



CARBON COUNTY, WYOMING

FINANCIAL AND COMPLIANCE REPORT

June 30, 2015

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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, 2015, 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, 2015, 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.

Emphasis of Matter

As discussed in Note 3 to the basic financial statements, the County has changed its method for accounting and reporting pension plans during 2015 due to the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The adoption of the standard required retrospective application resulting in a \$3,683,469 reduction of previously reported net position. Our opinion is not modified with respect to this matter.

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 43 through 45 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, 2015, 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, 2015

CARBON COUNTY, WYOMING

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2015

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, 2015.

Financial Highlights

- \$ The assets of Carbon County exceeded its liabilities at the close of the most recent fiscal year by \$57,273,154 (*net position*). Of this amount, \$5,784,418 (*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 \$5,623,555 *available for spending* at the government's discretion (*unassigned fund balance*) and \$6,926,036 reserved for future funding requirements.
- \$ Last fiscal year (FY 2013-2014) the County received \$10,500,562 in property taxes. For the fiscal year ending on June 30, 2015 the County received \$10,830,640 in property taxes noting a increase of \$330,078. Overall, total revenues increased \$1,780,248.
- \$ The County's valuation for the fiscal year ending June 30, 2015 increased to \$760,910,660 from the fiscal year ending June 30, 2014 of \$746,614,775, an increase of \$14,295,885. The increase is mainly due to the increase 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, 2015

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, 2015

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 42 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	
	2015	2014	2015	2014	2015	2014
Current and Other assets	\$ 15,803,345	\$ 17,442,659	\$16,724,808	\$19,769,052	\$ 32,528,153	\$ 37,211,711
Capital assets	51,714,650	51,606,410	-	-	51,714,650	51,606,410
Deferred Outflow assets	1,114,436	-	-	-	1,114,436	-
Total assets	68,632,431	69,049,069	16,724,808	19,769,052	85,357,239	88,818,121
Long-term liabilities outstanding	10,381,980	6,027,204	-	-	10,381,980	6,027,204
Other liabilities	977,297	1,429,938	15,510,404	18,622,136	16,487,701	20,052,074
Total liabilities	11,359,277	7,457,142	15,510,404	18,622,136	26,869,681	26,079,278
Net assets:						
Invested in capital assets, net of related debt	46,418,340	45,579,206	-	-	46,418,340	45,579,206
Restricted	5,070,396	5,333,613	1,214,404	1,146,916	6,284,800	6,480,529
Unrestricted	5,784,418	10,679,108	-	-	5,784,418	10,679,108
Total net position	\$ 57,273,154	\$ 61,591,927	\$ 1,214,404	\$ 1,146,916	\$ 58,487,558	\$ 62,738,843

CARBON COUNTY, WYOMING

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2015

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 \$57,273,154 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 \$46,418,340 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 \$5,784,418 may be used to meet the government's ongoing obligations to citizens and creditors. Specific expenditure restrictions apply to specific revenue funds and too much of the capital project funds.

At June 30, 2015, 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	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,765,650	\$ 1,186,141	\$ -	\$ -	\$ 1,765,650	\$ 1,186,141
Operating Grants and Contributions	4,066,463	3,034,791	109,873	120,856	4,176,336	3,155,647
General Revenues:						
Property Taxes	10,830,640	10,500,562	-	-	10,830,640	10,500,562
Sales Taxes	2,169,025	2,280,911			2,169,025	2,280,911
Other Taxes	1,953,005	1,815,162	-	-	1,953,005	1,815,162
Payment in Lieu of Taxes	1,198,560	1,269,934	-	-	1,198,560	1,269,934
Other Revenues	483,606	599,200	91,090	171,680	574,696	770,880
Total Revenues	22,466,949	20,686,701	200,963	292,536	22,667,912	20,979,237

CARBON COUNTY, WYOMING

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2015

Expenses:						
General Government	10,874,643	9,791,382	-	-	10,874,643	9,791,382
Public Safety	4,823,157	4,687,817	-	-	4,823,157	4,687,817
Public Works	2,522,710	2,253,349	-	-	2,522,710	2,253,349
Health, Welfare and Recreation	787,806	806,285			787,806	806,285
	1,566,083	1,622,988	-	-	1,566,083	1,622,988
Non-departmental	2,351,722	2,378,745			2,351,722	2,378,745
Interest on Long Term Debt	176,134	211,168	-	-	176,134	211,168
Admin Fees	-	-	3,060	6,029	3,060	6,029
Participant Withdrawal	-	-	130,415	127,384	130,415	127,384
Total Expenses	23,102,255	21,751,734	133,475	133,413	23,235,730	21,885,147
Total General Revenues:	22,466,949	20,686,701	200,963	292,536	22,667,912	20,979,237
Changes in Net Position	(635,306)	(1,065,033)	67,488	159,123	(567,818)	(905,910)
Net Position - beginning	57,908,460	62,656,960	1,146,916	987,793	59,055,376	63,644,753
Net Position - ending	\$ 57,273,154	\$ 61,591,927	\$ 1,214,404	\$ 1,146,916	\$ 58,487,558	\$ 62,738,843

Analysis of Changes in Net Position

The County's net position decreased \$635,306 during the current fiscal year. The FY 2013-2014 amount was \$57,908,460 (net of the restatement of \$3,683,467) as compared to our current year-end amount of \$57,273,154. The June 30, 2014 balance was restated to reflect the net pension liability as required by GASB Statement No. 38.

