

# **TETON COUNTY WYOMING**



## **FINANCIAL STATEMENTS**

**June 30, 2014**

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## INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners  
Teton County  
Jackson, Wyoming

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Teton County, Wyoming (the County) as of and for the year ended June 30, 2014, 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 did not audit the financial statements of Teton County Weed and Pest Control District (a discretely presented component unit), which represent 15 percent, 11 percent, and 16 percent, respectively of the assets, net position, and revenues of the aggregate discretely presented component units of the County. We also did not audit the financial statements of Teton County Building Corporation (a blended component unit), which represent 3 percent, 0 percent, and 0 percent, respectively, of the assets, net position, and revenues of the primary government. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Teton County Weed and Pest Control District and Teton County Building Corporation, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Teton County, Wyoming as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The accompanying schedule of financial position and schedule of activities and functional expenses of the Teton County Court Supervised Treatment Program are presented for purposes of additional analysis as required by the State of Wyoming Department of Health and are also not a required part of the basic financial statements.

The supplementary information and the schedules described above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the supplementary information and the schedules described above 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 November 14, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.



JONES SIMKINS LLC

Logan, Utah

November 14, 2014

## Management's Discussion and Analysis



The Board of County Commissioners of Teton County, Wyoming (the County) offers this narrative overview and analysis of the financial activities of the County for the fiscal year ended on June 30, 2014.

This narrative responds to the requirements of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. All comparisons and analyses should be read in conjunction with the details contained in the audited financial statements for this year and prior years.

Unless otherwise noted, the information and financial data included in this discussion and analysis relate to the *primary government* and do not include the County's discretely presented component units. The primary government can be generally described as providing the core services expected of local government, such as public safety, public health and maintenance of infrastructure; component units are separate legal entities that provide ancillary services (examples of which are library, affordable housing, and weed and pest control services).

#### FINANCIAL HIGHLIGHTS

- County assets of \$136.8 million exceeded liabilities and deferred inflows of \$31.7 million, which resulted in total net position of \$105.1 million, the majority of which (70.2%) is the County's investment in capital assets net of related debt totaling \$73.7 million. (*See the Statement of Net Position in the Audited Financial Statements*)
- Total assets of the primary government increased \$7.9 million from June 30, 2013 to June 30, 2014. Total assets increased primarily as a result of an increase in pooled cash and additions to capital assets, which increased by approximately \$8.2 and \$1.8 million, respectively, combined with a decrease of \$2.8 million in due from other governments. Pooled cash increased as a result of changes in fund balance from general operations due to a higher than expected sales tax increase of 6.8% and lower than budgeted expenditures. The decrease in funds due from other governments is a result of payment in lieu taxes received in June whereas a portion has historically been received after June 30 the past few years. Major capital asset additions include continued construction of the pathway bridge over the Snake River along with corresponding additions to the pathway system in the amount of \$2.1 million which is classified as construction in process. The County made other significant capital improvements including road and bridge infrastructure improvements, equipment for public safety departments, vehicle fleet additions, pathway systems, and building improvements associated with a county-wide energy efficiency program.
- Total liabilities and deferred inflows increased \$0.5 million during 2014. An increase in funds held in trust resulted from an increase in bonds held at the Clerk of District Court in the amount of \$1.0 million.

- Of the \$31.4 million in net position that are not invested in capital assets, \$12.5 million was unrestricted and \$18.9 million was restricted for future capital projects, infrastructure expenditures, public safety services and community development services. The current year increase of \$3.0 million in unrestricted net position is primarily associated with the excess of revenues over expenditures. *(See the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds in the Audited Financial Statements)*
- Total general fund revenues increased \$3.2 million or 11.6% over the prior year, from \$27.7 million in 2013 to \$30.9 million in 2014. Sales and use tax revenues increased \$1.0 million due to improvements in the local retail and tourism economy. Gasoline tax distributed by the State of Wyoming increased \$0.4 million or 54.3% due to a new State Legislature bill mandating a 10 cents per gallon increase on gas and diesel sales. All other general fund tax revenues were generally consistent with the prior year, reflecting an aggregate increase of \$1.3 million compared to 2013. Non-tax revenues increased \$1.9 million, mainly due to \$0.6 million match from the Town of Jackson (TOJ) for pathway construction and \$0.5 million increase in energy mitigation fees. The County is permitted by Wyoming Statutes to levy taxes up to 12 mills of the assessed valuation to finance general governmental services (general government operations, and library, fair and special fire fund operations). The combined tax rate for the year ended June 30, 2014, increased 0.555 mills for a total of 9.154 mills, leaving a tax margin of 2.846 mills or \$3.1 million that was not assessed on the total assessed valuation of \$1.1 billion, which is approximately the same assessed value as in 2013.
- Total general fund expenditures increased \$1.2 million between 2014 and 2013, primarily resulting from increases in community development expenditures relating to purchase of property in Alta and contributions toward the START Bus Facility at Karns Meadow. Other general fund functional expenditures remained fairly consistent with prior year levels. For the year ended June 30, 2014, revenues exceeded expenditures by \$6.7 million.
- After net interfund transfers out of \$2.8 million, the general fund's total fund balance increased by \$3.9 million in 2014. Transfers out were made up of budgeted, normal operating transfers to special revenue funds. Please note that the general fund revenues and expenditures do not include the activities of special revenue funds, which are described in the governmental funds discussion. *(See the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds in the Audited Financial Statements)*

## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

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

The *Statement of Net Position* presents information on all of the County's assets, deferred outflows, liabilities and deferred inflows, with the resulting difference between the assets plus deferred outflows less liabilities plus deferred inflows being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the County is improving or deteriorating. However, other non-financial factors should also be considered.

The *Statement of Activities* presents information showing how the County's net position changed during the 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, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both the Statement of Net Position and the Statement of Activities, which together comprise the government-wide financial statements, distinguish between activities that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

Financial information for the discretely presented component units is reported separately from the financial information of the primary government. The County's *discretely presented component units* include the following:

Teton County Weed and Pest Control District  
Teton County Library Board  
Teton County Housing Authority  
Jackson Hole Travel and Tourism Board

***Fund financial statements*** group those accounts for which revenues are segregated for specific activities. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County maintains a general fund and several special revenue funds and capital projects funds.

The County's *special revenue funds* include the following:

- Parks and Recreation
- Grants
- Special Fire
- Fire/EMS
- Enhanced 911
- Housing Authority
- Roads
- Lodging Tax
- County Fair

The County's *capital projects funds* include the following:

- Capital Projects (general projects)
- 2006 Daycare Specific Tax
- 2006 Trash Transfer Specific Tax
- 2008 Pathways Specific Tax
- 2010 Pathways Specific Tax
- 2010 Wilson Specific Tax
- 2010 Parks and Recreation Specific Tax
- 2010 County Fair Specific Tax
- 2012 Landfill Closure Specific Tax
- 2012 Pathways Specific Tax

The General Fund is always classified as a major fund. The size of the Parks and Recreation Special Revenue Fund, the Grants Special Revenue Fund and the Capital Projects Fund meet the threshold for classification as major funds and therefore these funds along with the General Fund are listed separately in the Statement of Revenues, Expenditures and Changes in Fund Balances. All other special revenue funds and capital projects funds have been included in the aggregated non-major fund totals.

These *governmental funds* account for functions reported as governmental activities and focus on near-term sources and uses of money, as well as the balance available at the end of the fiscal year. These reports are useful in evaluating the County's near-term financial requirements and include the governmental funds *balance sheet* and the governmental funds *statement of revenues, expenditures, and changes in fund balances*. These reports provide information on how services are financed in the short term and what remains for future spending. Sources and uses of money are discussed in the Financial Analysis portion of this discussion.

There are currently no *internal service funds*; however, the County has participated in tracking performance measures to determine cost-allocations for parks maintenance, facilities maintenance, and information systems services.

The County uses proprietary funds to account for business-type activities. The County has created the Integrated Solid Waste and Recycling Fund to account for the recycling center and trash transfer station operations. The operations of the Teton County Building Corporation are also reported as a business-type activity and included as a proprietary fund. Proprietary funds are reported using the same accounting basis used in the government-wide financial statements.

The County also operates a *fiduciary fund*, which is used to account for assets held strictly in a custodial manner for the benefit of other entities. The County's fiduciary fund is presented as a separate report in the financial statements because the assets are not available to support the County's programs. The County's fiduciary fund is the Treasurer's Tax Agency Fund.

*Notes to the financial statements* provide additional information that is necessary to more fully understand the financial statements. Many of the notes contain a more complete definition of accounting terms and descriptions of the County's accounting policies. The notes also provide additional detail on deposits and investments, changes to capital assets, funded liabilities, long-term debt obligations, retirement plans and compliance-related issues.

#### CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

- A summary of changes to capital assets is contained within Note 3 of the Notes to the Financial Statements.
- A summary of changes to long-term liabilities is contained within Note 6 of the Notes to the Financial Statements. The County has an outstanding lease revenue bond resulting in total bonds payable of \$3.9 million with a decrease in 2014 of \$0.5 million from principal payments. The County also reports a liability associated with the estimated closure costs related to the County's landfill for approximately \$12.4 million with \$0.1 million expended during fiscal 2014 for closure planning activities.
- Other long-term liabilities include employee compensated absences and notes payable which bring the total long-term liabilities to \$18.1 million.

FINANCIAL ANALYSIS

As previously noted, *net position* serves as a useful indicator of the County's financial condition. Total primary government assets and deferred outflows exceeded total primary government liabilities and deferred inflows by approximately \$105.1 million, the majority of which is reflected in the net investment in capital assets totaling \$73.7 million. (See also the *Statement of Net Position in the Audited Financial Statements*)

The table below summarizes the County's assets, liabilities, deferred inflows and net position as of June 30, 2014 and 2013:

**SUMMARY SCHEDULE OF NET POSITION**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current assets	\$ 55,852,456	50,218,663	3,280,679	2,760,434	59,133,135	52,979,097
Capital assets	76,429,152	74,506,156	1,229,712	1,383,741	77,658,864	75,889,897
Total assets	<u>132,281,608</u>	<u>124,724,819</u>	<u>4,510,391</u>	<u>4,144,175</u>	<u>136,791,999</u>	<u>128,868,994</u>
Current liabilities	7,056,577	6,543,456	380,395	296,705	7,436,972	6,840,161
Non-current liabilities	17,058,436	17,473,849	11,973	4,284	17,070,409	17,478,133
Total liabilities	<u>24,115,013</u>	<u>24,017,305</u>	<u>392,368</u>	<u>300,989</u>	<u>24,507,381</u>	<u>24,318,294</u>
Deferred inflows of resources	<u>7,219,217</u>	<u>6,954,534</u>	-	-	<u>7,219,217</u>	<u>6,954,534</u>
Invested in capital assets, net of related debt	72,480,658	70,109,506	1,229,712	1,383,741	73,710,370	71,493,247
Restricted	18,694,133	16,411,891	191,935	201,710	18,886,068	16,613,601
Unrestricted	<u>9,772,587</u>	<u>7,231,583</u>	<u>2,696,376</u>	<u>2,257,735</u>	<u>12,468,963</u>	<u>9,489,318</u>
Total net position	\$ <u>100,947,378</u>	<u>93,752,980</u>	<u>4,118,023</u>	<u>3,843,186</u>	<u>105,065,401</u>	<u>97,596,166</u>

The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. This portion of net position is reported net of related debt, and therefore resources needed to repay this debt are provided from other sources, not the capital assets themselves.

Activities in the tables that follow summarize the sources and uses of funds for all operations of the County. The audited financial statements provide details related to the revenues and expenditures summarized below. Please also refer to the previously described highlights that discuss changes in activities from the prior fiscal year to current fiscal year.

TETON COUNTY, WYOMING  
Management's Discussion and Analysis  
Year Ended June 30, 2014

**SUMMARY SCHEDULE OF CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 11,289,565	9,540,776	4,217,692	3,593,733	15,507,257	13,134,509
Operating grants and contributions	2,014,458	2,036,314	100,837	85,458	2,115,295	2,121,772
Capital grants and contributions	1,309,738	1,544,690	-	-	1,309,738	1,544,690
General revenues:						
Taxes	30,355,898	25,991,500	-	-	30,355,898	25,991,500
Investment income	266,500	87,399	32,953	6,567	299,453	93,966
Other income	147,514	443,840	3,838	39,020	151,352	482,860
<b>Total revenues</b>	<b>45,383,673</b>	<b>39,644,519</b>	<b>4,355,320</b>	<b>3,724,778</b>	<b>49,738,993</b>	<b>43,369,297</b>
Expenses:						
Administration	7,569,837	8,258,418	-	-	7,569,837	8,258,418
Community development	4,048,842	2,625,362	-	-	4,048,842	2,625,362
Health and human services	2,506,001	2,486,562	-	-	2,506,001	2,486,562
Justice	1,601,080	1,618,813	-	-	1,601,080	1,618,813
Infrastructure	5,840,135	5,101,752	-	-	5,840,135	5,101,752
Parks and recreation	5,828,816	4,868,264	-	-	5,828,816	4,868,264
Public safety	10,331,771	9,829,603	-	-	10,331,771	9,829,603
Interest and fiscal charges	201,304	106,736	-	-	201,304	106,736
Solid waste and recycling	-	-	3,957,183	3,617,806	3,957,183	3,617,806
Building Corporation	-	-	38,276	81,086	38,276	81,086
<b>Total expenses</b>	<b>37,927,786</b>	<b>34,895,510</b>	<b>3,995,459</b>	<b>3,698,892</b>	<b>41,923,245</b>	<b>38,594,402</b>
Change in net position before transfers and special items	7,455,887	4,749,009	359,861	25,886	7,815,748	4,774,895
Loss on note receivable	(346,513)	-	-	-	(346,513)	-
Special item - contributions from other government	-	5,142,099	-	-	-	5,142,099
Special item - contributions from component units	-	9,371,099	-	-	-	9,371,099
Transfers in (out)	85,024	251,236	(85,024)	(251,236)	-	-
<b>Change in net position</b>	<b>7,194,398</b>	<b>19,513,443</b>	<b>274,837</b>	<b>(225,350)</b>	<b>7,469,235</b>	<b>19,288,093</b>
Net position - beginning	93,752,980	74,239,537	3,843,186	4,068,536	97,596,166	78,308,073
<b>Net position - ending</b>	<b>\$ 100,947,378</b>	<b>93,752,980</b>	<b>4,118,023</b>	<b>3,843,186</b>	<b>105,065,401</b>	<b>97,596,166</b>

**GENERAL FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

	2014 Final Budget	2014 Actual	Variance	Variance as a % of Budget
Revenues	\$ 29,178,034	\$ 30,914,554	1,736,520	6.0%
Expenditures	29,801,535	24,221,391	5,580,144	18.7%
Excess of revenues over expenditures	(623,501)	6,693,163	7,316,664	
Transfers from other funds	704,281	541,932	(162,349)	
Transfers to other funds	(3,441,440)	(3,374,492)	66,948	
Deficiency of revenues over expenditures and transfers	<u>\$ (3,360,660)</u>	3,860,603	<u>\$ 7,221,263</u>	
Fund balance – beginning of fiscal year		<u>\$ 15,186,958</u>		
Fund balance – end of fiscal year		<u>\$ 19,047,561</u>		

The Board of County Commissioners must weigh the adequacy of the County's reserves with whether excess fund balance should be invested in infrastructure, returned to the taxpayers through a decrease to the mill levy, or retained as reserves. During fiscal year 2014, the County researched implementing a standard policy based upon governmental best practices and proper operating and emergency reserve balances to be reviewed annually. The approved fiscal year 2015 budget contains reserve transfers that will be reviewed and amended based upon the ending fund balances at June 30, 2014. At such time, the County will set funds aside and review for proper fund balances annually.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Sales and use tax revenue exceeded budgeted revenues by \$1.0 million. Budget to actual variances in the sales and use tax revenue were a result of better than expected improvements in the local retail and tourism economy. Based on the uncertainty in local and national economic conditions, conservative projections were used to establish the sales and use tax revenue budget for the year. The budget projection expected an increase of 3.0% compared to the prior year, but the actual sales and use tax revenue increased 6.8% compared to the prior year.

