaneous	40,000	4,954	(35,046)
Total revenues	<u>60,792</u>	<u>24,335</u>	<u>(36,457)</u>
Expenditures			
Culture and recreation	60,792	58,022	2,770
Capital outlay	-	-	-
Total expenditures	<u>60,792</u>	<u>58,022</u>	<u>2,770</u>
Excess (deficiency) of revenues over (under) expenditures	-	(33,687)	(33,687)
Fund balance, beginning	<u>73,981</u>	<u>73,981</u>	<u>-</u>
Fund balance, ending	<u>\$ 73,981</u>	<u>\$ 40,294</u>	<u>\$ (33,687)</u>

CARBON COUNTY, WYOMING

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES –  
FIDUCIARY FUND TYPE AGENCY FUNDS**

June 30, 2013

	Units	Districts	Other	Total
<b>ASSETS</b>				
Cash	\$ 12,015	\$ 2,560,547	\$ 7,856,564	\$ 10,429,126
Investments	-	-	987,793	987,793
Taxes receivable	19,416	168,797	-	188,213
	<u>31,431</u>	<u>2,729,344</u>	<u>8,844,357</u>	<u>11,605,132</u>
<b>Total Assets</b>	<b><u>\$ 31,431</u></b>	<b><u>\$ 2,729,344</u></b>	<b><u>\$ 8,844,357</u></b>	<b><u>\$ 11,605,132</u></b>
<b>LIABILITIES</b>				
Due to other taxing units	\$ 31,431	\$ 2,729,344	\$ 7,856,564	\$ 10,617,339
	<u>-</u>	<u>-</u>	<u>987,793</u>	<u>987,793</u>
<b>NET POSITION HELD IN TRUST</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>987,793</u></b>	<b><u>987,793</u></b>
<b>Total Liabilities &amp; Net Position Held in Trust</b>	<b><u>\$ 31,431</u></b>	<b><u>\$ 2,729,344</u></b>	<b><u>\$ 8,844,357</u></b>	<b><u>\$ 11,605,132</u></b>

CARBON COUNTY, WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
<b>Department of Homeland Security</b>		
Passed through State of Wyoming, Office of Homeland Security/ Emergency Management		
Homeland Security Grant Program	97.067	\$ 178,609
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	193,635
Interoperable Emergency Communications Grant	97.055	<u>7,773</u>
<b>Total Expenditures of Department of Homeland Security Awards</b>		<u>380,017</u>
<b>Department of Agriculture</b>		
Cooperative Forestry Assistance	10.664	<u>378</u>
<b>Total Expenditures of Department of Agriculture</b>		<u>378</u>
<b>Department of Housing and Urban Development</b>		
Homeless Prevention and Rapid Re-Housing Program - ARRA	14.257	3,999
Community Development Block Grant	14.228	<u>69,486</u>
<b>Total Expenditures of Department of Housing and Urban Development</b>		<u>73,485</u>
<b>Department of Justice</b>		
Passed through State of Wyoming, Attorney General's Office		
Violence Against Women Formula Grants	16.588	<u>21,735</u>
<b>Total Expenditures of Department of Justice Awards</b>		<u>21,735</u>
<b>Department of Health and Human Services</b>		
<b>Administration for Children and Families</b>		
Passed through State of Wyoming, Department of Health		
Temporary Assistance for Needy Families	93.558	110,651
Voting Access for Individuals with Disabilities	93.617	16,944
Community Services Block Grant	93.569	68,864

(Continued)

CARBON COUNTY, WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2013

(Continued)

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
<b>Centers for Disease Control and Prevention</b>		
Passed through State of Wyoming, Department of Health Public Health Emergency Preparedness	93.069	<u>55,348</u>
<b>Total Expenditures of Department of Health and Human Services Awards</b>		<u>251,807</u>
<b>Department of Transportation</b>		
<b>Federal Aviation Administration</b>		
Passed through the State of Wyoming, Department of Transportation		
Highway Planning and Construction	20.205	296,698
Hazardous Materials Emergency Preparedness Training and Planning Grant	20.703	762
Airport Improvement Program	20.106	<u>158,262</u>
<b>Total Expenditures of Department of Transportation Awards</b>		<u>455,722</u>
Total Federal Assistance		<u>\$ 1,183,144</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2013

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance and federal cost-reimbursement contracts of Carbon County, Wyoming. Carbon County, Wyoming receives federal awards both directly from federal agencies and indirectly through pass-through entities.

Federal program expenditures included in the accompanying schedule are presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**Major Programs**

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

CARBON COUNTY, WYOMING

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2013

**1. Summary of Auditor's results:**

- An unqualified opinion was issued on the financial statements.
- No significant deficiency in internal control over financial reporting was found.
- No material weaknesses in internal control over compliance were found.
- No instances of noncompliance material to the financial statements were found.
- No reportable conditions in internal control over major programs were found.
- An unqualified opinion was issued on the compliance for major programs.
- No audit findings were reported.
- The following federal programs were determined to be major programs:

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Federal Award Expenditures</u>
U.S. Department of Homeland Security Passed through the State of Wyoming, Homeland Security Grant Program	97.067	\$ 178,609
U.S. Department of Transportation Passed through the State of Wyoming, Highway Planning and Construction	20.205	<u>296,698</u>
Total		<u>\$ 475,307</u>

- The dollar threshold used to distinguish between Type A and Type B programs is as follows: Type A programs are all programs with more than \$300,000 or more in federal awards. Type B programs are all programs with less than \$300,000 in federal awards.
- The auditee does qualify as a low-risk auditee.

**2. Findings relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards (GAGAS):**

- No such findings

**3. Findings and questioned costs for Federal Awards:**

- No such findings



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the County Commissioners  
Carbon County, Wyoming  
Rawlins, Wyoming

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, the business-type activities, and the aggregate remaining fund information of Carbon County, Wyoming as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Carbon County, Wyoming's basic financial statements, and have issued our report thereon dated December 30, 2013.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered Carbon County, Wyoming'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, Wyoming's internal control. Accordingly, we do not express an opinion on the effectiveness of Carbon County, Wyoming'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 functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 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. 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.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Carbon County, Wyoming's financial statements are free from 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Madee Tschacher Peterson + Co, LLC*

Laramie, Wyoming  
December 30, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON MAJOR PROGRAM  
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133**

To the County Commissioners  
Carbon County, Wyoming  
Rawlins, Wyoming

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

We have audited Carbon County, Wyoming'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 Carbon County, Wyoming's major federal programs for the year ended June 30, 2013. Carbon County, Wyoming'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 program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Carbon County, Wyoming'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 Carbon County, Wyoming'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, Wyoming's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Carbon County, Wyoming complied, in all material respects, 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 June 30, 2013.

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

The management of Carbon County, Wyoming is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Carbon County, Wyoming's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Carbon County, Wyoming's internal control over compliance.

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

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

*Madel Tschacher Peterson + Co, LLC*

Laramie, Wyoming

December 30, 2013