Budgetary Highlights

The significant highlight of the fiscal year 2014-2015 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:

CARBON COUNTY, WYOMING

MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

<u>Capital Assets</u>	<u>Governmental Activities</u>
Land & construction in progress	\$ 5,301,869
Capital assets being depreciated	105,257,101
Accumulated depreciation	<u>(58,844,320)</u>
Net capital assets	<u>\$ 51,714,650</u>
Long term debt	<u>\$ 5,296,310</u>

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 2015, 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, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 4,753,550
Investments	10,305,414
Receivables:	
Taxes	304,660
Accounts	32,791
Other	17,406
Due from other governments	276,713
Prepaid expenses	62,087
Inventories	50,724

NONCURRENT ASSETS

Land	2,099,347
Infrastructure	48,864,488
Buildings and improvements	40,671,439
Equipment	15,721,174
Construction in progress	3,202,522
Less: accumulated depreciation	<u>(58,844,320)</u>
Net capital assets	<u>51,714,650</u>
Total Assets	<u>67,517,995</u>

DEFERRED OUTFLOWS OF RESOURCES

Aggregate deferred outflows of resources related to pensions	<u>1,114,436</u>
Total deferred outflows of resources	<u>1,114,436</u>
Total assets and deferred outflows of resources	<u>\$ 68,632,431</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 560,260
Accrued compensated absences	407,140
Accrued interest payable	9,897

NONCURRENT LIABILITIES

Due within one year	764,079
Due in more than one year	4,532,231
Aggregate net pension liability	<u>5,085,670</u>
Total Liabilities	<u>11,359,277</u>

NET POSITION

Invested in capital assets, net of related debt	46,418,340
Restricted	5,070,396
Unrestricted	<u>5,784,418</u>
Total Net Position	<u>\$ 57,273,154</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2015

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Functions/Programs				
Governmental activities				
General government	\$ 10,874,643	\$ 1,560,709	\$ 820,868	\$ (8,493,066)
Public safety	4,823,157	140,685	1,041,320	(3,641,152)
Highways and streets	2,522,710	4,240	1,593,556	(924,914)
Health and welfare	787,806	60,016	331,747	(396,043)
Culture and recreation	1,566,083	-	278,972	(1,287,111)
Interest	176,134	-	-	(176,134)
Depreciation - unallocated	<u>2,351,722</u>	<u>-</u>	<u>-</u>	<u>(2,351,722)</u>
Total governmental activities	<u>23,102,255</u>	<u>1,765,650</u>	<u>4,066,463</u>	<u>(17,270,142)</u>
General Revenues				
Property taxes				10,830,640
Sales taxes				2,169,025
Other taxes				1,953,005
Interest and investment revenue				144,884
Other				338,722
Payment in lieu of taxes				<u>1,198,560</u>
Total general revenues				<u>16,634,836</u>
Change in net position				(635,306)
Net position - beginning of year (restated)				<u>57,908,460</u>
Net position - end of year				<u>\$ 57,273,154</u>
See Notes to Financial Statements.				

CARBON COUNTY, WYOMING

BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2015

	General Fund	Nonmajor - Special Revenue Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and temporary investments	\$ 2,594,536	\$ 2,159,014	\$ 4,753,550
Investments	10,127,784	177,630	10,305,414
Receivables:			
Accounts receivable	-	32,791	32,791
Taxes	63,715	12,534	76,249
Interest	17,406	-	17,406
Due from other governments	276,713	-	276,713
Prepaid expenses	62,087	-	62,087
Inventory	<u>-</u>	<u>50,725</u>	<u>50,725</u>
Total Assets	<u>\$ 13,142,241</u>	<u>\$ 2,432,694</u>	<u>\$ 15,574,935</u>
LIABILITIES			
Accounts payable	\$ 482,063	\$ 78,197	\$ 560,260
Accrued compensated absences	<u>110,587</u>	<u>13,301</u>	<u>123,888</u>
Total Liabilities	<u>592,650</u>	<u>91,498</u>	<u>684,148</u>
FUND BALANCES			
Fund balances			
Nonspendable	419,921	96,050	515,971
Restricted	5,070,396	-	5,070,396
Committed	146,886	-	146,886
Assigned	1,288,833	2,245,146	3,533,979
Unassigned - undesignated	<u>5,623,555</u>	<u>-</u>	<u>5,623,555</u>
Total Fund Balances	<u>12,549,591</u>	<u>2,341,196</u>	<u>14,890,787</u>
Total Liabilities and Fund Balances	<u>\$ 13,142,241</u>	<u>\$ 2,432,694</u>	<u>\$ 15,574,935</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

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

June 30, 2015

Total fund balances - governmental funds \$ 14,890,787

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	110,558,970	
Less accumulated depreciation	<u>(58,844,320)</u>	51,714,650

Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund financial statements.

Contributions subsequent to measurement date	554,267	
Change in investment earnings	677,102	
Change in proportionate share	(116,933)	1,114,436

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

Governmental leases payable	(5,296,310)	
Compensated absences	(283,252)	
Accrued interest on long-term debt	(9,897)	
Aggregate net pension liability	<u>(5,085,670)</u>	(10,675,129)

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>228,410</u>
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Total net position - statement of net position (governmental activities) \$ 57,273,154