Administration expenditures were \$2.3 million below budget, due to lower than expected salary, benefit costs, and various infrastructure projects. The County also had lower than expected health insurance expense.

Community development expenditures were \$0.2 million below budget, due to lower than expected salary, benefit costs and professional fees.



Health and human services expenditures were \$0.2 million below budget, resulting from lower than expected contract cost, salary and benefit cost.

Infrastructure expenditures were \$1.9 million below budget, due to reduced professional fees, service contract cost, and salary in road and engineer departments. Pathways capital expenditures were lower than expected as various projects were pushed into fiscal year 2015.

Public safety expenditures were \$0.8 million below budget, due to lower than expected salaries and benefits costs for both sheriff and jail operations.

The Teton County budget process begins midway through the current fiscal year to coincide with the Town of Jackson (TOJ) budget timeline in order to accommodate the joint department budget schedules. Because of this accelerated timeline, budgets do not reflect unanticipated grant revenues and associated expenditures, which therefore require budget amendments.

#### JOINT DEPARTMENT DISCUSSION

Several departments, called Joint Departments, provide services that are considered the County and TOJ operations. The County and TOJ split certain expenses based on the 2010 population census as determined by the State of Wyoming. For fiscal year 2014, the population split is 55% County and 45% TOJ. The County and TOJ hold Joint Information Meetings at least monthly to discuss matters related to the Joint Departments and have special meetings as needed. The Joint Departments are part of the normal budget process and both the County Commission and Town Council jointly approve the department's budget. The Joint Departments are:

- Special Fire
- Fire/EMS
- Parks and Recreation
- START
- Dispatch
- Pathways
- Victim Witness Services
- Animal Shelter
- Court Supervised Treatment Program

The County or TOJ acquires capital assets as a result of the shared expenses and Joint Department Agreements. These acquired assets are often viewed as contributions to other entities. For fiscal year 2014, the County contributed approximately \$2.0 million to TOJ. Of these, significant contributions include the following:

- the General fund contributed \$1.1 million for START Bus facility and Recreation Center Roof Solar Repairs
- the Grants fund contributed \$0.1 million for Wayne May Park
- the Parks and Recreation fund contributed \$0.3 million for improvements to TOJ parks infrastructure
- the Lodging Tax fund 30% visitor impact fee contributed \$0.1 million for Snow King Snowmaking Infrastructure

#### CONTACT INFORMATION

This discussion is designed to provide a general overview of Teton County's finances for citizens, taxpayers, customers, investors, creditors, and anyone else with an interest in governmental finance. Questions concerning the information provided in this discussion or requests for additional financial information should be addressed to the Board of County Commissioners, P.O. Box 3594, Jackson, WY 83001, by calling 307-733-8094, or by e-mailing: [commissioners@tetonwyo.org](mailto:commissioners@tetonwyo.org).

## Basic Financial Statements

TETON COUNTY  
STATEMENT OF NET POSITION  
June 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets:</b>				
Pooled cash and cash equivalents	\$ 41,221,315	1,915,490	43,136,805	-
Cash and cash equivalents	1,692,246	467,611	2,159,857	4,203,105
Investments	-	484,551	484,551	4,851,676
Accounts receivable	329,956	402,856	732,812	50,965
Taxes receivable	7,267,959	-	7,267,959	3,393,671
Other receivables	38	-	38	76
Due from other governments	5,304,609	2,972	5,307,581	533,777
Prepaid expenses	30,833	7,199	38,032	20,949
Inventory	-	-	-	116,308
Other assets	5,500	-	5,500	300,000
Capital assets	129,819,896	1,969,512	131,789,408	21,011,717
Accumulated depreciation	(53,390,744)	(739,800)	(54,130,544)	(1,917,226)
<b>Total assets</b>	<b>\$ 132,281,608</b>	<b>4,510,391</b>	<b>136,791,999</b>	<b>32,565,018</b>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 2,895,478	350,395	3,245,873	326,769
Unearned revenue	72,929	5,000	77,929	-
Funds held in trust	3,000,336	-	3,000,336	-
<b>Long-term liabilities:</b>				
Due within one year	1,087,834	25,000	1,112,834	264,277
Due in more than one year	17,058,436	11,973	17,070,409	1,884,872
<b>Total liabilities</b>	<b>24,115,013</b>	<b>392,368</b>	<b>24,507,381</b>	<b>2,475,918</b>
<b>Deferred inflows of resources:</b>				
Revenues for future periods	7,219,217	-	7,219,217	3,113,000
<b>Total deferred inflows of resources</b>	<b>7,219,217</b>	<b>-</b>	<b>7,219,217</b>	<b>3,113,000</b>
<b>Net position:</b>				
Invested in capital assets, net of related debt	72,480,658	1,229,712	73,710,370	17,100,995
Restricted for capital projects	13,464,282	191,935	13,656,217	487,217
Restricted for infrastructure	2,206,844	-	2,206,844	-
Restricted for public safety	2,412,053	-	2,412,053	-
Restricted for community development	582,341	-	582,341	-
Restricted for other purposes	28,613	-	28,613	-
Restricted for permanent endowment - nonexpendable	-	-	-	3,005,779
Unrestricted	9,772,587	2,696,376	12,468,963	6,382,109
<b>Total net position</b>	<b>\$ 100,947,378</b>	<b>4,118,023</b>	<b>105,065,401</b>	<b>26,976,100</b>

The accompanying notes are an integral part of these financial statements.

TETON COUNTY  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
<b>Governmental activities:</b>								
Administration	\$ 7,569,837	704,196	5,532	87,103	(6,773,006)	-	(6,773,006)	-
Community development	4,048,842	3,224,075	723,745	378,956	277,934	-	277,934	-
Health and human services	2,506,001	218,658	368,033	-	(1,919,310)	-	(1,919,310)	-
Justice	1,601,080	402,559	100,152	-	(1,098,369)	-	(1,098,369)	-
Infrastructure	5,840,135	677,693	182,914	335,185	(4,644,343)	-	(4,644,343)	-
Parks and recreation	5,828,816	3,081,979	69,905	205,000	(2,471,932)	-	(2,471,932)	-
Public safety	10,331,771	2,980,405	564,177	303,494	(6,483,695)	-	(6,483,695)	-
Debt service: interest and fiscal charges	201,304	-	-	-	(201,304)	-	(201,304)	-
<b>Total governmental activities</b>	<b>37,927,786</b>	<b>11,289,565</b>	<b>2,014,458</b>	<b>1,309,738</b>	<b>(23,314,025)</b>	<b>-</b>	<b>(23,314,025)</b>	<b>-</b>
<b>Business-type activities:</b>								
Integrated solid waste and recycling	3,957,183	4,217,692	100,837	-	-	361,346	361,346	-
Teton County Building Corporation	38,276	-	-	-	-	(38,276)	(38,276)	-
<b>Total business-type activities</b>	<b>3,995,459</b>	<b>4,217,692</b>	<b>100,837</b>	<b>-</b>	<b>-</b>	<b>323,070</b>	<b>323,070</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 41,923,245</b>	<b>15,507,257</b>	<b>2,115,295</b>	<b>1,309,738</b>	<b>(23,314,025)</b>	<b>323,070</b>	<b>(22,990,955)</b>	<b>-</b>
<b>Component units:</b>								
Teton County Library	\$ 3,845,857	51,377	2,402,391	-	-	-	-	(1,392,089)
Teton County Weed and Pest Control	1,846,253	381,989	196,147	-	-	-	-	(1,268,117)
Teton County Housing Authority	786,048	172,384	-	-	-	-	-	(613,664)
Jackson Hole Travel and Tourism Board	2,995,269	-	-	-	-	-	-	(2,995,269)
<b>Total component units</b>	<b>\$ 9,473,427</b>	<b>605,750</b>	<b>2,598,538</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,269,139)</b>
<b>General revenues:</b>								
Sales and use taxes					\$ 17,162,770	-	17,162,770	2,787,770
Property taxes					10,024,193	-	10,024,193	4,538,798
Other taxes					3,168,935	-	3,168,935	-
County appropriations					-	-	-	475,000
Investment income					266,500	32,953	299,453	510,418
Gain (loss) on disposal of assets					(1,673)	-	(1,673)	3,750
Loss on note receivable					(346,513)	-	(346,513)	-
Miscellaneous					149,187	3,838	153,025	10,836
Transfers					85,024	(85,024)	-	-
<b>Total general revenues</b>					<b>30,508,423</b>	<b>(48,233)</b>	<b>30,460,190</b>	<b>8,326,572</b>
<b>Change in net position</b>					<b>7,194,398</b>	<b>274,837</b>	<b>7,469,235</b>	<b>2,057,433</b>
<b>Net position—beginning</b>					<b>93,752,980</b>	<b>3,843,186</b>	<b>97,596,166</b>	<b>24,918,667</b>
<b>Net position—ending</b>					<b>\$ 100,947,378</b>	<b>4,118,023</b>	<b>105,065,401</b>	<b>26,976,100</b>

The accompanying notes are an integral part of these financial statements.

TETON COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2014

	General	Parks and Recreation Special Revenue	Grants Special Revenue	Capital Projects	Non-major Funds	Total Governmental Funds
<b>Assets:</b>						
Pooled cash and cash equivalents	\$ 18,591,398	311,737	-	6,714,959	15,603,221	41,221,315
Cash and cash equivalents	1,680,027	1,400	-	-	10,819	1,692,246
Interfund receivable - pooled cash	45,024	-	-	-	-	45,024
Accounts receivable	108,464	28,000	-	-	193,492	329,956
Taxes receivable	6,242,984	-	-	-	1,024,975	7,267,959
Other receivables	-	38	-	-	-	38
Due from other governments	3,183,534	78,839	99,053	-	1,943,183	5,304,609
Due from other funds	25,837	61,216	-	-	19,034	106,087
Prepaid expenses	-	-	-	-	30,833	30,833
Other assets	5,500	-	-	-	-	5,500
<b>Total assets</b>	<b>\$ 29,882,768</b>	<b>481,230</b>	<b>99,053</b>	<b>6,714,959</b>	<b>18,825,557</b>	<b>56,003,567</b>
<b>Liabilities:</b>						
Interfund payable - pooled cash	\$ -	-	45,024	-	-	45,024
Accounts payable and accrued liabilities	1,552,650	225,888	9,592	-	1,069,324	2,857,454
Due to other funds	79,910	-	12,595	-	13,582	106,087
Unearned revenue	-	-	23,326	-	49,603	72,929
Funds held in trust	3,000,336	-	-	-	-	3,000,336
<b>Total liabilities</b>	<b>4,632,896</b>	<b>225,888</b>	<b>90,537</b>	<b>-</b>	<b>1,132,509</b>	<b>6,081,830</b>
<b>Deferred inflows of resources:</b>						
Revenues for future periods	6,202,311	-	-	-	1,016,906	7,219,217
<b>Total deferred inflows of resources</b>	<b>6,202,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,016,906</b>	<b>7,219,217</b>
<b>Fund balances:</b>						
<b>Nonspendable:</b>						
Prepaid expenses	-	-	-	-	30,833	30,833
<b>Restricted for:</b>						
Capital projects	3,339,381	-	-	-	10,124,901	13,464,282
Infrastructure	-	-	-	-	2,206,844	2,206,844
Public safety	-	-	-	-	2,412,053	2,412,053
Community development	-	-	-	-	582,341	582,341
Other purposes	20,097	-	8,516	-	-	28,613
<b>Committed for:</b>						
Capital projects	-	-	-	6,714,959	-	6,714,959
Operations stabilization	5,254,365	-	-	-	-	5,254,365
Public safety	-	-	-	-	802,395	802,395
Parks and recreation	-	255,342	-	-	516,775	772,117
<b>Assigned for:</b>						
Capital projects	1,128,946	-	-	-	-	1,128,946
Unassigned	9,304,772	-	-	-	-	9,304,772
<b>Total fund balances</b>	<b>19,047,561</b>	<b>255,342</b>	<b>8,516</b>	<b>6,714,959</b>	<b>16,676,142</b>	<b>42,702,520</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 29,882,768</b>	<b>481,230</b>	<b>99,053</b>	<b>6,714,959</b>	<b>18,825,557</b>	<b>56,003,567</b>

The accompanying notes are an integral part of these financial statements.

TETON COUNTY  
RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
June 30, 2014

Total fund balances of governmental funds	\$	42,702,520
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets	\$	129,819,896
Accumulated depreciation		<u>(53,390,744)</u>
		76,429,152
Long-term liabilities, as well as accrued interest are not due and payable in the current period and are therefore not reported in the funds.		
Long-term liabilities, due within one year	\$	(1,087,834)
Long-term liabilities, due in more than one year		(17,058,436)
Accrued interest payable		<u>(38,024)</u>
		<u>(18,184,294)</u>
Net position of governmental activities	\$	<u><u>100,947,378</u></u>

The accompanying notes are an integral part of these financial statements.