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, 2015

	Governmental Funds		Total Governmental Funds
	General Fund	Nonmajor - Special Revenue Funds	
REVENUES			
Taxes	\$ 13,071,901	\$ 1,769,886	\$ 14,841,787
Licenses and permits	575,596	-	575,596
Intergovernmental	5,293,860	-	5,293,860
Program revenue	-	735,982	735,982
Interest	142,122	2,762	144,884
Miscellaneous	573,061	73,370	646,431
Total revenues	<u>19,656,540</u>	<u>2,582,000</u>	<u>22,238,540</u>
EXPENDITURES			
Current:			
General government	13,789,637	-	13,789,637
Public safety	4,875,780	-	4,875,780
Highways and streets	1,349,691	1,284,699	2,634,390
Health and welfare	807,728	-	807,728
Culture and recreation	248,631	1,242,243	1,490,874
Capital outlay	-	52,200	52,200
Debt service:			
Principal retirement	-	-	-
Interest	-	-	-
Total expenditures	<u>21,071,467</u>	<u>2,579,142</u>	<u>23,650,609</u>
Excess (deficiency) of revenues over expenditures	(1,414,927)	2,858	(1,412,069)
Fund balance, beginning	<u>13,964,518</u>	<u>2,338,338</u>	<u>16,302,856</u>
Fund balance, ending	<u>\$ 12,549,591</u>	<u>\$ 2,341,196</u>	<u>\$ 14,890,787</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, 2015

Total net change in fund balances - governmental funds \$ (1,412,069)

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	2,520,877	
Current year depreciation	<u>(2,351,722)</u>	169,155

The repayment of the principal of long-term debt is an expenditure in the
governmental funds, but the repayment reduces long-term liabilities in
the Statement of Net Position. This is the amount by which repayments
exceeded proceed.

Capital lease principal payments		730,894
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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	(306,450)	
Change in contributions subsequent to measurement date	6,143	
Pension expense - first year amortization	(37,115)	
Employer pension contribution expense	<u>(123,293)</u>	(460,715)

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 receivables		<u>337,429</u>
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Change in net position on statement of activities (governmental activities) **\$ (635,306)**

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

June 30, 2015

	<u>Deferred Compensation</u>	<u>Agency Funds</u>	<u>Total</u>
ASSETS			
Cash	\$ -	\$ 7,653,913	\$ 7,653,913
Investments	1,214,404	7,537,047	8,751,451
Taxes receivable	<u>-</u>	<u>319,444</u>	<u>319,444</u>
 Total assets	 <u>\$ 1,214,404</u>	 <u>\$ 15,510,404</u>	 <u>\$ 16,724,808</u>
LIABILITIES			
Due to other tax units	<u>\$ -</u>	<u>\$ 15,510,404</u>	<u>\$ 15,510,404</u>
NET POSITION HELD IN TRUST			
 Total liabilities and net position held in trust	 <u>1,214,404</u>	 <u>-</u>	 <u>1,214,404</u>
	<u>\$ 1,214,404</u>	<u>\$ 15,510,404</u>	<u>\$ 16,724,808</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

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

For the Year Ended June 30, 2015

	<u>Deferred Compensation</u>
ADDITIONS	
Employee contributions	\$ 109,873
Investment income	
Interest and dividends	25,343
Net appreciation (depreciation) in fair value of investments	<u>65,747</u>
Total investment income	<u>91,090</u>
Total additions	<u>200,963</u>
DEDUCTIONS	
Administrative expenses and fees	3,060
Participant withdrawals	<u>130,415</u>
Total deductions	<u>133,475</u>
Net increase in plan net position	67,488
Net position held in trust, beginning of year	<u>1,146,916</u>
Net position held in trust, end of year	<u><u>\$ 1,214,404</u></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, 2015:

Carbon County Public Library
Carbon County Fair Board
Carbon County Weed and Pest Control District
Carbon County Museum

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.

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

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 2014 tax levy, which was collectible during the year ended June 30, 2015.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometime report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

NOTES TO FINANCIAL STATEMENTS

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.

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

NOTES TO FINANCIAL STATEMENTS

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.

Subsequent Events

Management has evaluated subsequent events through December 30, 2015 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:

NOTES TO FINANCIAL STATEMENTS

General Fund	Actual	Adjustment to Budget Basis	Budget Basis
Revenues:			
Taxes	\$ 13,071,901	\$ 90,689	\$ 13,162,590
Licenses and permits	575,596	-	575,596
Intergovernmental	5,293,860	(983,661)	4,310,199
Interest	142,122	(2,633)	139,489
Miscellaneous	573,061	-	573,061
Total revenues	\$ 19,656,540	\$ (895,605)	\$ 18,760,935
Expenditures:			
General government	\$ 13,789,637	\$ (2,309,038)	\$ 11,480,599
Public safety	4,875,780	6,905	4,882,685
Highways and streets	1,349,691	11,339	1,361,030
Health and welfare	807,728	7,587	815,315
Cultural and recreation	248,631	3,691	252,322
Total expenditures	\$ 21,071,467	\$ (2,279,516)	\$ 18,791,951
Special Revenue Fund	Actual	Adjustment to Budget Basis	Budget Basis
Revenues:			
Taxes	\$ 1,769,886	\$ (23,467)	\$ 1,746,419
Program revenue	735,982	(40,885)	695,097
Interest	2,762	(1,311)	1,451
Miscellaneous	73,370	(66,420)	6,950
Total revenues	\$ 2,582,000	\$ (132,083)	\$ 2,449,917
Expenditures:			
Highways and streets	\$ 1,284,699	\$ 251,133	\$ 1,535,832
Cultural and recreation	1,242,243	1,682	1,243,925
Capital outlay	52,200	(7,208)	44,992
Total expenditures	\$ 2,579,142	\$ 245,607	\$ 2,824,749

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, 2015, there were no budgets of Carbon County that had expenditures in excess of appropriations. The Carbon County Library special revenue fund over expended its budget for the fiscal year by \$34,207 which is a violation of Wyoming State Statutes.

Note 3. New Accounting Pronouncement

During fiscal year 2015, the County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The result of the implementation of this standard was to decrease the net position at the beginning of the fiscal year by \$3,683,463 in the governmental activities.

Note 4. 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, 2015, the carrying amount of the County's deposits in financial institutions was \$12,012,100. 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.

NOTES TO FINANCIAL STATEMENTS

At June 30, 2015, the County had \$12,515,269 on deposit with the State Treasurer. Detailed information on the State Treasurer's pooled cash and investments is available from that office.

Investments

As of June 30, 2015, 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	\$ 1,100,277	\$ 1,100,277	7.37
Government National Mortgage Association	19,958	19,958	8.16
Federal Home Loan Bank	1,550,328	1,550,328	2.48
Farm Credit Bank	98,908	98,908	0.71
Certificates of Deposit	1,576,300	1,576,300	0.48
Morgan Stanley Govt Instl Fund	803,790	803,790	
State of Wyoming Investment Pool	<u>12,515,269</u>	<u>12,515,269</u>	
 Total	 <u>\$ 17,664,830</u>	 <u>\$ 17,664,830</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 4. 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:

<u>Investment Type</u>	<u>Fair Value</u>	<u>AAA</u>	<u>Insured</u>	<u>Unrated</u>
Federal National Mortgage Association	\$ 1,100,277	\$ -	\$ 1,100,277	\$ -
Government National Mortgage Association	19,958	-	19,958	-
Federal Home Loan Bank	1,550,328	-	1,550,328	-
Farm Credit Bank	98,908	-	98,908	-
Certificates of Deposit	1,576,300	-	1,576,300	-
Morgan Stanley Govt Instl Fund	803,790	-	803,790	-
State of Wyoming Investment Pool	<u>12,515,269</u>	<u>-</u>	<u>-</u>	<u>12,515,269</u>
 Total	 <u>\$ 17,664,830</u>	 <u>\$ -</u>	 <u>\$ 5,149,561</u>	 <u>\$ 12,515,269</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 4. 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, 2015, the County held securities from the following issuers in excess of 5% of the total portfolio:

Federal National Mortgage Association	\$ 1,100,277
Federal Home Loan Bank	1,550,328
State of Wyoming Investment Pool	<u>12,515,269</u>
Total	<u>\$15,165,874</u>

Note 5. Changes in Capital Assets

During the year ended June 30, 2015, changes in capital assets were as follows:

	Governmental Activities			
	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Land	\$ 2,099,347	\$ -	\$ -	\$ 2,099,347
Infrastructure	48,003,470	861,018	-	48,864,488
Buildings and improvements	40,671,439	-	-	40,671,439
Construction in Progress	583,630	2,618,892	-	3,202,522
Equipment	16,680,207	-	959,033	15,721,174
Total	<u>\$ 108,038,093</u>	<u>\$ 3,479,910</u>	<u>\$ 959,033</u>	<u>\$ 110,558,970</u>

NOTES TO FINANCIAL STATEMENTS

	Accumulated Depreciation Governmental Activities			
	Balance			Balance
	June 30, 2014	Additions	Deletions	June 30, 2015
Infrastructure	\$ 30,170,927	\$ 1,003,734	\$ -	\$ 31,174,661
Buildings and improvements	17,906,747	626,520	-	18,533,267
Equipment	8,354,009	782,383	-	9,136,392
Total	\$ 56,431,683	\$ 2,412,637	\$ -	\$ 58,844,320

Note 6. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Accrued compensated absences	\$ 399,762	\$ 7,378	\$ -	\$ 407,140
Capital lease obligations	6,027,204	-	730,894	5,296,310
Total	\$ 6,426,966	\$ 7,378	\$ 730,894	\$ 5,703,450

As of June 30, 2015, 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.	\$ 850,000
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.	39,335
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.	44,658
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.	428,127

NOTES TO FINANCIAL STATEMENTS

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.	70,819
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.	40,262
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.	209,330
Capital lease payable to Pinnacle Bank Public Finance, Inc. due in annual installments of \$26,351, including interest at 2.60% through December 2017, secured by equipment.	75,115
Capital lease payable to Pinnacle Bank Public Finance, Inc. due in semi-annual installments of \$158,741, including interest at 2.35% through June 2028, secured by equipment.	3,538,664
	<u>\$ 5,296,310</u>

Annual Debt Service Requirements

The annual requirements to amortize all outstanding debt as of June 30, 2015 are as follows:

	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 764,079	\$ 145,265	\$ 909,344
2017	738,125	118,456	856,581
2018	725,572	92,792	818,364
2019	420,020	71,090	491,110
2020	345,394	60,099	405,493
Thereafter	<u>2,303,120</u>	<u>237,738</u>	<u>2,540,858</u>
	<u>\$ 5,296,310</u>	<u>\$ 725,440</u>	<u>\$ 6,021,750</u>

The June 30, 2015 debt issued by the County did not exceed its legal debt margin which is computed as follows:

Assessed valuation	<u>\$ 760,910,660</u>
Debt limit – 2% of total assessed valuation	\$ 15,218,213
Amount of debt applicable to debt limit	-
Legal debt margin	<u>\$ 15,218,213</u>
Compensated absences:	

NOTES TO FINANCIAL STATEMENTS

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, 2015.

Note 7. Pension Plan

Description

All County full-time or regular part-time employees participate in the Wyoming Retirement System (WRS), a multiple-employer public employee retirement system.

Benefits

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 statutes.