TETON COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2014

	<u>General</u>	<u>Parks and Recreation Special Revenue</u>	<u>Grants Special Revenue</u>	<u>Capital Projects</u>	<u>Non-major Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Taxes	\$ 24,392,796	-	-	-	5,963,102	30,355,898
Intergovernmental	1,010,688	33,550	1,036,130	-	506,196	2,586,564
Charges for services	2,431,853	2,559,114	-	-	3,445,381	8,436,348
Licenses and permits	2,859,719	-	-	-	-	2,859,719
Contributions	10,000	36,355	-	-	342,408	388,763
Miscellaneous	209,498	22,392	-	40,704	152,441	425,035
Total revenues	<u>30,914,554</u>	<u>2,651,411</u>	<u>1,036,130</u>	<u>40,704</u>	<u>10,409,528</u>	<u>45,052,327</u>
Expenditures:						
Administration	7,514,060	-	3,120	-	-	7,517,180
Community development	3,278,149	-	24,909	-	475,000	3,778,058
Health and human services	2,333,422	-	172,982	-	5,488	2,511,892
Justice	1,618,081	-	-	-	-	1,618,081
Infrastructure	2,449,716	-	8,604	-	4,077,802	6,536,122
Parks and recreation	-	4,325,703	175,000	-	1,367,056	5,867,759
Public safety	6,387,940	-	172,837	-	5,010,061	11,570,838
Debt service:						
Principal	560,000	-	-	-	-	560,000
Interest and fiscal charges	80,023	-	-	-	-	80,023
Total expenditures	<u>24,221,391</u>	<u>4,325,703</u>	<u>557,452</u>	<u>-</u>	<u>10,935,407</u>	<u>40,039,953</u>
Excess (deficiency) of revenues over expenditures	<u>6,693,163</u>	<u>(1,674,292)</u>	<u>478,678</u>	<u>40,704</u>	<u>(525,879)</u>	<u>5,012,374</u>
Other financing sources (uses):						
Transfers in (out)	<u>(2,832,560)</u>	<u>1,665,039</u>	<u>(478,678)</u>	<u>318,878</u>	<u>1,412,345</u>	<u>85,024</u>
Total other financing sources (uses)	<u>(2,832,560)</u>	<u>1,665,039</u>	<u>(478,678)</u>	<u>318,878</u>	<u>1,412,345</u>	<u>85,024</u>
Change in fund balance	3,860,603	(9,253)	-	359,582	886,466	5,097,398
Fund balance - July 1	<u>15,186,958</u>	<u>264,595</u>	<u>8,516</u>	<u>6,355,377</u>	<u>15,789,676</u>	<u>37,605,122</u>
Fund balance - June 30	<u>\$ 19,047,561</u>	<u>255,342</u>	<u>8,516</u>	<u>6,714,959</u>	<u>16,676,142</u>	<u>42,702,520</u>

The accompanying notes are an integral part of these financial statements.



TETON COUNTY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2014

Net change in fund balances - governmental funds \$ 5,097,398

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over estimated useful lives as depreciation expense. Capital assets received as contributions from other entities are recorded as income in the Statement of Activities, but are not reported in the funds.

Capital outlays and asset contributions received	\$ 6,223,193	
Depreciation expense	<u>(4,258,621)</u>	
		1,964,572

Certain capital assets were disposed during the course of the year. The amount of net book value of these assets at the time of disposal is recorded in the Statement of Activities as a reduction of net assets. (41,576)

The Statement of Activities reports revenues on the accrual basis that do not provide current financial resources and are therefore deferred in the funds. In the current year, these fund level deferrals were removed. (506,500)

Debt issuances provide current financial resources to governmental funds, but increase long-term liabilities in the Statement of Net Position. Repayments of debt principal are expenditures in governmental funds, but decrease long-term liabilities in the Statement of Net Position. Changes in other long-term liabilities do not require current financial resources, and are excluded from the funds.

Reductions of principal on long-term liabilities	\$ 594,273	
Change in accrued interest payable	2,817	
Change in landfill closure liability	128,332	
Change in compensated absences liability	<u>(44,918)</u>	
		<u>680,504</u>

Change in net position of governmental activities \$ 7,194,398

The accompanying notes are an integral part of these financial statements.

TETON COUNTY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2014

	<u>Integrated Solid Waste and Recycling Fund</u>	<u>Teton County Building Corporation</u>	<u>Total Proprietary Funds</u>
<b>Assets:</b>			
<b>Current assets:</b>			
Pooled cash and cash equivalents	\$ 1,915,490	-	1,915,490
Cash and cash equivalents	-	467,611	467,611
Investments	-	484,551	484,551
Accounts receivable	402,856	-	402,856
Due from other governments	2,972	-	2,972
Prepaid expenses	-	7,199	7,199
<b>Total current assets</b>	<u>2,321,318</u>	<u>959,361</u>	<u>3,280,679</u>
<b>Non-current assets:</b>			
Capital assets	1,969,512	-	1,969,512
Accumulated depreciation	<u>(739,800)</u>	<u>-</u>	<u>(739,800)</u>
<b>Total non-current assets</b>	<u>1,229,712</u>	<u>-</u>	<u>1,229,712</u>
<b>Total assets</b>	<u>\$ 3,551,030</u>	<u>959,361</u>	<u>4,510,391</u>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	\$ 350,395	-	350,395
Unearned revenues	5,000	-	5,000
Long-term liabilities, due within one year	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>Total current liabilities</b>	380,395	-	380,395
Long-term liabilities, due in more than one year	<u>11,973</u>	<u>-</u>	<u>11,973</u>
<b>Total liabilities</b>	<u>392,368</u>	<u>-</u>	<u>392,368</u>
<b>Net position:</b>			
Invested in capital assets, net of related debt	1,229,712	-	1,229,712
Restricted for capital projects	191,935	-	191,935
Unrestricted	<u>1,737,015</u>	<u>959,361</u>	<u>2,696,376</u>
<b>Total net position</b>	<u>\$ 3,158,662</u>	<u>959,361</u>	<u>4,118,023</u>

The accompanying notes are an integral part of these financial statements.

TETON COUNTY  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
Year Ended June 30, 2014

	<u>Integrated Solid Waste and Recycling Fund</u>	<u>Teton County Building Corporation</u>	<u>Total Proprietary Funds</u>
Operating revenues:			
Charges for services	\$ 3,733,178	-	3,733,178
Materials sales	484,514	-	484,514
Miscellaneous	3,838	-	3,838
Total operating revenues	<u>4,221,530</u>	<u>-</u>	<u>4,221,530</u>
Operating expenses:			
Salaries and benefits	788,330	-	788,330
Current expenses	3,014,824	38,276	3,053,100
Depreciation	154,029	-	154,029
Total operating expenses	<u>3,957,183</u>	<u>38,276</u>	<u>3,995,459</u>
Operating income (loss)	<u>264,347</u>	<u>(38,276)</u>	<u>226,071</u>
Non-operating income:			
Grants and contributions	100,837	-	100,837
Investment income	23,253	9,700	32,953
Total non-operating income	<u>124,090</u>	<u>9,700</u>	<u>133,790</u>
Income (loss) before transfers	388,437	(28,576)	359,861
Transfers in		64,976	64,976
Transfers out	(150,000)	-	(150,000)
Change in net position	238,437	36,400	274,837
Net position - beginning	<u>2,920,225</u>	<u>922,961</u>	<u>3,843,186</u>
Net position - ending	<u>\$ 3,158,662</u>	<u>959,361</u>	<u>4,118,023</u>

The accompanying notes are an integral part of these financial statements.

TETON COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2014

	<u>Integrated Solid Waste and Recycling Fund</u>	<u>Teton County Building Corporation</u>	<u>Total Proprietary Funds</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 4,131,060	-	4,131,060
Payments to suppliers	(2,939,639)	(42,024)	(2,981,663)
Payments to employees	(777,136)	-	(777,136)
Net cash provided by (used in) operating activities	<u>414,285</u>	<u>(42,024)</u>	<u>372,261</u>
Cash flows from non-capital financing activities:			
Transfers from (to) other funds	(150,000)	64,976	(85,024)
Receipts from operating grants and contributions	102,865	-	102,865
Net cash provided by (used in) non-capital financing activities	<u>(47,135)</u>	<u>64,976</u>	<u>17,841</u>
Cash flows from capital and related financing activities:	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest income received	23,253	4,967	28,220
Net cash provided by investing activities	<u>23,253</u>	<u>4,967</u>	<u>28,220</u>
Net increase in cash and cash equivalents	390,403	27,919	418,322
Cash and cash equivalents - beginning	<u>1,525,087</u>	<u>439,692</u>	<u>1,964,779</u>
Cash and cash equivalents - ending	<u>\$ 1,915,490</u>	<u>467,611</u>	<u>2,383,101</u>

(continued)

The accompanying notes are an integral part of these financial statements.

(continued)

TETON COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2014

	<u>Integrated Solid Waste and Recycling Fund</u>	<u>Teton County Building Corporation</u>	<u>Total Proprietary Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ <u>264,347</u>	<u>(38,276)</u>	<u>226,071</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	154,029	-	154,029
Non-cash compensation expense	7,689	-	7,689
Net change in assets and liabilities:			
Accounts receivable	(90,470)	-	(90,470)
Prepaid expenses	-	(3,748)	(3,748)
Accounts payable and accrued liabilities	<u>78,690</u>	<u>-</u>	<u>78,690</u>
Total adjustments	<u>149,938</u>	<u>(3,748)</u>	<u>146,190</u>
Net cash provided by (used in) operating activities	\$ <u><u>414,285</u></u>	<u><u>(42,024)</u></u>	<u><u>372,261</u></u>

The accompanying notes are an integral part of these financial statements.

TETON COUNTY  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2014

	<u>Treasurer's Tax Agency Fund</u>
Assets:	
Pooled cash and cash equivalents	\$ 2,177,127
Cash and cash equivalents	<u>3,044,377</u>
Total assets	<u>\$ 5,221,504</u>
Liabilities:	
Due to other taxing units	<u>\$ 5,221,504</u>
Total liabilities	<u>\$ 5,221,504</u>

The accompanying notes are an integral part of these financial statements.

TETON COUNTY  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
June 30, 2014

	<u>Teton County Library</u>	<u>Teton County Weed and Pest Control</u>	<u>Teton County Housing Authority</u>	<u>Jackson Hole Travel and Tourism Board</u>	<u>Total</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 2,448,319	321,792	863,862	569,132	4,203,105
Investments	4,851,676	-	-	-	4,851,676
Accounts receivable	1,961	48,254	750	-	50,965
Taxes receivable	3,383,473	10,198	-	-	3,393,671
Other receivables	76	-	-	-	76
Due from other governments	1,306	60,000	-	472,471	533,777
Prepaid expenses	20,139	-	-	810	20,949
Inventory	403	115,905	-	-	116,308
Other assets	-	-	300,000	-	300,000
Capital assets	1,034,689	5,674,987	14,302,041	-	21,011,717
Accumulated depreciation	(417,675)	(1,270,740)	(228,811)	-	(1,917,226)
<b>Total assets</b>	<b>\$ 11,324,367</b>	<b>4,960,396</b>	<b>15,237,842</b>	<b>1,042,413</b>	<b>32,565,018</b>
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 97,295	44,432	44,827	140,215	326,769
<b>Long-term liabilities:</b>					
Due within one year	97,000	159,776	7,501	-	264,277
Due in more than one year	-	1,884,872	-	-	1,884,872
<b>Total liabilities</b>	<b>194,295</b>	<b>2,089,080</b>	<b>52,328</b>	<b>140,215</b>	<b>2,475,918</b>
<b>Deferred inflows of resources:</b>					
Revenues for future periods	3,113,000	-	-	-	3,113,000
<b>Total deferred inflows of resources</b>	<b>3,113,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,113,000</b>
<b>Net position:</b>					
Invested in capital assets, net of related debt	617,014	2,410,751	14,073,230	-	17,100,995
Restricted for capital projects	487,217	-	-	-	487,217
Restricted for permanent endowment - non expendable	3,005,779	-	-	-	3,005,779
Unrestricted	3,907,062	460,565	1,112,284	902,198	6,382,109
<b>Total net position</b>	<b>\$ 8,017,072</b>	<b>2,871,316</b>	<b>15,185,514</b>	<b>902,198</b>	<b>26,976,100</b>

The accompanying notes are an integral part of these financial statements.

TETON COUNTY  
COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
Year Ended June 30, 2014

	<u>Teton County Library</u>	<u>Teton County Weed and Pest Control</u>	<u>Teton County Housing Authority</u>	<u>Jackson Hole Travel and Tourism Board</u>	<u>Total</u>
Expenses	\$ 3,845,857	1,846,253	786,048	2,995,269	9,473,427
Program revenues:					
Charges for services	51,377	381,989	172,384	-	605,750
Operating grants and contributions	2,402,391	196,147	-	-	2,598,538
Capital grants and contributions	-	-	-	-	-
Total program revenues	<u>2,453,768</u>	<u>578,136</u>	<u>172,384</u>	<u>-</u>	<u>3,204,288</u>
Net expenses	<u>(1,392,089)</u>	<u>(1,268,117)</u>	<u>(613,664)</u>	<u>(2,995,269)</u>	<u>(6,269,139)</u>
General revenues:					
Sales and use taxes	-	-	-	2,787,770	2,787,770
Property taxes	3,313,596	1,225,202	-	-	4,538,798
County appropriations	-	-	475,000	-	475,000
Investment income	493,295	307	16,188	628	510,418
Gain on disposal of assets	-	3,750	-	-	3,750
Miscellaneous	2,070	8,666	100	-	10,836
Total general revenues	<u>3,808,961</u>	<u>1,237,925</u>	<u>491,288</u>	<u>2,788,398</u>	<u>8,326,572</u>
Change in net position	2,416,872	(30,192)	(122,376)	(206,871)	2,057,433
Net position – beginning	<u>5,600,200</u>	<u>2,901,508</u>	<u>15,307,890</u>	<u>1,109,069</u>	<u>24,918,667</u>
Net position – ending	<u>\$ 8,017,072</u>	<u>2,871,316</u>	<u>15,185,514</u>	<u>902,198</u>	<u>26,976,100</u>

The accompanying notes are an integral part of these financial statements.



TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies

Teton County, Wyoming (the County), operates as an incorporated governmental entity within the State of Wyoming. The County is a municipal corporation governed by five elected commissioners. The County provides the following services as authorized by statute: public safety, road and bridge operation and maintenance, health and social services, culture and recreation, public improvements, planning and zoning, judicial and general administrative services. As required by generally accepted accounting principles, these financial statements present the County and its component units.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the County are discussed below.

**Financial Reporting Entity**

As required by GAAP, the County evaluates whether separate legal entities are controlled by or dependent on the County. The evaluation of control or dependence is based on several factors including the appointment of the respective governing board, ability of the County to impose its will on the separate legal entity and whether a financial benefit or burden relationship exists.

Blended component units, although legally separate entities, are in substance part of the County's operations, and data from those units is combined with data of the primary government. Discretely presented component units, conversely, are reported a in separate column in the financial statements to emphasize that they are legally separate from the County. All of the County's blended component units and discretely presented component units have a June 30 fiscal year-end.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

*Blended Component Units*

**The Jackson / Teton County Public Facilities Joint Powers Board** (the Joint Powers Board) serves all citizens of the County and is governed by a board comprised of three County Commissioners and three members appointed by the Town of Jackson. The Joint Powers Board was established to provide an efficient, orderly and economically feasible method of jointly financing the acquisition, construction, and renovation of various projects, all of which will enhance the general civic welfare of the County and Town and their residents and will be of service to and be for the benefit of the County and Town and their residents. To date, the only involvement of the Town of Jackson has been to establish the Joint Powers Board. Consequently, the Joint Powers Board financial activity is reported in the debt service fund of the County because it has been determined to be fiscally dependent on the County. The Joint Powers Board had no activity during the year ended June 30, 2014.

**The Teton County Building Corporation** (the TCBC) is a separate legal entity established in accordance with the laws of the State of Wyoming. The purpose of the TCBC is to issue debt, construct assets, and lease those assets to the County. Leases between the TCBC and the primary government are consolidated resulting in the governmental activities of the primary government reporting the debt issued by TCBC along with the associated leased assets as its own. The board of the TCBC consists of three members. The County appointed the original three members. The TCBC is presented as a proprietary fund of the County. The TCBC issues separately audited financial statements that can be obtained from the County.

*Discretely Presented Component Units*

**The Teton County Weed and Pest Control District** (the District) was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. The District is fiscally dependent upon the County as the Board of Commissioners approves the District's budget and tax levy. On a stand-alone basis, the District is presented as a governmental fund type. Included in the Weed and Pest Control District is Weed Management, Inc., a separate legal non-profit entity. Weed Management, Inc. was established in accordance with the laws of the State of Wyoming and its purpose is to issue debt, construct capital assets, and lease those assets to the District. Weed Management, Inc. has been determined to be a component unit of the District. The District issues separately audited financial statements that can be obtained by writing to PO Box 1852, Jackson, WY 83001.

**The Teton County Library Board** (the Library Board) maintains and manages the operations of the County Library system. The Library Board is fiscally dependent upon the County because the Board of Commissioners approves the Library Board's budget, levies taxes on behalf of the Library Board and must approve any debt issuance. The Library Board's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. On a stand-alone basis, the Library is presented as a governmental fund type.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

Included in the financial statements of the Library Board is the Teton County Library Foundation (the Foundation) which is a separate legal non-profit entity. The Foundation's purpose is to raise funds for the Library Board. The Foundation has been determined to be a component unit of the Library Board. The Library Board does not issue separate financial statements.

**The Teton County Housing Authority** (the Housing Authority) has been established to operate affordable housing projects and provide for the acquisition, construction, reconstruction, rehabilitation, improvement, extension, alteration or repair of various housing related projects within the County. Five board members, appointed by the County Commissioners, govern the Housing Authority. The Housing Authority is fiscally dependent on the County as the Board of Commissioners approves the Housing Authority's budget and the County imposes and collects fees for affordable housing purposes and must approve all new housing projects. The Housing Authority does not issue separate financial statements.

**Jackson Hole Travel and Tourism Joint Powers Board** (the Tourism Board) has been established to facilitate County-wide tourism promotion efforts. Seven board members, jointly appointed by the County Commissioners and the Jackson Town Council, govern the Tourism Board, with the Town and County holding joint approval authority over the Board's budget. The Tourism Board is fiscally dependent on the County as the County approves the Tourism Board's budget and imposes and collects the lodging sales tax which is the primary revenue source of the Tourism Board. The Tourism Board does not issue separate financial statements.

*Jointly Governed Organizations*

**The Jackson Hole Airport Board** (the Airport Board) was created by the Town of Jackson and the County. The Airport Board was created to establish and operate an airport facility to serve the Town of Jackson and unincorporated areas of the County. Five board members are jointly appointed by the County Commissioners and the Jackson Town Council and Mayor. The Town Council and the County Commissioners jointly approve the budget of the Airport Board. Although neither the Town of Jackson nor the County has any obligation to fund the Airport Board, they may fund any sum of money as determined in their individual budget processes. Audited financial statements can be obtained from the Airport Board by writing to P.O. Box 3594, Jackson, WY 83001.

The **Five County Board** joint powers agreement was created to maintain, develop, and enhance the computer software programs used by Teton County, Big Horn County, Hot Springs County, Sublette County and Uinta County (the participating counties). The board consists of 15 members, which include the elected County Clerk, County Treasurer and County Assessor from each of the participating counties. Operations are financed by appropriations from each of the participating counties. The Five County Board does not issue separate financial statements but does provide each of the participating counties with internally generated financial statements.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

**Basic Financial Statements - Government-Wide Statements**

The County's basic financial statements include both government-wide financial statements (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County's general administration, community development, health and human services, infrastructure, justice, parks and recreation and public safety functions are classified as governmental activities. The County's solid waste and recycling services as well as the operations of the Teton County Building Corporation are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

Governmental activities are usually financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (parks and recreation, public safety, etc.). The functions are also supported by general revenues (property taxes, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants and contributions and capital grants and contributions.

Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property or sales taxes, intergovernmental revenues, interest income, etc.). The County does not allocate indirect costs.

These government-wide statements focus more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

**Basic Financial Statements – Fund Statements**

The County's accounting system is organized on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the government establishes for accountability purposes in accordance with statutes, laws, regulations, restrictions, or specific purposes.

Separate financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major individual funds, as defined by GASB Statement No. 34, with each displayed as a separate column. All remaining governmental and proprietary funds are aggregated and reported as non-major funds in their respective fund financial statements.

The following fund types are used by the County:

*Governmental Funds:*

The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than on net income. The following is a description of the governmental funds of the County:

- The **General Fund** is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Funds** are used to account for and report the proceeds of revenue sources that are restricted or committed to expenditures for specified purposes.
- **Capital Projects Funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.
- **Debt Service Funds** are used to account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the government.

The County's major governmental funds consist of the General Fund (see description above), Parks and Recreation Fund, Grants Fund, and Capital Projects Fund.

The Parks and Recreation Fund is a special revenue fund established to account for the operations and maintenance of the County recreation center and parks. The operations of the Parks and Recreation Fund are jointly funded by appropriations from the Town of Jackson and the County.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

The Grants Fund is a special revenue fund established to account for the activities associated with grant funded operations and capital projects.

The Capital Projects Fund is established to account for the resources restricted, committed, or assigned to expenditure for general government capital outlays excluding those capital projects which are funded by voter-approved allocations of the Special Purpose Excise Tax (SPET).

The County's non-major special revenue funds consist of funds that collect fees and taxes restricted for public safety (Special Fire, Fire / EMS, and Enhanced 911 Funds), public road construction, maintenance and repair (Roads Fund), promotion of affordable housing (Housing Authority Fund), county fair promotion and fairground maintenance (County Fair Fund), and tourism promotion and visitor impact services (Lodging Tax Fund).

The County's non-major capital projects funds consist of funds that receive SPET revenues to be expended on voter-approved capital projects. These are titled by the County as Specific Tax Funds, with each voter-approved project being accounted for in a separate fund.

The County's non-major debt service fund is used to account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the County, other than debt service payments facilitated through the TCBC. Currently, the debt service fund holds no assets or liabilities and has no activities.

*Proprietary Funds:*

The focus on proprietary fund measurement is on determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition, such as investment earnings, are reported as non-operating.

Proprietary funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The County's two proprietary funds include the Integrated Solid Waste and Recycling Fund (ISWR Fund) and the TCBC. The ISWR Fund accounts for the County-wide solid waste disposal and recycling operations and the TCBC accounts for its operations as described in the blended component units section above.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

*Fiduciary Funds* (not included in the Government-wide statements):

The County's fiduciary funds consist of one agency fund. Agency funds account for assets held in a purely custodial capacity. Because agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The County has one agency fund; the Treasurer's Tax Fund. This fund is used to receive and distribute taxes and fees collected on behalf of other funds of the County and on behalf of other governmental units.

**Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. The following provides a summary of the bases of accounting used by the County:

*Accrual*

The governmental activities and the business-type activities in the government-wide financial statements, the proprietary fund financial statements, the fiduciary funds financial statements and the discretely presented component unit financial statements are presented on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year for which they are intended to finance.

*Modified Accrual*

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service and compensated absences expenditures are recorded only when payment is due.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

**Financial Statement Amounts**

*Pooled Cash and Cash Equivalents*

Wherever possible, the County's cash accounts are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein. An individual fund's equity in the pooled cash accounts is available on demand and is considered to be a cash equivalent for purposes of these financial statements. Negative balances incurred in pooled cash at year-end are treated as interfund payables of the deficit account and interfund receivables in other funds with positive balances. Investments of the pool are reported at fair value.

*Cash and Cash Equivalents*

For the purposes of the Statement of Net Position, the term cash and cash equivalents includes all demand deposits, savings accounts, certificates of deposit or other short-term, highly liquid investments.

*Investments*

Investments are reported at fair value. Wyoming statute allows the County to invest in U.S. and state and local government securities and accounts of any bank and savings associations, which are federally insured. Stocks and bonds of private corporations as well as reverse repurchase agreements are prohibited investments for the County. All investments made during the year were made within these statutory limits.

*Receivables and Due from Other Governments*

Receivables consist of revenues earned as of year-end but received after year-end. All receivable balances are reported net of any allowance for uncollectible accounts. Allowances for uncollectible accounts are based upon historical trends and current data regarding the condition of specific debtors as of the date of issuance of the financial statements.

Due from other governments consists of amounts due to the County at year-end but remitted after year-end. The balance consists primarily of sales tax and other taxes due from the State of Wyoming, payments in lieu of taxes due from the federal government and reimbursements for grant expenditures due from the State of Wyoming, the federal government, or other agencies.

*Prepaid Expenses*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.



TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

*Inventory*

Inventory is valued at cost using the first-in, first-out method (FIFO). In the governmental fund financial statements, expenditures are recorded as inventory is used (consumption method).

*Capital Assets*

Capital assets include land, buildings, improvements, infrastructure, equipment and vehicles. Capital assets are reported in the government-wide financial statements and the proprietary fund financial statements. The County defines capital assets as those assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than 2 years. All capital assets are valued at cost or estimated cost if actual cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life is not capitalized.

Capital assets of the County are depreciated using the straight-line method over the following estimated lives:

<u>Asset Category</u>	<u>Years</u>
Buildings and improvements	5 to 30
Infrastructure	5 to 60
Equipment and vehicles	3 to 25

In the governmental fund financial statements, the acquisition or construction of capital assets is accounted for as capital outlay expenditures.

*Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes 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 and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County has no items that qualify for reporting in this category.

In addition to the 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 and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item which qualifies for reporting in this category. Revenues which are intended to finance operations of a future period are reported as a deferred inflow in both the governmental funds balance sheet and the entity-wide statement of net position.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

Property tax revenues are not recognized prior to the period which they are intended to finance, even if an enforceable lien is in place prior to the beginning of the intended period. Thus, property taxes received or receivable as of year-end, which are intended to finance the following fiscal year, are deferred in both the government-wide financial statements and fund financial statements.

*Unearned Revenues*

In the government-wide financial statements and the governmental fund and proprietary fund financial statements, unearned revenue is recognized when cash or other assets are received or recognized prior to completion of the earnings process.

*Long-term Liabilities*

In the government-wide financial statements and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, when material, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the period incurred. The face amount of debt issued is reported as an other financing source. Issuance costs are reported as expenditures whether or not they are withheld from the actual debt proceeds received. Debt principal and interest payments are reported as expenditures in the period the payments are due.

*Compensated Absences*

It is the County's policy to permit employees to accumulate earned but unused vacation, sick, and comp time pay benefits. Vacation leave accumulates for all full-time permanent employees, depending upon years of service. Comp time accumulates for all full-time permanent employees, up to a maximum of 80 hours. Accumulated vacation leave and comp time is payable to the employee upon leaving employment of the County for any reason. Accumulated comp time can also be paid out at supervisor's discretion. An estimated liability for vacation leave and comp time is reported in the government-wide financial statements and the proprietary fund financial statements and the expense is allocated by function based on where the employee is assigned. No liability is reported for unpaid accumulated sick leave since sick leave credits are not paid to an employee upon termination of employment.

In the governmental fund financial statements, no liability is reported for compensated absences. The expenditure is reported when vacation or comp time is taken or the liquidated balance is payable to the employee upon termination of employment or at supervisor's discretion for comp time. For governmental activities, compensated absences are generally liquidated by the General Fund.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

*Interfund Balances and Transactions*

Interfund payables and receivables within governmental activities or within business-type activities are eliminated from the government-wide Statement of Net Position. Interfund payables and receivables between the governmental funds and the Treasurer's Tax Agency Fund have been reclassified in the government-wide Statement of Net Position in accordance with the requirements of GASB Statement No. 34.

Transfers are used to report flows of cash (or other assets) between funds without equivalent flows of assets in return or a requirement for repayment. In the government-wide Statement of Activities, transfers between governmental funds or between proprietary funds are eliminated. In the governmental fund financial statements, transfers are reported as other financing sources or uses.

*Equity Classifications*

Equity in the government-wide financial statements and proprietary fund financial statements is classified as net position and displayed in three components:

- Invested in capital assets, net of related debt - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt attributable to the acquisition, construction or improvement of these assets.
- Restricted net position - Consists of net position with constraints placed on its use, whether by 1) external groups such as creditors, grantors or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - All other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

*Fund Balance Classifications*

Governmental fund equity is classified as fund balance in the fund financial statements. Fund balance is further classified based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

*Nonspendable* - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County has classified prepaid expenses as nonspendable.

*Restricted* - This classification includes amounts for which constraints have been placed on the use of resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

*Committed* - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commissioners. These amounts cannot be used for any purpose unless the County Commissioners remove or change the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

*Assigned* - This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Commissioners. No other governing body or officials have this authority delegated to them. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

*Unassigned* - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

*Revenues*

Property tax, sales tax, fees, licenses, fees-in-lieu of taxes, intergovernmental revenues, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the fiscal period they are intended to finance. All other revenue items are considered to be measurable and available only when the County receives cash. Grants are usually reimbursable grants and are thus recognized as revenue at the time the reimbursable expenditures are made.

*Expenses/Expenditures*

When an expense/expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the County's general policy to use restricted resources first. When an expense/expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed. For proprietary fund financial statements, operating expenses are those that result from providing services to customers.

*Accounting Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 1 - Summary of Significant Accounting Policies (continued)

**Property Tax Calendar**

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied on or about August 1 and are payable in two installments on September 1 and March 1. The County bills and collects its own property taxes as well as property taxes for all municipalities and other political subdivisions within the County. Collections and remittances of these taxes for other taxing entities are accounted for in the Treasurer's Tax Agency Fund. County property tax revenues are recognized when levied to the extent that they result in current receivables which means collected within the current period or expected to be collected within 60 days after the period end to be used to pay liabilities of the current period. Additional amounts levied but not expected to be collected within 60 days after period end are recorded as receivables, but the associated revenue is deferred.