Contribution Rates

The System statutorily requires 15.87% of the covered employee's salary to be contributed to the plan. The District has elected to fund both the employer's and employees' share of the required contribution into the plan for its employees. The contribution requirement for the years ended June 30, 2015 and 2014 was \$1,094,078 and \$1,021,661, respectively.

Note 8. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources Related to Pensions

Pension Liabilities

As of June 30, 2015, the pension liability recorded for the County represents its proportionate share of the excess of the total pension liability over the pension plan fiduciary net position for the Wyoming Retirement System plans of which the County is a participant. The County reported a pension liability as follows for the fiscal years ended June 30, 2015 and June 30, 2014:

NOTES TO FINANCIAL STATEMENTS

	Proportionate Share of Net Pension Liability as of June 30, 2015	Proportionate Share of Net Pension Liability as of June 30, 2014
Aggregate Net Pension Liability	\$ 5,085,670	\$ 4,439,323

The measurement date of the Wyoming Retirement System pension plan fiduciary net position was December 31, 2015 and the actuarial determination of the total pension liability was January 1, 2015. The County’s proportionate share of the net pension liability was determined per plan by calculating the percentage of the County’s total contributions (employer and employee) to the total contributions received by Wyoming Retirement System during the plan measurement period (January 1, 2015 to December 31, 2015). The County’s proportionate share of the net pension liability for each plan as of December 31, 2015 and December 31, 2014 is as follows:

	Proportionate Share as of December 31, 2014	Proportionate Share as of December 31, 2013
Public Employee Pension	0.265609%	0.274280%
Law Enforcement Pension	1.352448%	1.474148%

Pension Expense

The measurement of pension expense fundamentally changed with the implementation of GASB Statement 68. Pension expense is calculated for the pension plan measurement period and includes changes in the net pension liability and the amortization of specific deferred inflows and outflows of resources. For the fiscal year ended June 30, 2015, the County recognized a total pension expense of \$80,035.

NOTES TO FINANCIAL STATEMENTS

Deferred Outflows of Resources Related to Pensions

At June 30, 2015, the County reported the following deferred outflows of resources related to pensions:

	<u>June 30, 2015</u>
<i>Deferred Outflows of Resources</i>	
Proportionate share of differences between the projected and actual earnings on pension plan investments	\$ 677,102
Contributions subsequent to the measurement date	(116,933)
Amounts related to the change in the District's proportionate share of the net pension liability	<u>554,267</u>
Total Deferred Outflows Related to Pensions	<u>\$ 1,114,436</u>

The \$554,267 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>		
2016	\$	132,160
2017		132,160
2018		126,573
2019		<u>169,276</u>
	<u>\$</u>	<u>560,169</u>

NOTES TO FINANCIAL STATEMENTS

Actuarial Assumptions

Actuarial valuations are performed annually with the most recent valuation date of January 1, 2015. Actuarial methods and assumptions are disclosed below for the Wyoming Retirement System pension plans in which the County participates. Significant assumptions are based on an experience study that covered a five-year period ending December 31, 2011. More detail about the actuarial methods and assumptions or the experience study can be found on the Wyoming Retirement System website.

	Public Employee Pension
Valuation Date	01/01/2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percent Open
Remaining Amortization Period	30
Asset Valuation Method	5 year
Actual Assumptions:	
Investment Rate of Return	7.75%
Projected Salary Increases Includes Inflation	4.25\$ to 6.00%
Assumed Inflation Rate	3.25%
Mortality	*

NOTES TO FINANCIAL STATEMENTS

	Law Enforcement Pension
Valuation Date	01/01/2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percent Open
Remaining Amortization Period	30
Asset Valuation Method	5 year
Actual Assumptions:	
Investment Rate of Return	7.75%
Projected Salary Increases Includes Inflation	4.25% to 8.00%
Assumed Inflation Rate	3.25%
Mortality	*

*Mortality Assumptions: Pre-Retirement Mortality
 RP-2000 Combined Mortality table, fully generational, projected with Scale BB
 Males: Set back 5 years with multiplier of 104%
 Females: Set back 4 years with a multiplier of 90%

Healthy Post-Retirement Mortality
 RP-2000 Combined Mortality table, fully generational, projected with Scale BB
 Males: Set back 1 years with multiplier of 104%
 Females: Set back 0 years with a multiplier of 90%

Disabled Mortality
 RP-2000 Combined Mortality table, fully generational, projected with Scale BB
 Males: Set back 5 years with multiplier of 120%
 Females: Set back 5 years with a multiplier of 120%

Wyoming Retirement System assumes a 7.75% long term investment rate of return for its pension plans. The long term rate of return is determined through a 4.5% net real rate of return and an inflation rate of 3.25%. For the fiscal year ended December 31, 2015, WRS pension plans saw an annual money-weighted real rate of return, net of expenses, of 4.7% compared to the 4.5% expected rate of return.

NOTES TO FINANCIAL STATEMENTS

The assumed asset allocation of the WRS pension plan portfolio, the long term expected rate of return for each asset class, and the expected rate of return is presented arithmetic and geometric below.

Asset Class	Sub-Asset Class	Target Allocation	30-Year Arithmetic Expected Real Return	Contribution to Total Fund Arithmetic Real Return	30-Year Geometric Expected Real Return	Contribution to Total Fund Geometric Real Return
Cash		2.50%	50.00%	0.01%	0.50%	0.01%
Fixed Income		15.00%	98.00%	0.15%	0.80%	0.12%
Equity		55.00%	6.66%	3.66%	5.25%	2.89%
	US Large Cap	25.00%	5.88%	1.47%	4.50%	1.13%
	Non-US (unhedged)	24.00%	6.86%	1.65%	5.00%	1.20%
	Emerging Markets	6.00%	9.14%	0.55%	6.25%	0.38%
Marketable Alternatives		15.50%	4.19%	0.65%	3.79%	0.59%
Private Markets		12.00%	7.13%	0.86%	5.76%	0.69%
	Private Equity	4.00%	9.60%	0.38%	6.50%	0.26%
	Private Debt	3.00%	6.61%	0.20%	5.00%	0.15%
	Private Real Assets	2.00%	6.83%	0.14%	4.50%	0.09%
	Real Estate (core)	3.00%	4.57%	0.14%	3.25%	0.10%
Total Plan (Real Return)		100.00%		5.33%		4.54%
Inflation Assumptions				3.25%		3.25%
Total Plan (Nominal Return)				8.58%		7.79%

Discount Rate

The discount rate used to measure the total pension liability for all plans was 7.75%. The projection of cash flows used to determine the discount rate assumed contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Wyoming state statutes. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan	Single Discount Rate	Long-Term Expected Rate of Return	Long-Term Municipal Bond Rate	Last year ending December 31 in the 2014 to 2113 projection period for which projected benefit payments are fully funded
Public Employee Pension	7.75%	7.75%	3.65%	2113
Law Enforcement Pension	7.75%	7.75%	3.65%	2113

NOTES TO FINANCIAL STATEMENTS

Note 9. Deferred Compensation Plan

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 \$1,055,281 as of June 30, 2015. This amount is included in the fiduciary funds as investments held by the Wyoming Retirement System.

Note 10. 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 11. 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 12. 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 13. 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, 2013 to June 30, 2015:

Liability balance, June 30, 2013	\$	368,801
Claims and changes in estimates		3,151,399
Claims payments		<u>(3,251,038)</u>
Liability balance, June 30, 2014		269,162
Claims and changes in estimates		2,819,347
Claims payments		<u>(2,799,550)</u>
Liability balance, June 30, 2015	\$	<u>288,959</u>
Assets available to pay claims, June 30, 2015	\$	<u>1,068,153</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 14. 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.

NOTES TO FINANCIAL STATEMENTS

Note 15 Fund Balance Classification

Classification of fund balances and descriptions as of June 30, 2015 are as follows:

General Fund	
Nonspendable for receivables	
Taxes	\$ 63,715
Interest	17,406
Due from other governments	276,713
Nonspendable for prepaid expenses	<u>62,087</u>
Total general fund nonspendable fund balances	<u><u>\$ 419,921</u></u>
Restricted for road projects	\$ 1,871,779
Restricted for detention center operating	900,954
HVAC Project	803,790
Restricted for hospital	329,372
Restricted for unclaimed property	457
Restricted for self funded insurance	1,068,153
Restricted for abandoned vehicles	16,096
Restricted for E911 surcharge	<u>79,795</u>
Total general fund restricted fund balances	<u><u>\$ 5,070,396</u></u>
Committed for crisis center	\$ 15,000
Committed for museum	20,194
Committed for health	<u>111,792</u>
Total general fund committed fund balances	<u><u>\$ 146,986</u></u>
Assigned for breast pumps	\$ 3,572
Assigned for special projects	416,861
Assigned for cash reserve	<u>868,400</u>
Total general fund assigned fund balances	<u><u>\$ 1,288,833</u></u>
Special Revenue Funds	
Nonspendable for receivables	
Accounts receivable	\$ 32,791
Taxes	12,534
Nonspendable for inventory	<u>50,725</u>
Total special revenue fund nonspendable fund balances	<u><u>\$ 96,050</u></u>
Assigned for cash reserve	<u><u>\$ 2,245,146</u></u>

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, 2015

	General Fund		Variance
	Budget - Original & Final	Actual (Budgetary Basis)	Positive (Negative)
Revenues			
Taxes	\$ 12,895,828	\$ 13,162,590	\$ 266,762
Licenses and permits	564,460	575,596	11,136
Intergovernmental	17,841,614	4,310,199	(13,531,415)
Interest	122,512	139,489	16,977
Miscellaneous	804,968	573,061	(231,907)
	<u>32,229,382</u>	<u>18,760,935</u>	<u>(13,468,447)</u>
Total revenues			
Expenditures			
Current:			
General government	24,250,131	11,480,599	12,769,532
Public safety	5,144,618	4,882,685	261,933
Highways and streets	2,884,893	1,361,030	1,523,863
Health and welfare	1,240,026	815,315	424,711
Culture and recreation	605,994	252,322	353,672
	<u>34,125,662</u>	<u>18,791,951</u>	<u>15,333,711</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(1,896,280)	(31,016)	1,865,264
Fund balance, beginning	<u>13,964,518</u>	<u>13,964,518</u>	<u>-</u>
Fund balance, ending	<u>\$ 12,068,238</u>	<u>\$ 13,933,502</u>	<u>\$ 1,865,264</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, 2015

(Continued)

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

Revenue:

Actual total revenue budgetary basis	\$ 18,760,935
Differences- budget to GAAP	
Property taxes accrual difference	50,500
Grants receivable	715,112
Unearned grant revenue	128,202
Interest receivable difference	<u>1,791</u>

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance- governmental basis	<u>\$ 19,656,540</u>
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Expenditures:

Actual total expenditures budgetary basis	\$ 18,791,951
Differences- budget to GAAP	
Vacation accrual difference	1,152
Assets acquired with proceeds from capital lease	2,618,050
Accounts payable and other accrual differences	(352,160)
Inventory difference	32,271
Unpaid claims liabilities accrual difference	<u>(19,797)</u>