Note 2 - Deposits and Investments

*Governmental activities:*

Deposits and investments consist of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
Pooled cash and cash equivalents:				
Demand deposits	\$ 20,089,766	-	-	20,089,766
WYO-STAR	-	6,087,477	-	6,087,477
Government bonds	-	4,997,785	-	4,997,785
Certificates of deposit	<u>10,046,287</u>	<u>-</u>	<u>-</u>	<u>10,046,287</u>
Total pooled cash and cash equivalents	<u>30,136,053</u>	<u>11,085,262</u>	<u>-</u>	<u>41,221,315</u>
Cash and cash equivalents:				
Cash-on-hand	-	-	3,500	3,500
Demand deposits	1,598,030	-	-	1,598,030
WYO-STAR	-	89,716	-	89,716
Certificates of deposit	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Total cash and cash equivalents	<u>1,599,030</u>	<u>89,716</u>	<u>3,500</u>	<u>1,692,246</u>
Total governmental activities	<u>\$ 31,735,083</u>	<u>11,174,978</u>	<u>3,500</u>	<u>42,913,561</u>

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 2 - Deposits and Investments (continued)

*Business-type activities:*

Deposits and investments consist of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
Pooled cash and cash equivalents:				
Demand deposits	\$ 1,915,490	-	-	1,915,490
Total pooled cash and cash equivalents	1,915,490	-	-	1,915,490
Cash and cash equivalents:				
Demand deposits	467,611	-	-	467,611
Total cash and cash equivalents	467,611	-	-	467,611
Investments:				
Government bonds	-	484,551	-	484,551
Total investments	-	484,551	-	484,551
Total business-type activities	\$ 2,383,101	484,551	-	2,867,652

*Fiduciary funds:*

Deposits and investments consist of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
Pooled cash and cash equivalents:				
Demand deposits	\$ 2,177,127	-	-	2,177,127
Total pooled cash and cash equivalents	2,177,127	-	-	2,177,127
Cash and cash equivalents:				
Demand deposits	3,044,377	-	-	3,044,377
Total cash and cash equivalents	3,044,377	-	-	3,044,377
Total fiduciary funds	\$ 5,221,504	-	-	5,221,504

The State of Wyoming has established laws regarding the investment of public funds (Wyoming Statutes, 9-4). The County has adopted a “Statement of Investment Policy” which specifies the County’s policies regarding the investment of County financial assets. The County’s adopted policy refers to State laws and indicates the County will comply with State law.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 2 - Deposits and Investments (continued)

*Deposits*

State law specifies the types of financial institutions in which the County can deposit monies. In addition, State law requires that all deposits in financial institutions be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of collateral or the furnishing of a surety bond. At June 30, 2014, all deposits of the County were fully collateralized or insured.

*Investments*

Wyoming statutes (W.S. 9-4-831) specifically identify the types of investments that may be held by the County and the conditions for making investment transactions. The County's investment policy states that it will comply with State law.

The County has investments in WYO-STAR, a government investment pool operated by the State of Wyoming Treasurer's Office. WYO-STAR is available for investments of funds administered by any local government entity within the State of Wyoming. WYO-STAR is not registered with the SEC as an investment company. WYO-STAR is authorized and regulated by the laws of the State of Wyoming. Deposits in WYO-STAR are not insured or otherwise guaranteed by the State of Wyoming, and participants share proportionally in any realized gains or losses on investments.

WYO-STAR operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of WYO-STAR are allocated monthly based on the participant's average balance in relation to the total balance of the pool. The fair value of the WYO-STAR investment pool is approximately equal to the value of the pooled shares.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 2 - Deposits and Investments (continued)

At June 30, 2014, the County had investments in US government-backed bonds. The County uses the specific identification method to assess interest rate risk.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
<i>Governmental activities:</i>					
Government bonds \$	4,997,785	-	4,997,785	-	-
WYO-STAR	6,177,193	6,177,193	-	-	-
Total	\$ 11,174,978	6,177,193	4,997,785	-	-
<i>Business-type activities:</i>					
Government bonds \$	484,551	-	484,551	-	-
Total	\$ 484,551	-	484,551	-	-

*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's policy for managing its exposure to fair value loss arising from increasing interest rates is to match the maturities of investments with anticipated cash flows.



TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 2 - Deposits and Investments (continued)

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's policy for managing its exposure to credit risk is limited as all investments are supported by US Government issued or insured securities or has been deposited in WYO-STAR. The County's investments subject to credit risk consist of the following:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rate</u>	<u>Rating</u>
<i>Governmental activities:</i>				
WYO-STAR	\$ 6,177,193	Variable	Variable	Unrated
FNMA Bonds	1,001,400	10/17/2017	0.70%	AAA
FNMA Bonds	507,420	11/7/2017	0.75%	AAA
FNMA Bonds	497,625	11/15/2017	0.60%	AAA
FNMA Bonds	500,020	11/15/2017	0.63%	AAA
FNMA Bonds	496,480	11/29/2017	1.03%	AA+
FHLMC Bonds	498,865	1/30/2018	0.70%	AAA
FNMA Bonds	1,000,200	1/30/2018	0.75%	AAA
FNMA Bonds	495,775	5/15/2018	0.75%	AAA
<i>Business-type activities:</i>				
FHLMC Bonds	\$ 484,551	6/19/2018	1.00%	AAA

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The County's policy for reducing this risk is to comply with State law.

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's policy for custodial risk is that all securities purchased by the County shall be properly designated as assets of the County and held in safekeeping by a third party custodial bank or third party custodial institution chartered by the United States Government or the State of Wyoming and no withdrawal of such securities shall be made from the safekeeping except by the County Treasurer. All securities transactions, including collateral for repurchase agreements, entered into by the County shall be conducted on a delivery-versus-payment basis. Securities will be held by a third party custodian designated by the County Treasurer and evidenced by safekeeping receipts. All investments are held in the name of the County by the investment broker.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 2 - Deposits and Investments (continued)

*Component units:*

The component units' deposits and investments consist of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
<i>Cash and cash equivalents:</i>				
Cash-on-hand	\$ -	-	229	229
Demand deposits	4,026,225	-	-	4,026,225
Certificates of deposit	176,651	-	-	176,651
Total cash and cash equivalents	<u>4,202,876</u>	<u>-</u>	<u>229</u>	<u>4,203,105</u>
<i>Investments:</i>				
Endowment investment pool	-	4,851,676	-	4,851,676
Total investments	<u>-</u>	<u>4,851,676</u>	<u>-</u>	<u>4,851,676</u>
Total component units	<u>\$ 4,202,876</u>	<u>4,851,676</u>	<u>229</u>	<u>9,054,781</u>

*Deposits*

State law specifies the types of financial institutions in which the component units can deposit monies. In addition, State law requires that all deposits in financial institutions be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of collateral or the furnishing of a surety bond. At June 30, 2014, all deposits of component units were fully collateralized or insured.

*Investments*

Component units manage their investment risk as follows:

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The component units have no formal policies other than to follow the Wyoming State statutes, as previously discussed.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 2 - Deposits and Investments (continued)

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The component units' policies for reducing exposure to credit risk are to comply with the Wyoming State statutes. At June 30, 2014, all investments held by the component units are in an investment pool administered by the Community Foundation of Jackson Hole (a non-profit organization) which is not rated.

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The component units' policy for reducing this risk is to comply with Wyoming State statutes.

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the component units will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. The component units have no formal policies with respect to custodial credit risk. As of June 30, 2014, all of the component units' investments were in an investment pool administered by the Community Foundation of Jackson Hole.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 3 - Capital Assets

*Governmental activities:*

Changes to capital assets are as follows:

	Balance 6/30/13	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/14
Capital assets not being depreciated:					
Land	\$ 8,014,527	169,095	-	-	8,183,622
Rights of way	306,840	32,000	-	-	338,840
Construction in progress	2,511,367	2,733,152	-	(131,541)	5,112,978
Total capital assets not being depreciated	10,832,734	2,934,247	-	(131,541)	13,635,440
Capital assets being depreciated:					
Buildings and improvements	52,480,455	399,272	-	-	52,879,727
Infrastructure	46,650,065	545,464	(19,158)	25,815	47,202,186
Equipment and vehicles	14,101,918	2,344,210	(449,311)	105,726	16,102,543
Total capital assets being depreciated	113,232,438	3,288,946	(468,469)	131,541	116,184,456
Accumulated depreciation:					
Buildings and improvements	(18,581,894)	(1,696,458)	-	-	(20,278,352)
Infrastructure	(23,214,138)	(1,668,134)	2,107	-	(24,880,165)
Equipment and vehicles	(7,762,984)	(894,029)	424,786	-	(8,232,227)
Total accumulated depreciation	(49,559,016)	(4,258,621)	426,893	-	(53,390,744)
Total capital assets being depreciated, net	63,673,422	(969,675)	(41,576)	131,541	62,793,712
Total capital assets, net	\$ 74,506,156	1,964,572	(41,576)	-	76,429,152

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 3 - Capital Assets (continued)

Depreciation expense was charged to functions of the County as follows:

Infrastructure	\$ 2,999,326
Public safety	632,285
Community development	286,301
Parks and recreation	246,645
Administration	72,204
Health and human services	16,036
Justice	<u>5,824</u>
 Total depreciation expense	 <u><u>\$ 4,258,621</u></u>

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 3 - Capital Assets (continued)

*Business-type activities:*

Changes to capital assets are as follows:

	Balance 6/30/13	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/14
Capital assets not being depreciated:					
Land	\$ 126,320	-	-	-	126,320
Total capital assets not being depreciated	126,320	-	-	-	126,320
Capital assets being depreciated:					
Buildings and improvements	1,032,297	-	-	-	1,032,297
Equipment and vehicles	810,895	-	-	-	810,895
Total capital assets being depreciated	1,843,192	-	-	-	1,843,192
Accumulated depreciation:					
Buildings and improvements	(287,679)	(79,174)	-	-	(366,853)
Equipment and vehicles	(298,092)	(74,855)	-	-	(372,947)
Total accumulated depreciation	(585,771)	(154,029)	-	-	(739,800)
Total capital assets being depreciated, net	1,257,421	(154,029)	-	-	1,103,392
Total capital assets, net	\$ 1,383,741	(154,029)	-	-	1,229,712

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 3 - Capital Assets (continued)

*Component Units:*

Changes to capital assets are as follows:

	Balance 6/30/13	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/14
<u>County Library</u>					
Buildings and improvements \$	649,138	-	-	-	649,138
Equipment	385,551	-	-	-	385,551
Accumulated depreciation	(353,534)	(64,141)	-	-	(417,675)
Capital assets, net	\$ 681,155	(64,141)	-	-	617,014
<u>Weed and Pest</u>					
Land \$	702,409	-	-	-	702,409
Buildings and improvements	4,312,532	-	-	-	4,312,532
Equipment	548,441	91,880	-	19,725	660,046
Accumulated depreciation	(1,036,995)	(214,020)	-	(19,725)	(1,270,740)
Capital assets, net	\$ 4,526,387	(122,140)	-	-	4,404,247
<u>Housing Authority</u>					
Construction in progress \$	-	400,856	-	326,696	727,552
Land	12,634,989	-	-	(326,696)	12,308,293
Buildings and improvements	1,232,251	11,920	-	-	1,244,171
Equipment	5,196	16,829	-	-	22,025
Accumulated depreciation	(195,958)	(32,853)	-	-	(228,811)
Capital assets, net	\$ 13,676,478	396,752	-	-	14,073,230

Depreciation expense was charged to the component units as follows:

Weed and Pest	\$ 214,020
County Library	64,141
Housing Authority	32,853
Total depreciation expense	\$ 311,014

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 4 – Accounts Payable and Accrued Liabilities

The County's accounts payable and accrued liabilities consist of the following:

*Governmental activities:*

Payables to contractors	\$ 940,306
Payroll-related liabilities	723,833
Payables to vendors	552,895
Self-insured health insurance liabilities	315,040
Retainage payable	214,747
Due to other governments	110,632
Accrued interest payable	<u>38,025</u>
Total accounts payable and accrued liabilities	<u>\$ 2,895,478</u>

*Business-type activities:*

Payables to vendors	\$ 321,623
Payroll-related liabilities	27,310
Due to other governments	<u>1,462</u>
Total accounts payable and accrued liabilities	<u>\$ 350,395</u>

The County operates a self-insured employee health and dental benefit plan accounted for within the general fund. The plan provides health benefits to eligible employees and their dependents which include employees of the primary government and component units. The County has entered into reinsurance contracts (stop-loss) for this plan at \$100,000/individual. At June 30, 2014, the plan had incurred claims payable and estimated claims incurred but not reported (IBNR) of \$315,040.

For the year ended June 30, 2014, changes to aggregate claims liabilities are as follows:

Claims Liabilities 6/30/13	Claims Incurred and Changes in Estimates	Claims Paid	Claims Liabilities 6/30/14
\$ <u>497,993</u>	<u>3,062,047</u>	<u>(3,245,000)</u>	<u>315,040</u>



TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 4 – Accounts Payable and Accrued Liabilities (continued)

For the year ended June 30, 2013, changes to aggregate claims liabilities were as follows:

Claims Liabilities 6/30/12	Claims Incurred and Changes in Estimates	Claims Paid	Claims Liabilities 6/30/13
\$ 366,000	4,241,993	(4,110,000)	497,993

*Component units:*

The component units' accounts payable and accrued liabilities consist of the following:

Payables to vendors	\$	220,483
Payroll-related liabilities		85,276
Security deposits		14,088
Accrued interest payable		6,198
Payables to contractors		724
 Total accounts payable and accrued liabilities	 \$	 326,769

Note 5 – Funds Held in Trust

The County's funds held in trust consist of the following:

Funds held by Planning and Development department	\$	1,621,773
Bonds held by County Clerk of District Court		1,357,224
Funds held by County Sheriff for jail inmates		21,339
 Total funds held in trust	 \$	 3,000,336

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 6 - Long-Term Liabilities

*Governmental activities:*

The County is current on all debt payments and is in compliance with the significant terms of all debt agreements. Changes to long-term liabilities are as follows:

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Due Within One Year
Bonds	\$ 4,396,650	-	(448,156)	3,948,494	600,000
Notes payable	1,225,578	-	(146,117)	1,079,461	147,579
Compensated absences	669,296	348,034	(303,116)	714,214	314,255
Landfill closure liability	12,532,433	-	(128,332)	12,404,101	26,000
Total long-term liabilities	<u>\$ 18,823,957</u>	<u>348,034</u>	<u>(1,025,721)</u>	<u>18,146,270</u>	<u>1,087,834</u>

Bonds payable consist of the following:

\$4,995,000 Teton County Building Corporation  
Revenue Bonds dated October 2011. Payable in semi-  
annual installments ranging from \$185,000 to  
\$1,425,000 plus interest ranging from 1.10% to  
2.40%, maturing July 2018. \$ 3,948,494

In October 2011, the County, as facilitated through the Teton County Building Corporation, refinanced the revenue bonds issued in 2003 with \$4,995,000 of revenue refunding bonds. The bond proceeds of the Series 2011 Bonds were applied towards refinancing the Series 2003 bonds. The bonds are secured by the assets leased to the County by the TCBC, and repayment of the bonds will be made through the lease payments made by the County to the TCBC.

The Series 2011 Bonds may be called on July 1, 2017 or on any date thereafter at par plus accrued interest through the date of redemption.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 6 - Long-Term Liabilities (continued)

Debt service requirements for bonds payable are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 600,000	73,800	673,800
2016	625,000	65,794	690,794
2017	625,000	56,044	681,044
2018	675,000	44,387	719,387
2019	1,423,494	17,100	1,440,594
Total	<u>\$ 3,948,494</u>	<u>257,125</u>	<u>4,205,619</u>

All of the TCBC lease revenues are pledged as the repayment source for the bonds. The original bonds were issued for the purpose of financing the construction of multiple County buildings. Principal and interest on these bonds during 2014 amounted to approximately \$640,000 or 91% of the pledged revenue source.

Notes payable consist of the following:

\$1,500,000 loan from the Wyoming Business Council with interest at 1% due in annual installments of approximately \$159,000, matures December 2020. The loan was obtained for the construction of a parking lot and restrooms at Teton Village. \$ 1,079,461

Debt service requirements for notes payable are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 147,579	10,795	158,374
2016	149,055	9,319	158,374
2017	150,546	7,828	158,374
2018	152,051	6,323	158,374
2019	153,572	4,802	158,374
2020-2021	326,658	4,982	331,640
Total	<u>\$ 1,079,461</u>	<u>44,049</u>	<u>1,123,510</u>

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 6 - Long-Term Liabilities (continued)

Landfill Post-closure Liability

In previous years, the County operated a landfill. This landfill was closed and replaced with a solid waste transfer station where waste is consolidated into high-volume vehicles and transported to a landfill in a neighboring county. State and federal laws and regulations require that the County place and maintain a final cover on its closed landfill and perform ongoing maintenance and monitoring functions at the landfill site for 30 years after closure. In the Statement of Net Position, a liability is recorded based on the estimated future closure and post-closure costs that will be incurred under the current maintenance and monitoring requirements as established by the state and federal governments. Expense or gain is recorded based on changes in the estimated future closure, maintenance and monitoring liability. As of June 30, 2014, the estimated remaining closure and post-closure care liability is \$12,404,101.

The general fund has historically recorded the operating expenses related to these landfill closure and post-closure maintenance and monitoring activities. However, in fiscal year 2013, the County established a new capital projects fund intended to separately account for the closure and post-closure expenditures. This new fund, titled 2012 Landfill Closure Specific Tax Fund, receives restricted special purpose excise tax revenues as authorized by a November 2012 voter referendum. These revenues are specifically allocated to covering the cost of landfill closure and post closure activities as well as the cost of certain capital improvements to the solid waste transfer station located near the site of the landfill.

The State Department of Environmental Quality has communicated to the County that significant landfill site remediation activities are required based on the results returned from landfill site monitoring tests required to ensure that compliance with ground water quality standards are achieved. The County is engaged in ongoing efforts to carry-out the required remediation.

The actual cost of post-closure care may differ due to unexpected increases in the rate of inflation, changes in technology, or future changes in maintenance and monitoring laws and regulations. The estimate of post-closure care may also change to accommodate additional remediation activities that may be required based on the results of ongoing landfill site monitoring.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 6 - Long-Term Liabilities (continued)

Conduit debt:

The County has arranged conduit financing for a variety of projects within the County. These debt instruments are not obligations of the County. As such, no liability has been reported in the Statement of Net Position. Conduit debt consists of the following:

\$4,308,743 loan from the Wyoming State Loan and Investment Board with interest at 2.5%, due April 2025. The loan was obtained to finance the construction of the Wilson sewer project. \$ 2,627,553

\$2,853,676 loan from the Wyoming State Loan and Investment Board with interest at 2.5%, due December 2022. The loan was obtained to finance the expansion of the Teton Village Water and Sewer District wastewater treatment plant. 1,458,286

\$1,600,000 Development Revenue Bonds Series 2011 with interest at 4.03%, due August 2031. The bonds were issued to finance the construction of a building for Community Entry Services, Inc. 1,477,572

\$2,000,000 Development Revenue Bonds Series 2010 with interest at 2.92%, due November 2027. The bonds were issued to finance the construction of the Jackson Hole Community Counseling Center. 1,182,822

\$724,035 loan from the Wyoming State Loan and Investment Board with interest at 2.5%, due June 2022. The loan was obtained to finance the construction of a storm water collection and treatment facility within the Teton Village Improvement and Service District. 346,011

\$168,792 loan from the Wyoming State Loan and Investment Board with interest at 2.5%, due January 2026. The Loan was obtained to finance the construction of Phase II of the Teton Village Water and Sewer District wastewater treatment plant expansion project. 111,012

Total conduit debt \$ 7,203,256

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 6 - Long-Term Liabilities (continued)

*Business type activities:*

Changes to long-term liabilities are as follows:

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Due Within One Year
Compensated absences	\$ 29,284	35,141	(27,452)	36,973	25,000
Total long-term liabilities	\$ 29,284	35,141	(27,452)	36,973	25,000

*Component units:*

Changes to long-term liabilities are as follows:

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Due Within One Year
<u>County Library</u>					
Compensated absences	\$ 87,000	55,000	(45,000)	97,000	97,000
Total County Library	87,000	55,000	(45,000)	97,000	97,000
<u>Weed and Pest</u>					
Notes payable	2,191,392	-	(204,094)	1,987,298	102,426
Compensated absences	52,040	5,310	-	57,350	57,350
Total Weed and Pest	2,243,432	5,310	(204,094)	2,044,648	159,776
<u>Housing Authority</u>					
Compensated absences	7,501	10,000	(10,000)	7,501	7,501
Total Housing Authority	7,501	10,000	(10,000)	7,501	7,501
Total long-term liabilities	\$ 2,337,933	70,310	(259,094)	2,149,149	264,277

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 6 - Long-Term Liabilities (continued)

Notes payable consist of the following:

\$2,000,000 Teton County Weed and Pest Control District note dated April 2013. Interest only payments during year one, at 4.875%. Years two and three payable in monthly installments of principal and interest, interest at 4.375%. Thereafter, monthly installments of principal and interest at prime rate, with a floor interest rate of 4.875%, maturing April 2023. \$ 1,987,298

Debt service requirements for notes payable are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 102,426	85,037	187,463
2016	106,199	80,757	186,956
2017	110,498	76,287	186,785
2018	113,393	78,560	191,953
2019	111,536	73,077	184,613
2020-2023	<u>1,443,246</u>	<u>262,079</u>	<u>1,705,325</u>
Total	<u>\$ 1,987,298</u>	<u>655,797</u>	<u>2,643,095</u>

Note 7 - Net Position and Fund Equities

Net position of governmental activities includes certain amounts restricted by enabling legislation. As of June 30, 2014 net position restricted by enabling legislation totaled \$2,693,752, all of which related to energy mitigation fees collected by the County's planning and development office. These fees are required to be used on energy mitigation related capital projects.

Fund balance within the general fund includes amounts committed for operations stabilization, set aside for use in emergency situations or when revenue shortages or other budgetary imbalances occur. The County Commissioners are the body authorized to establish such stabilization amounts. Stabilization amounts are established, added to, or reduced by resolution of the County Commissioners. Stabilization amounts may be spent only upon authorization of the County Commissioners through a budgetary amendment in which expenditure appropriations are increased and the stabilization balance is decreased.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 8 – Operating Leases

*Governmental activities:*

The County leases office equipment under operating leases. Lease rental expenses under operating leases for the year ended June 30, 2014 was approximately \$55,400. Future minimum non-cancelable operating lease payments are approximately as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2015	\$ 54,800
2016	44,500
2017	28,500
2018	14,200
2019	<u>4,000</u>
	<u>\$ 146,000</u>

*Component units:*

Teton County Housing Authority leases office space to tenants. Lease rental revenues under operating leases for the year-ended June 30, 2014 were approximately \$121,000. Future minimum non-cancelable operating lease revenues are approximately as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2015	\$ 166,000
2016	170,000
2017	122,000
2018	114,000
2019	<u>107,000</u>
	<u>\$ 679,000</u>



TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 9 - Interfund Transfers

The County made the following interfund transfers:

<u>Purpose</u>	<u>Amount</u>	<u>Transfer in</u>	<u>Transfer out</u>
Operations and capital purchases \$	1,549,988	Non-Major Funds	General Fund
Operations and capital purchases	1,440,649	Parks and Rec Fund	General Fund
Capital purchases	318,878	Capital Projects Fund	General Fund
Operations and capital purchases	275,232	General Fund	Non-Major Funds
Program-specific funding	266,700	General Fund	Grants Fund
Operations and capital purchases	224,390	Parks and Rec Fund	Non-Major Funds
Program-specific funding	211,978	Non-Major Funds	Grants Fund
Operations	150,000	Non-Major Funds	Solid Waste Fund
Operations	101,900	Non-Major Funds	Non-Major Funds
Operations	64,976	Building Corporation	General Fund

Note 10 – Related Party Transactions

During the year, the primary government contributed general appropriations of approximately \$475,000 to the Teton County Housing Authority. The primary government also paid for contract services of approximately \$5,000 to the Teton County Weed and Pest Control District.

Additionally, certain of the County’s component units pay monthly premiums to the County to participate in the County’s self-insured health insurance plan. During the year, the general fund received the following approximate amounts in health insurance premiums: \$517,000 from the Teton County Library Board, \$141,000 from the Teton County Weed and Pest Control District, and \$85,000 from the Teton County Housing Authority.

Related to the self-insured health insurance plan, the County funds administrative fees for component units and health-savings accounts of their participants. During the year, the general fund contributed the following approximate amounts on behalf of the component units: \$136,000 for the Teton County Library, \$35,000 for the Teton County Weed and Pest Control District and \$21,000 for the Teton County Housing Authority.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 11 - Retirement Commitments

The County participates in the Wyoming Retirement System (the System), a statewide cost-sharing multiple-employer public employee retirement system. The System is established and governed by the respective sections of Wyoming state statute. The statute provides for the administration of the System under the direction of the Wyoming State Retirement Board whose members are appointed by the Governor. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. A copy of the report may be obtained by writing to the Wyoming Retirement System, 122 West 25<sup>th</sup> Street, Cheyenne, Wyoming 82002 or by calling 1-307-777-7691.

Substantially all County full-time employees are eligible to participate in the System. Employees qualify for a retirement allowance if they are 50 years old and have at least 4 years of service, or they may retire at any age if they have 25 years of service. The System also provides disability retirement to any employee who becomes permanently incapacitated, mentally or physically, and who cannot continue in the performance of his duties.

The required contribution to the Public Employees' Pension Plan (PEPP) within the System is statutorily set at 14.62% of the participant's annual covered salary. County employees participating in the PEPP are required to contribute 7.50% of their annual covered salary to the System. The County contributes the remaining 7.12% of the participant's annual covered salary.

The required contribution to the Wyoming Law Enforcement Retirement Plan (WLERP) within the System is statutorily set at 17.2%. County employees participating in the WLERP are required to contribute 8.6% of their annual covered salary to the System. The County contributes the remaining 8.6% of the participant's annual covered salary.

Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The County currently pays 77.6% of the required employees' contribution to the PEPP and 31% of the required employees' contribution to the WLERP.

All contributions remitted by the County were paid by the due dates or within 30 days thereafter and were equal to the required contributions for each year.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 11 - Retirement Commitments (continued)

Contributions to the System for the years ended June 30, 2014, 2013, and 2012 were as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>Primary Government</i>			
Employee contributions	\$ 780,252	877,425	880,888
Employer contributions	763,184	869,522	890,952
<i>County Library - Component Unit</i>			
Employee contributions	\$ 102,870	123,131	121,000
Employer contributions	99,545	125,242	123,074
<i>Weed and Pest - Component Unit</i>			
Employee contributions	\$ 31,752	34,669	29,356
Employer contributions	30,735	35,264	29,860
<i>Housing Authority - Component Unit</i>			
Employee contributions	\$ 16,253	17,339	15,321
Employer contributions	15,709	17,636	15,584

Note 12 - Risk Management

The nature of the County's operations makes it susceptible to lawsuits, legal actions, and other judgments. The County is also subject to the risk of casualty and theft losses with respect to capital assets. The County mitigates its risk of material loss from these events through the purchase of liability and property insurance arranged through the Wyoming Association of Risk Management and the Wyoming Local Government Liability Pool. The County had no claim settlements over the past three years that exceeded its insurance coverage.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014

Note 13 – Commitments and Contingencies

*Governmental activities:*

The County has executed multiple contracts for the completion of the Highway 22 / West Broadway Pathways Project. The remaining expenditure commitment for services yet to be performed as of June 30, 2014 is approximately \$1,245,000. The total commitment amount is subject to adjustment for change orders and additional costs incurred by the contractors.

The County has a commitment with a consultant related to the landfill closure and redesign of the trash transfer station. The remaining expenditure commitment for services yet to be performed as of June 30, 2014 is approximately \$1,325,000.

*Business-type Activities:*

The Integrated Solid Waste and Recycling Fund has executed a multi-year contract for the provision of solid waste handling and transportation operations. The remaining expenditure commitment for services yet to be performed as of June 30, 2014 is approximately \$1,830,000 to be incurred over fiscal years 2015 through 2017. The total commitment amount is subject to adjustment for actual transport mileage incurred by the contractor.

*Component Units:*

Teton County Housing Authority has entered in to a contract for architectural design and constructions services for a future affordable housing project. The remaining expenditures commitment for services yet to be performed as of June 30, 2014 is approximately \$5,883,000.

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## Required Supplementary Information

TETON COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
<u>Taxes</u>				
Sales and use taxes	\$ 12,767,151	12,781,538	13,801,858	1,020,320
Property taxes	5,960,626	5,960,626	5,971,739	11,113
Payments in lieu of property tax	1,026,760	2,053,438	2,238,704	185,266
Gasoline tax	1,200,270	1,200,270	1,159,126	(41,144)
Lodging tax	292,000	292,000	309,609	17,609
Severance tax	208,000	208,000	212,716	4,716
Motor vehicle fees	620,000	620,000	688,574	68,574
Other taxes	10,000	10,000	10,470	470
Total taxes	22,084,807	23,125,872	24,392,796	1,266,924
<u>Other Revenues</u>				
Intergovernmental	826,335	1,001,884	1,010,688	8,804
Charges for services	1,670,742	2,529,214	2,431,853	(97,361)
Licenses and permits	1,325,200	2,339,059	2,859,719	520,660
Contributions	5,000	5,000	10,000	5,000
Miscellaneous	126,000	177,005	209,498	32,493
Total revenues	26,038,084	29,178,034	30,914,554	1,736,520
Expenditures:				
<u>Administration</u>				
General administration	4,360,205	3,878,174	2,802,326	1,075,848
County commissioners	777,567	787,145	746,713	40,432
County clerk	849,529	880,447	809,425	71,022
County treasurer	622,884	630,756	618,285	12,471
County assessor	505,908	515,609	479,990	35,619
Information systems	479,614	485,062	434,438	50,624
Facilities maintenance	973,326	977,334	958,137	19,197
Special projects	900,600	1,721,458	664,746	1,056,712
Total administration	9,469,633	9,875,985	7,514,060	2,361,925
<u>Community development</u>				
County planner	1,538,931	1,559,265	1,323,219	236,046
Community development	244,870	1,509,180	1,578,017	(68,837)
Special projects	7,200	368,513	376,913	(8,400)
Total community development	1,791,001	3,436,958	3,278,149	158,809

(continued)