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance- governmental basis	<u>\$ 21,071,467</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)
GENERAL FUND
June 30, 2015**

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 44. 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, 2015, 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, 2015

	<u>Special Revenue Funds</u>		Variance
	<u>Budget Original & Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Positive (Negative)</u>
Revenues			
Taxes	\$ 1,764,899	\$ 1,746,419	\$ (18,480)
Interest	1,500	1,451	(49)
Program revenue	967,961	695,097	(272,864)
Miscellaneous	-	6,950	6,950
	<u>2,734,360</u>	<u>2,449,917</u>	<u>(284,443)</u>
Total revenues			
Expenditures			
Current:			
Highways and streets	1,520,661	1,535,832	(15,171)
Culture and recreation	1,499,537	1,243,925	255,612
Capital outlay	67,000	44,992	22,008
	<u>3,087,198</u>	<u>2,824,749</u>	<u>262,449</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(352,838)	(374,832)	(21,994)
Fund balance, beginning	<u>2,517,982</u>	<u>2,517,982</u>	<u>-</u>
Fund balance, ending	<u>\$ 2,165,144</u>	<u>\$ 2,143,150</u>	<u>\$ (21,994)</u>

CARBON COUNTY, WYOMING

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS**

June 30, 2015

	<u>Weed and Pest</u>	<u>Fair</u>	<u>Library</u>
ASSETS			
Cash	\$ 996,598	\$ 450,333	\$ 313,219
Investments	-	-	177,630
Receivables			
Taxes	5,506	679	4,204
Accounts	29,811	2,980	-
Inventory	<u>50,505</u>	<u>-</u>	<u>-</u>
 Total Assets	 <u>\$ 1,082,420</u>	 <u>\$ 453,992</u>	 <u>\$ 495,053</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 71,549	\$ -	\$ -
Accrued liabilities	<u>1,528</u>	<u>-</u>	<u>11,773</u>
 Total liabilities	 <u>73,077</u>	 <u>-</u>	 <u>11,773</u>
 FUND BALANCES			
Nonspendable	85,822	3,659	4,204
Assigned	<u>923,521</u>	<u>450,333</u>	<u>479,076</u>
 Total fund balances	 <u>1,009,343</u>	 <u>453,992</u>	 <u>483,280</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,082,420</u>	 <u>\$ 453,992</u>	 <u>\$ 495,053</u>

Museum	Total
\$ 398,864	\$ 2,159,014
-	177,630
2,145	12,534
-	32,791
220	50,725
\$ 401,229	\$ 2,432,694

\$ 6,648	\$ 78,197
-	13,301
6,648	91,498

2,365	96,050
392,216	2,245,146
394,581	2,341,196
\$ 401,229	\$ 2,432,694

CARBON COUNTY, WYOMING

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

For the Year Ended June 30, 2015

	Weed and Pest	Fair	Library
Revenues			
Taxes	\$ 843,273	\$ 65,034	\$ 623,578
Interest	538	913	703
Program revenue	476,558	68,993	163,896
Miscellaneous	<u>26,620</u>	<u>46,750</u>	<u>-</u>
Total revenues	<u>1,346,989</u>	<u>181,690</u>	<u>788,177</u>
Expenditures			
Highways and streets	1,284,699	-	-
Culture and recreation	-	121,200	789,859
Capital outlay	<u>19,839</u>	<u>30,632</u>	<u>1,729</u>
Total expenditures	<u>1,304,538</u>	<u>151,832</u>	<u>791,588</u>
Excess (deficiency) of revenues over (under) expenditures	42,451	29,858	(3,411)
Fund balances, beginning	<u>966,892</u>	<u>424,134</u>	<u>486,691</u>
Fund balances, ending	<u><u>\$ 1,009,343</u></u>	<u><u>\$ 453,992</u></u>	<u><u>\$ 483,280</u></u>

<u>Museum</u>	<u>Total</u>
\$ 238,001	\$ 1,769,886
608	2,762
26,535	735,982
-	73,370
265,144	2,582,000
-	1,284,699
331,184	1,242,243
-	52,200
331,184	2,579,142
(66,040)	2,858
460,621	2,338,338
\$ 394,581	\$ 2,341,196

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, 2015

	Budget Original and Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ 760,910	\$ 834,323	\$ 73,413
Interest	-	538	538
Program revenue	<u>513,011</u>	<u>475,483</u>	<u>(37,528)</u>
Total revenues	<u>1,273,921</u>	<u>1,310,344</u>	<u>36,423</u>
Expenditures			
Highways and streets	1,520,661	1,535,832	(15,171)
Capital outlay	<u>62,000</u>	<u>19,839</u>	<u>42,161</u>
Total expenditures	<u>1,582,661</u>	<u>1,555,671</u>	<u>26,990</u>
Excess (deficiency) of revenues over (under) expenditures	(308,740)	(245,327)	63,413
Fund balance, beginning	<u>1,226,770</u>	<u>1,226,770</u>	<u>-</u>
Fund balance, ending	<u>\$ 918,030</u>	<u>\$ 981,443</u>	<u>\$ 63,413</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, 2015**