TETON COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Health and human services</u>				
Public and environmental health	979,138	994,881	931,840	63,041
Human services	1,091,327	1,093,327	1,021,991	71,336
County coroner	108,409	125,509	108,991	16,518
Agricultural extension	204,947	206,475	185,476	20,999
WIC program	45,485	45,485	40,869	4,616
Health officer	7,230	7,230	6,930	300
Special projects	38,000	39,500	37,325	2,175
Total health and human services	<u>2,474,536</u>	<u>2,512,407</u>	<u>2,333,422</u>	<u>178,985</u>
<u>Justice</u>				
County attorney	1,011,955	1,028,553	962,209	66,344
Clerk of district court	748,282	729,149	654,093	75,056
Circuit court	4,500	4,500	1,779	2,721
Total justice	<u>1,764,737</u>	<u>1,762,202</u>	<u>1,618,081</u>	<u>144,121</u>
<u>Infrastructure</u>				
Road and bridge	1,396,186	1,605,543	1,546,222	59,321
County engineer	455,943	460,897	403,936	56,961
Pathways	1,336,977	1,932,964	393,959	1,539,005
Special projects	314,923	367,391	105,599	261,792
Total infrastructure	<u>3,504,029</u>	<u>4,366,795</u>	<u>2,449,716</u>	<u>1,917,079</u>
<u>Public safety</u>				
County sheriff	4,876,911	4,967,479	4,432,526	534,953
Board of prisoners and jail	1,458,609	1,477,190	1,306,858	170,332
Emergency management	215,478	217,850	182,412	35,438
Special projects	485,085	544,646	466,144	78,502
Total public safety	<u>7,036,083</u>	<u>7,207,165</u>	<u>6,387,940</u>	<u>819,225</u>
<u>Debt Service</u>				
Principal	560,000	560,000	560,000	-
Interest and fiscal charges	80,023	80,023	80,023	-
Total debt service	<u>640,023</u>	<u>640,023</u>	<u>640,023</u>	<u>-</u>
Total expenditures	<u>26,680,042</u>	<u>29,801,535</u>	<u>24,221,391</u>	<u>5,580,144</u>
Revenues over (under) expenditures	<u>(641,958)</u>	<u>(623,501)</u>	<u>6,693,163</u>	<u>7,316,664</u> (continued)



TETON COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other financing sources (uses):				
Transfer from grants fund	377,805	354,155	266,700	(87,455)
Transfer from fire / EMS fund	209,302	209,302	134,408	(74,894)
Transfer from E911 fund	140,823	140,823	140,823	-
Transfer to fire / EMS fund	(1,404,189)	(1,365,969)	(1,299,988)	65,981
Transfer to parks and recreation fund	(1,389,929)	(1,441,616)	(1,440,649)	967
Transfer to building corporation	(64,976)	(64,976)	(64,976)	-
Transfer to housing authority fund	(250,000)	(250,000)	(250,000)	-
Transfer to capital projects fund	(318,878)	(318,878)	(318,878)	-
Total other financing sources (uses)	<u>(2,700,042)</u>	<u>(2,737,159)</u>	<u>(2,832,560)</u>	<u>(95,401)</u>
Change in fund balance	<u>\$ (3,342,000)</u>	<u>(3,360,660)</u>	3,860,603	<u>7,221,263</u>
Fund balance - July 1			<u>15,186,958</u>	
Fund balance - June 30			<u>\$ 19,047,561</u>	

TETON COUNTY  
BUDGETARY COMPARISON SCHEDULE  
PARKS AND RECREATION FUND  
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 597,706	597,706	33,550	(564,156)
Charges for services	2,694,657	2,760,351	2,559,114	(201,237)
Contributions	47,000	55,912	36,355	(19,557)
Miscellaneous	6,000	20,667	22,392	1,725
	<u>3,345,363</u>	<u>3,434,636</u>	<u>2,651,411</u>	<u>(783,225)</u>
Expenditures:				
Parks and recreation	<u>5,003,492</u>	<u>5,104,523</u>	<u>4,325,703</u>	<u>778,820</u>
	<u>5,003,492</u>	<u>5,104,523</u>	<u>4,325,703</u>	<u>778,820</u>
Deficiency of revenues over expenditures	<u>(1,658,129)</u>	<u>(1,669,887)</u>	<u>(1,674,292)</u>	<u>(4,405)</u>
Other financing sources:				
Transfer from lodging tax fund	78,200	78,200	224,390	146,190
Transfer from general fund	<u>1,579,929</u>	<u>1,631,616</u>	<u>1,440,649</u>	<u>(190,967)</u>
Total other financing sources	<u>1,658,129</u>	<u>1,709,816</u>	<u>1,665,039</u>	<u>(44,777)</u>
Change in fund balance	<u>\$ -</u>	<u>39,929</u>	(9,253)	<u>(49,182)</u>
Fund balance - July 1			<u>264,595</u>	
Fund balance - June 30			<u>\$ 255,342</u>	

TETON COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GRANTS FUND  
Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 2,248,555	2,796,016	1,036,130	(1,759,886)
Total revenues	<u>2,248,555</u>	<u>2,796,016</u>	<u>1,036,130</u>	<u>(1,759,886)</u>
Expenditures:				
Administration	57,999	57,999	3,120	54,879
Community development	401,968	426,877	24,909	401,968
Health and human services	136,653	218,479	172,982	45,497
Infrastructure	485,000	485,000	8,604	476,396
Parks and recreation	175,000	175,000	175,000	-
Public safety	644,130	813,966	172,837	641,129
Total expenditures	<u>1,900,750</u>	<u>2,177,321</u>	<u>557,452</u>	<u>1,619,869</u>
Excess of revenues over expenditures	<u>347,805</u>	<u>618,695</u>	<u>478,678</u>	<u>(140,017)</u>
Other financing uses:				
Transfer to daycare specific tax fund	-	(211,978)	(211,978)	-
Transfer to general fund	<u>(347,805)</u>	<u>(406,717)</u>	<u>(266,700)</u>	<u>140,017</u>
Total other financing uses	<u>(347,805)</u>	<u>(618,695)</u>	<u>(478,678)</u>	<u>140,017</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - July 1			<u>8,516</u>	
Fund balance - June 30			<u>\$ 8,516</u>	

TETON COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2014

**Budget Presentation**

A Budgetary Comparison Schedule is presented for the General Fund and each major special revenue fund as required by generally accepted accounting principles (GAAP). Budgets for governmental funds are adopted on a GAAP basis except for instances in which capital assets are purchased through issuance of debt.

Annual appropriated budgets are adopted for the general fund and all special revenue funds as required by state law. All annual appropriations lapse at fiscal year-end. The Board of County Commissioners may authorize increases to or uses of fund balances. In the budget presentation, authorized increases to fund balance are shown as positive changes in fund balance and authorized decreases are shown as negative changes in fund balance.

**Budget Adoption and Monitoring**

Prior to May 15, the County Clerk submits to the Board of County Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted prior to the third Monday in July to obtain public comments. The budget is adopted within 24 hours of the public hearing, or by the third Tuesday of July.

The total budget for any individual department may be amended only upon a motion made by the Board of County Commissioners. After the publication of notice, the Board of County Commissioners may by resolution transfer any unexpended appropriation balance or part thereof from one fund or department to another.

Formal budgetary integration is employed as a management control device during the year for all governmental funds. In the General fund, the legal level of expenditure control for budgetary purposes is the department level. Management may over-expend an object line item within a department without seeking a formal amendment from the Board of County Commissioners provided the total department budget is not over-expended.

In all governmental funds other than the General fund, the legal level of expenditure control for budgetary purposes is the total fund expenditures level. Management may over-expend an object line item within a fund without seeking a formal amendment from the Board of County Commissioners provided the total fund expenditures budget is not over-expended.

**Budgetary Compliance**

For the year ended June 30, 2014, the County was compliant with all budgets, with no departments or funds exceeding budgeted expenditures.

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## Supplementary Information

TETON COUNTY  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2014

Special Revenue Funds

	Special Fire	Fire/EMS	Enhanced 911	Housing Authority	Roads	Lodging Tax	County Fair
<b>Assets:</b>							
Pooled cash and cash equivalents	\$ 1,522,012	730,483	875,763	2,409,290	2,186,092	433,951	568,337
Cash and cash equivalents	-	-	-	-	-	-	10,819
Accounts receivable	-	149,485	44,007	-	-	-	-
Taxes receivable	394,416	-	-	-	-	-	630,559
Due from other governments	48,208	25,000	-	-	83,821	156,267	17,324
Due from other funds	-	19,034	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	30,833
<b>Total assets</b>	<b>\$ 1,964,636</b>	<b>924,002</b>	<b>919,770</b>	<b>2,409,290</b>	<b>2,269,913</b>	<b>590,218</b>	<b>1,257,872</b>
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ 20,210	108,364	60,910	-	63,069	7,877	34,649
Due to other funds	-	13,243	-	-	-	-	339
Unearned revenue	94	-	-	-	-	-	49,509
<b>Total liabilities</b>	<b>20,304</b>	<b>121,607</b>	<b>60,910</b>	<b>-</b>	<b>63,069</b>	<b>7,877</b>	<b>84,497</b>
<b>Deferred inflows of resources:</b>							
Revenues for future periods	391,139	-	-	-	-	-	625,767
<b>Total deferred inflows of resources</b>	<b>391,139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>625,767</b>
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Prepaid expenses	-	-	-	-	-	-	30,833
<b>Restricted for:</b>							
Capital projects	-	-	-	2,409,290	-	-	-
Infrastructure	-	-	-	-	2,206,844	-	-
Public safety	1,553,193	-	858,860	-	-	-	-
Community development	-	-	-	-	-	582,341	-
<b>Committed for:</b>							
Public safety	-	802,395	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	516,775
<b>Total fund balances</b>	<b>1,553,193</b>	<b>802,395</b>	<b>858,860</b>	<b>2,409,290</b>	<b>2,206,844</b>	<b>582,341</b>	<b>547,608</b>
<b>Total liabilities, deferred inflows of resources and fund balances \$</b>	<b>1,964,636</b>	<b>924,002</b>	<b>919,770</b>	<b>2,409,290</b>	<b>2,269,913</b>	<b>590,218</b>	<b>1,257,872</b>

TETON COUNTY  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2014

Capital Projects Fund									
2006 Daycare Specific Tax Fund	2006 Trash Transfer Specific Tax Fund	2008 Pathways Specific Tax Fund	2010 Pathways Specific Tax Fund	2010 Wilson Specific Tax Fund	2010 Parks & Recreation Specific Tax Fund	2010 County Fair Specific Tax Fund	2012 Landfill Closure Specific Tax Fund	2012 Pathways Specific Tax Fund	Total Non-major Governmental Funds
1,447,985	1,387,155	1,217,580	127,436	665,744	887,748	1,026,508	117,137	-	15,603,221
-	-	-	-	-	-	-	-	-	10,819
-	-	-	-	-	-	-	-	-	193,492
-	-	-	-	-	-	-	-	-	1,024,975
-	-	-	-	201,121	-	-	705,721	705,721	1,943,183
-	-	-	-	-	-	-	-	-	19,034
-	-	-	-	-	-	-	-	-	30,833
<u>1,447,985</u>	<u>1,387,155</u>	<u>1,217,580</u>	<u>127,436</u>	<u>866,865</u>	<u>887,748</u>	<u>1,026,508</u>	<u>822,858</u>	<u>705,721</u>	<u>18,825,557</u>
-	-	673,899	-	60,992	-	17,352	22,002	-	1,069,324
-	-	-	-	-	-	-	-	-	13,582
-	-	-	-	-	-	-	-	-	49,603
-	-	<u>673,899</u>	-	<u>60,992</u>	-	<u>17,352</u>	<u>22,002</u>	-	<u>1,132,509</u>
-	-	-	-	-	-	-	-	-	1,016,906
-	-	-	-	-	-	-	-	-	1,016,906
-	-	-	-	-	-	-	-	-	30,833
1,447,985	1,387,155	543,681	127,436	805,873	887,748	1,009,156	800,856	705,721	10,124,901
-	-	-	-	-	-	-	-	-	2,206,844
-	-	-	-	-	-	-	-	-	2,412,053
-	-	-	-	-	-	-	-	-	582,341
-	-	-	-	-	-	-	-	-	802,395
-	-	-	-	-	-	-	-	-	516,775
<u>1,447,985</u>	<u>1,387,155</u>	<u>543,681</u>	<u>127,436</u>	<u>805,873</u>	<u>887,748</u>	<u>1,009,156</u>	<u>800,856</u>	<u>705,721</u>	<u>16,676,142</u>
<u>1,447,985</u>	<u>1,387,155</u>	<u>1,217,580</u>	<u>127,436</u>	<u>866,865</u>	<u>887,748</u>	<u>1,026,508</u>	<u>822,858</u>	<u>705,721</u>	<u>18,825,557</u>



TETON COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2014

Special Revenue Funds

	<u>Special</u>		<u>Enhanced</u>	<u>Housing</u>		<u>Lodging</u>	<u>County</u>
	<u>Fire</u>	<u>Fire/EMS</u>	<u>911</u>	<u>Authority</u>	<u>Roads</u>	<u>Tax</u>	<u>Fair</u>
Revenues:							
Taxes	\$ 425,203	-	-	-	548,187	928,828	699,971
Intergovernmental	183,053	5,912	-	-	215,318	-	-
Charges for services	644,768	1,503,186	285,487	489,075	-	-	522,865
Contributions	25,610	286,198	-	-	-	-	30,000
Miscellaneous	23,855	17,010	6,111	12,280	31,097	4,019	8,595
Total revenues	<u>1,302,489</u>	<u>1,812,306</u>	<u>291,598</u>	<u>501,355</u>	<u>794,602</u>	<u>932,847</u>	<u>1,261,431</u>
Expenditures:							
Community development	-	-	-	475,000	-	-	-
Health and human services	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	694,683	663,013	-
Parks and recreation	-	-	-	-	-	163,812	964,694
Public safety	1,565,460	3,061,350	383,251	-	-	-	-
Total expenditures	<u>1,565,460</u>	<u>3,061,350</u>	<u>383,251</u>	<u>475,000</u>	<u>694,683</u>	<u>826,825</u>	<u>964,694</u>
Excess (deficiency) of revenues over expenditures	<u>(262,971)</u>	<u>(1,249,044)</u>	<u>(91,653)</u>	<u>26,355</u>	<u>99,919</u>	<u>106,022</u>	<u>296,737</u>
Other financing sources (uses):							
Transfers in (out)	-	1,267,481	(140,824)	250,000	-	(326,290)	-
Total other financing sources (uses)	<u>-</u>	<u>1,267,481</u>	<u>(140,824)</u>	<u>250,000</u>	<u>-</u>	<u>(326,290)</u>	<u>-</u>
Change in fund balance	(262,971)	18,437	(232,477)	276,355	99,919	(220,268)	296,737
Fund balance - July 1	<u>1,816,164</u>	<u>783,958</u>	<u>1,091,337</u>	<u>2,132,935</u>	<u>2,106,925</u>	<u>802,609</u>	<u>250,871</u>
Fund balance - June 30	<u>\$ 1,553,193</u>	<u>802,395</u>	<u>858,860</u>	<u>2,409,290</u>	<u>2,206,844</u>	<u>582,341</u>	<u>547,608</u>