	Budget Original and Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ 63,254	\$ 62,728	\$ (526)
Interest	1,500	913	(587)
Program revenue	74,500	62,171	(12,329)
Miscellaneous	<u>-</u>	<u>6,950</u>	<u>6,950</u>
Total revenues	<u>139,254</u>	<u>132,762</u>	<u>(6,492)</u>
Expenditures			
Culture and recreation	160,795	121,468	39,327
Capital outlay	<u>5,000</u>	<u>23,425</u>	<u>(18,425)</u>
Total expenditures	<u>165,795</u>	<u>144,893</u>	<u>20,902</u>
Excess of revenues over expenditures	(26,541)	(12,131)	14,410
Fund balance, beginning	<u>423,159</u>	<u>423,159</u>	<u>-</u>
Fund balance, ending	<u>\$ 396,618</u>	<u>\$ 411,028</u>	<u>\$ 14,410</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, 2015

	Budget Original and Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ 668,967	\$ 615,390	\$ (53,577)
Program revenue	<u>148,600</u>	<u>130,599</u>	<u>(18,001)</u>
Total revenues	<u>817,567</u>	<u>745,989</u>	<u>(71,578)</u>
Expenditures			
Culture and recreation	757,847	790,326	(32,479)
Capital outlay	<u>-</u>	<u>1,728</u>	<u>(1,728)</u>
Total expenditures	<u>757,847</u>	<u>792,054</u>	<u>(34,207)</u>
Excess of revenues over expenditures	59,720	(46,065)	(105,785)
Fund balance, beginning	<u>421,455</u>	<u>421,455</u>	<u>-</u>
Fund balance, ending	<u>\$ 481,175</u>	<u>\$ 375,390</u>	<u>\$ (105,785)</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, 2015

	Budget Original and Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ 271,768	\$ 233,978	\$ (37,790)
Program revenue	<u>231,850</u>	<u>26,844</u>	<u>(205,006)</u>
Total revenues	<u>503,618</u>	<u>260,822</u>	<u>(242,796)</u>
Expenditures			
Culture and recreation	<u>580,895</u>	<u>332,131</u>	<u>248,764</u>
Total expenditures	<u>580,895</u>	<u>332,131</u>	<u>248,764</u>
Excess (deficiency) of revenues over (under) expenditures	(77,277)	(71,309)	5,968
Fund balance, beginning	<u>446,598</u>	<u>446,598</u>	<u>-</u>
Fund balance, ending	<u>\$ 369,321</u>	<u>\$ 375,289</u>	<u>\$ 5,968</u>

CARBON COUNTY, WYOMING

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

June 30, 2015

	Units	Districts	Other	Total
ASSETS				
Cash	\$ 2,038,037	\$ 590,286	\$ 5,025,590	\$ 7,653,913
Investments	-	-	7,537,047	7,537,047
Taxes receivable	20,840	298,604	-	319,444
	<u>2,058,877</u>	<u>888,890</u>	<u>12,562,637</u>	<u>15,510,404</u>
Total Assets	<u>\$ 2,058,877</u>	<u>\$ 888,890</u>	<u>\$ 12,562,637</u>	<u>\$ 15,510,404</u>
LIABILITIES				
Due to other taxing units	\$ 2,058,877	\$ 888,890	\$ 12,562,637	\$ 15,510,404
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION HELD IN TRUST	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities & Net Position Held in Trust	<u>\$ 2,058,877</u>	<u>\$ 888,890</u>	<u>\$ 12,562,637</u>	<u>\$ 15,510,404</u>

CARBON COUNTY, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
Department of Homeland Security		
Passed through State of Wyoming, Office of Homeland Security/ Emergency Management		
Pre-disaster mitigation	97.047	\$ 22,500
Homeland Security Grant Program	97.067	<u>76,266</u>
Total Expenditures of Department of Homeland Security Awards		<u>98,766</u>
Department of Agriculture		
Cooperative Forestry Assistance	10.664	<u>29,772</u>
Total Expenditures of Department of Agriculture		<u>29,772</u>
Department of Housing and Urban Development		
Community Development Block Grant	14.228	<u>160,407</u>
Total Expenditures of Department of Housing and Urban Development		<u>160,407</u>
Department of Justice		
Passed through State of Wyoming, Attorney General's Office		
Juvenile Justice and Delinquency Prevention	16.540	36,736
Crime Victim Assistance	16.575	10,558
Violence Against Women Formula Grants	16.588	<u>23,188</u>
Total Expenditures of Department of Justice Awards		<u>70,482</u>
Department of Health and Human Services		
Administration for Children and Families		
Passed through State of Wyoming, Department of Health		
Temporary Assistance to Needy Families	93.558	68,794
Community Services Block Grant	93.569	127,965

(Continued)

CARBON COUNTY, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2015

(Continued)

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	<u>Expenditures</u>
Centers for Disease Control and Prevention		
Passed through State of Wyoming, Department of Health Public Health Emergency Preparedness	93.069	<u>36,008</u>
Total Expenditures of Department of Health and Human Services Awards		<u>232,767</u>
Department of Transportation		
Federal Aviation Administration		
Airport Improvement Program	20.106	<u>209,463</u>
Passed through the State of Wyoming, Department of Transportation Highway Planning and Construction	20.205	<u>126,156</u>
Total Expenditures of Department of Transportation Awards		<u>335,619</u>
Total Federal Assistance		<u>\$ 927,813</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2015

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, 2015

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 Housing and Urban Development Passed through Wyoming Business Council- Community Development Block Grant	14.228	\$ 160,407
U.S. Department of Transportation, Federal Aviation Administration- Airport Improvement Program	20.106	<u>209,463</u>
Total		<u>\$ 369,870</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, 2015, 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, 2015.

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, 2015



**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, 2015. 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, 2015.

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.

Madelie Tschacher Peterson + Co, LLC

Laramie, Wyoming
December 30, 2015