TETON COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2014

Capital Projects Fund									
2006 Daycare Specific Tax Fund	2006 Trash Transfer Specific Tax Fund	2008 Pathways Specific Tax Fund	2010 Pathways Specific Tax Fund	2010 Wilson Specific Tax Fund	2010 Parks & Recreation Specific Tax Fund	2010 County Fair Specific Tax Fund	2012 Landfill Closure Specific Tax Fund	2012 Pathways Specific Tax Fund	Total Non-major Governmental Funds
-	-	-	-	793,905	717,842	437,725	705,720	705,721	5,963,102
-	-	101,913	-	-	-	-	-	-	506,196
-	-	-	-	-	-	-	-	-	3,445,381
-	-	-	-	-	-	-	600	-	342,408
7,471	16,959	13,679	735	1,360	3,157	5,079	1,034	-	152,441
<u>7,471</u>	<u>16,959</u>	<u>115,592</u>	<u>735</u>	<u>795,265</u>	<u>720,999</u>	<u>442,804</u>	<u>707,354</u>	<u>705,721</u>	<u>10,409,528</u>
-	-	-	-	-	-	-	-	-	475,000
5,488	-	-	-	-	-	-	-	-	5,488
-	-	2,470,232	302	-	-	-	249,572	-	4,077,802
-	-	-	-	126,600	92,533	19,417.00	-	-	1,367,056
-	-	-	-	-	-	-	-	-	5,010,061
<u>5,488</u>	<u>-</u>	<u>2,470,232</u>	<u>302</u>	<u>126,600</u>	<u>92,533</u>	<u>19,417</u>	<u>249,572</u>	<u>-</u>	<u>10,935,407</u>
1,983	16,959	(2,354,640)	433	668,665	628,466	423,387	457,782	705,721	(525,879)
<u>211,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>1,412,345</u>
<u>211,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>1,412,345</u>
213,961	16,959	(2,354,640)	433	668,665	628,466	423,387	607,782	705,721	886,466
1,234,024	1,370,196	2,898,321	127,003	137,208	259,282	585,769	193,074	-	15,789,676
<u>1,447,985</u>	<u>1,387,155</u>	<u>543,681</u>	<u>127,436</u>	<u>805,873</u>	<u>887,748</u>	<u>1,009,156</u>	<u>800,856</u>	<u>705,721</u>	<u>16,676,142</u>

TETON COUNTY  
COMBINING STATEMENT OF NET POSITION  
TETON COUNTY LIBRARY AND TETON COUNTY LIBRARY FOUNDATION  
June 30, 2014

	<u>Teton County Library</u>	<u>Teton County Library Foundation</u>	<u>Total Teton County Library</u>
<b>Assets:</b>			
Cash and cash equivalents	\$ 1,961,112	487,207	2,448,319
Investments	-	4,851,676	4,851,676
Accounts receivable	-	1,961	1,961
Taxes receivable	3,383,473	-	3,383,473
Other receivables	76	-	76
Due from other governments	1,306	-	1,306
Prepaid expenses	20,139	-	20,139
Inventory	403	-	403
Capital assets	1,034,689	-	1,034,689
Accumulated depreciation	(417,675)	-	(417,675)
<b>Total assets</b>	<b>\$ 5,983,523</b>	<b>5,340,844</b>	<b>11,324,367</b>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 78,691	18,604	97,295
<b>Long-term liabilities:</b>			
Due within one year	97,000	-	97,000
<b>Total liabilities</b>	<b>175,691</b>	<b>18,604</b>	<b>194,295</b>
<b>Deferred inflows of resources:</b>			
Revenues for future periods	3,113,000	-	3,113,000
<b>Total deferred inflows of resources</b>	<b>3,113,000</b>	<b>-</b>	<b>3,113,000</b>
<b>Net position:</b>			
Invested in capital assets, net of related debt	617,014	-	617,014
Restricted for capital projects	487,217	-	487,217
Restricted for permanent endowment - non expendable	-	3,005,779	3,005,779
Unrestricted	1,590,601	2,316,461	3,907,062
<b>Total net position</b>	<b>\$ 2,694,832</b>	<b>5,322,240</b>	<b>8,017,072</b>

TETON COUNTY  
COMBINING STATEMENT OF ACTIVITIES  
TETON COUNTY LIBRARY AND TETON COUNTY LIBRARY FOUNDATION  
Year Ended June 30, 2014

	<u>Teton County Library</u>	<u>Teton County Library Foundation</u>	<u>Total Teton County Library</u>
Expenses	\$ 3,331,502	514,355	3,845,857
Program revenues:			
Charges for services	51,377	-	51,377
Operating grants and contributions	-	2,402,391	2,402,391
Total program revenues	<u>51,377</u>	<u>2,402,391</u>	<u>2,453,768</u>
Net (expenses) revenues	<u>(3,280,125)</u>	<u>1,888,036</u>	<u>(1,392,089)</u>
General revenues:			
Property taxes	3,313,596	-	3,313,596
Investment income	6,178	487,117	493,295
Miscellaneous	<u>1,983</u>	<u>87</u>	<u>2,070</u>
Total general revenues and special item	<u>3,321,757</u>	<u>487,204</u>	<u>3,808,961</u>
Change in net position	41,632	2,375,240	2,416,872
Net position – beginning	<u>2,653,200</u>	<u>2,947,000</u>	<u>5,600,200</u>
Net position – ending	<u>\$ 2,694,832</u>	<u>5,322,240</u>	<u>8,017,072</u>

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Teton County Court Supervised Treatment Program  
Required Financial Reporting

TETON COUNTY COURT SUPERVISED TREATMENT PROGRAM  
SCHEDULE OF FINANCIAL POSITION  
June 30, 2014

Assets:		
Accounts receivable	\$	<u>28,627</u>
Total assets	\$	<u><u>28,627</u></u>
Liabilities:		
Payable to general fund pooled cash	\$	23,405
Accounts payable		<u>5,222</u>
Total liabilities		<u>28,627</u>
Fund balance		<u>-</u>
Total liabilities and fund balance	\$	<u><u>28,627</u></u>

TETON COUNTY COURT SUPERVISED TREATMENT PROGRAM  
SCHEDULE OF ACTIVITIES AND FUNCTIONAL EXPENSES  
Year Ended June 30, 2014

Revenues:

State grants	\$ 99,172
Contributions from Teton County	20,672
Contributions from Town of Jackson	16,250
Client fees	<u>3,870</u>
 Total revenues	 <u>139,964</u>

Expenses:

Administrative	71,874
Treatment and supervision	64,213
Travel and training	<u>3,877</u>
 Total expenses	 <u>139,964</u>

Net change in fund balance	\$ <u><u>-</u></u>
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## Governmental Audit Reports

TETON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Contract Number	Expenditures
<u>U.S. Department of Agriculture (USDA)</u>			
Direct Program:			
Schools and Roads Cluster:			
Secure Rural Schools - Title I	10.665	None	\$ 634,253
Total Schools and Roads Cluster			<u>634,253</u>
Passed through Wyoming Department of Health:			
Special Supplemental Nutrition Program For WIC	10.557	None	39,423
Passed through Wyoming State Forestry Division:			
Snake River Ranch Wildfire Reduction & Mitigation	10.664	11-DG-11046000-619	155,600
Fire Training	10.664	12-DG-11020000-031	<u>7,950</u>
Total USDA			<u>837,226</u>
<u>U.S. Department of Justice (DOJ)</u>			
Passed through Volunteers of America Northern Rockies:			
Juvenile Justice Delinquency Prevention	16.540	2011-JF-FX-K006	980
Passed through Wyoming Department of Family Services:			
Title V Community Prevention	16.548	None	3,407
Passed through Wyoming Sheriff's Association:			
Enforce Underage Drinking Laws 2013	16.727	None	5,194
Enforce Underage Drinking Laws 2014	16.727	None	<u>5,009</u>
Total DOJ			<u>14,590</u>
<u>U.S. Department of Transportation (DOT)</u>			
Passed through Wyoming Department of Transportation:			
Highway Safety Cluster:			
Bureau of Justice Assistance - DUI/Speed 2012	20.600	402 FY2012	4,508
Bureau of Justice Assistance - DUI/Speed 2014	20.600	410 FY2014	4,959
Alcohol Impaired Driving Countermeasures Incentive	20.601	402 FY2014	<u>2,480</u>
Total Highway Safety Cluster			11,947

TETON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Contract Number	<u>Expenditures</u>
Passed through Wyoming Office of Homeland Security:			
Interagency Hazardous Materials Public Sector Training and Planning	20.703	14-DOT-TET-HM-HMP14	1,519
Passed through Wyoming Department of State Parks:			
Trail Grooming Grant	20.219	NRT#1219	<u>25,152</u>
Total DOT			<u>38,618</u>
<u>U.S. Department of Health and Human Services (HHS)</u>			
Passed through Wyoming Department of Family Services:			
Temporary Assistance For Needy Families Cluster:			
Temporary Assistance for Needy Families - HS (Climb) 2013	93.558	None	9,869
Temporary Assistance for Needy Families - HS (Climb) 2014	93.558	None	77,353
Temporary Assistance for Needy Families - PH 2014	93.558	None	<u>28,584</u>
Total Temporary Assistance for Needy Families Cluster			115,806
Passed through Wyoming Department of Health:			
All Hazards - 2013	93.069	None	13,193
All Hazards - 2014	93.069	None	67,300
All Hazards - CHO 2014	93.069	None	9,600
Community Services Block Cluster:			
WY Rural & Frontier Health CSBG Tripartite	93.569	CSBG.TTN1316	27,738
WY Rural & Frontier Health CSBG Tripartite	93.569	CSBG.TTN1212	<u>23,319</u>
Total Community Services Block Cluster			<u>51,057</u>
Total HHS			<u>256,956</u>
<u>U.S. Department of Homeland Security (DHS)</u>			
Passed through Wyoming Office of Homeland Security:			
Homeland Security Cluster:			
FY2011 Law Enforcement (LETPA) - SO	97.067	11-GPD-TET-LS-HLE11	10,544
FY2011 Homeland Security (HSGP)	97.067	11-GPD-TET-SC-HSG11	27,553
FY2012 Homeland Security (HSGP)	97.067	12-GPD-TET-SC-HSG12	21,065
FY2012 Fire/EMS Regional Response Team	97.067	12-GPD-RR8-RR-HRT12	30,012
FY2013 Fire/EMS Regional Response Team	97.067	13-GPD-RR8-RR-HRT13	357
FY2012 Citizen Corps Program (CCP)	97.067	12-GPD-TET-CC-HCC12	9,665
FY2013 Homeland Security (HSGP)	97.067	13-GPD-TET-SC-HSG13	<u>9,940</u>
Total Homeland Security Cluster			<u>109,136</u>
Total DHS			<u>109,136</u>
Total Expenditures of Federal Awards			<u>\$ 1,256,526</u>

TETON COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2014

Note 1 – Purpose of the Schedule

The Schedule of Expenditures of Federal Awards (the Schedule) is a supplementary schedule to the basic financial statements. The Schedule is required by the U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Note 2 – Significant Accounting Policies

Basis of Accounting

The information in the Schedule is presented in accordance with OMB Circular A-133. The Schedule is prepared using the same accounting policies and basis of accounting as the basic financial statements.

CFDA Numbers

OMB Circular A-133 requires that the Schedule show the total expenditures for each of the entity's federal financial assistance programs as identified in the Catalog of Federal Domestic Assistance (CFDA). The CFDA is a government-wide compendium of individual federal programs. Each program included in the CFDA is assigned a five-digit program identification number (CFDA number).

Major Programs

OMB Circular A-133 establishes the levels of expenditures or expenses and other criteria to be used in defining major programs. Major programs have been noted in the Schedule of Findings and Questioned Costs in accordance with those definitions.

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INDEPENDENT AUDITORS' 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 Board of County Commissioners  
Teton County  
Jackson, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Teton County, Wyoming (the County) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 14, 2014. Our report includes a reference to other auditors who audited the financial statements of Teton County Weed and Pest Control District (a discretely presented component unit), and Teton County Building Corporation (a blended component unit), as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a significant deficiency.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 14-01 to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County'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*.

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

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

### **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.



JONES SIMKINS LLC  
Logan, Utah  
November 14, 2014





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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of County Commissioners  
Teton County  
Jackson, Wyoming

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

We have audited Teton County, Wyoming's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

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

In our opinion, the County 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, 2014.

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

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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



JONES SIMKINS LLC  
Logan, Utah  
November 14, 2014

TETON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014

A. Summary of Auditors' Results

- |    |  |  |
|----|--|--|
| 1. | Type of Report issued:   | Unmodified                                 |
| 2. | Internal control over financial reporting:<br>Material weaknesses identified:                                      | No   |
|    | Significant deficiencies identified that were not considered to be material weaknesses:                            | Yes-1                                      |
| 3. | Non-compliance material to financial statements noted:   | No   |
| 4. | Internal control over major programs:<br>Material weaknesses identified:   | No   |
|    | Significant deficiencies identified that were not considered to be material weaknesses:                            | No   |
| 5. | Type of auditor's report issued on compliance for major programs:  | Unmodified                                 |
| 6. | Any audit findings disclosed that are required to be reported in accordance with section 510(d) of Circular A-133: | None                                       |
| 7. | Federal programs tested as major programs:   | Schools and Roads Cluster<br>CFDA # 10.665 |
| 8. | Dollar threshold used to distinguish between Type A and Type B programs:   | \$ 300,000                                 |
| 9. | Auditee qualification as high or low risk:   | High                                       |

TETON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014

- B. Findings related to the financial statements required to be reported in accordance with *Government Auditing Standards*

Finding 14-01

Condition: The County's internal control system is not entirely designed in accordance with the expectations of the Government Accountability Office (GAO).

Criteria: Internal control standards adopted by the GAO expect that the individuals charged with governance of an organization assess internal control risks, document and communicate controls and procedures, and monitor compliance with policies and procedures.

Effect: The absence of certain expected elements of the internal control system did not result in any identified fraud or material misstatement of the financial statements. However, the County is subject to a certain level of risk of material misstatement in the financial statements due to the lack of certain elements of internal control.

Cause: The County has not allocated personnel, time and resources toward establishing all of the internal control system elements expected by the GAO.

Recommendation: The County Clerk, County Treasurer and key County and component unit accounting personnel should develop and document risk assessments and controls procedures, plans for communication of internal controls to all affected personnel, and establish consistent monitoring procedures to ensure internal controls are operating effectively. Included within the control activities should be a documented process for collecting, reviewing and assimilating the accounting information of the County's component units in to the County's government-wide financial statements. Members of the County and component unit governing boards should participate in the risk assessment process, oversee the development of control policies and activities, and participate in ongoing monitoring procedures.

TETON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014

- C. Findings and Questioned Costs Related to Federal Awards Required to be reported in Accordance with OMB Circular A-133

None

TETON COUNTY  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
(Client Submitted Document)  
Year Ended June 30, 2014

None required as there were no findings or questioned costs related to federal awards required to be reported in accordance with OMB Circular A-133 in the prior year.

TETON COUNTY  
CORRECTIVE ACTION PLAN  
(Client Submitted Document)  
Year Ended June 30, 2014

Teton County respectfully submits the following corrective action plan for the year ended June 30, 2014:

The findings from the Schedule of Findings and Questioned Costs are addressed below. The responses to the findings are numbered consistently with the numbers assigned in the Schedule of Findings and Questioned Costs.

**Findings – Financial Statement Audit**

Response to finding 14-01

The County concurs with the recommendation and will continue to evaluate the cost and benefit of implementing controls in accordance with the expectations of the GAO and implement additional controls where practical and reasonable.