

TETON COUNTY, WYOMING



FINANCIAL STATEMENTS

June 30, 2016

TETON COUNTY
FINANCIAL STATEMENTS
June 30, 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Teton County
Jackson, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Teton County, Wyoming (the County) as of and for the year ended June 30, 2016, 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.

Auditors' 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 10 percent, 8 percent, and 15 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 1 percent, 1 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, 2016, 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, budgetary comparison information, the schedule of proportionate share of the net pension liability, and the schedule of contributions, 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 *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 30, 2016 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 30, 2016

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, 2016.

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 and deferred outflows of \$174.5 million exceeded liabilities and deferred inflows of \$43.9 million, which resulted in total net position of \$130.6 million, the majority of which (66.8%) is the County's net investment in capital assets totaling \$87.2 million. (*See the Statement of Net Position in the Audited Financial Statements*)
- Total assets and deferred outflows of the primary government increased \$18.3 million from June 30, 2015 to June 30, 2016. Total assets and deferred outflows increased primarily as a result of an increase in pooled cash, additions to capital assets, and an increase in pension related deferred outflows, which increased by approximately \$5.8, \$5.2 and \$4.9 million, respectively. Pooled cash increased as a result of changes in fund balance from general operations due to a higher than expected sales tax increase of 5.7% and lower than budgeted expenditures utilizing 89% of the operational budget. Major capital asset additions include the completion of sections of the Snake River WY22 Pathway system in the amount of \$3.7 million. There was continued construction on the pathway system on WY22 in the amount of \$0.6 million, which is classified as construction in process. The County made improvements to the Transfer Station Scale House in the amount of \$2.3 million, which is also 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 improvements associated with a county-wide energy efficiency program.
- Total liabilities and deferred inflows increased \$3.5 million during 2016. An increase of \$5.9 million to the County's portion of the net pension liability is the primary cause for the overall increase.
- Of the \$43.3 million in net position that is not invested in capital assets, \$11.9 million was unrestricted and \$31.4 million was restricted for future capital projects, infrastructure expenditures, public safety services and community development services. The current year increase of \$11.1 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 \$1 million or 3.0% over the prior year, from \$33.1 million in 2015 to \$34.1 million in 2016. Sales and use tax revenues increased \$0.9 million due to improvements in the local retail and tourism economy. As a result of increases in property values, property taxes increased \$0.7 million. All other general fund tax revenues were generally consistent with the prior year, reflecting an aggregate increase of \$0.5 million compared to 2015. Non-tax revenues decreased \$1 million. As a result of a decrease in building and planning activity, license and permit revenues decreased \$1.1 million. 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, 2016, remained consistent with the prior year at 9.154 mills, leaving a tax margin of 2.846 mills or \$3.5 million that was not assessed on the total assessed valuation of \$1.2 billion.
- Total general fund expenditures increased \$0.4 million between 2016 and 2015, primarily resulting from increases in public safety and health and human service function expenditures. Other general fund functional expenditures remained fairly consistent with prior year levels. For the year ended June 30, 2016, revenues exceeded expenditures by \$9.7 million.
- After net interfund transfers out of \$9.5 million, the general fund's total fund balance increased by \$0.2 million in 2016. Transfers out were made up of budgeted, normal operating transfers to special revenue funds and the capital projects fund. 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 Teton 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/Teton County Regional 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
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
2014 Pathways Specific Tax
2014 Fire/EMS 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, the Capital Projects Fund, and the 2012 Landfill Closure Specific Tax 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 Teton 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 \$2.7 million with a decrease in 2016 of \$0.6 million from principal payments. The County also reports a liability associated with the estimated closure costs related to the County's landfill for approximately \$10.7 million. While \$0.3 million expended during fiscal 2016 for closure activities, the liability decreased \$2 million due to a decrease in estimated closure cost.
- Other long-term liabilities include employee compensated absences and notes payable which bring the total long-term liabilities to \$26.2 million.

FINANCIAL ANALYSIS

As previously noted, *net position* serves as a useful indicator of Teton County's financial condition. Total primary government assets and deferred outflows exceeded total primary government liabilities and deferred inflows by approximately \$130.6 million, the majority of which is reflected in the net investment in capital assets totaling \$87.2 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, 2016 and 2015:

SUMMARY SCHEDULE OF NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Current assets	\$ 73,243,756	65,372,461	4,262,261	3,799,599	77,506,017	69,172,060
Non-current assets	-	42,967	-	-	-	42,967
Capital assets	88,246,737	83,670,016	1,719,124	1,129,064	89,965,861	84,799,080
Total assets	161,490,493	149,085,444	5,981,385	4,928,663	167,471,878	154,014,107
Deferred outflows of resources	6,789,395	2,071,369	230,757	92,588	7,020,152	2,163,957
Current liabilities	7,843,893	6,484,876	681,461	392,194	8,525,354	6,877,070
Non-current liabilities	25,576,854	25,096,215	660,645	540,525	26,237,499	25,636,740
Total liabilities	33,420,747	31,581,091	1,342,106	932,719	34,762,853	32,513,810
Deferred inflows of resources	9,169,589	7,900,776	13,752	-	9,183,341	7,900,776
Net investment in capital assets	85,523,243	80,321,522	1,719,124	1,129,064	87,242,367	81,450,586
Restricted	31,448,478	33,444,455	-	148,850	31,448,478	33,593,305
Unrestricted	8,717,831	(2,091,031)	3,137,160	2,810,618	11,854,991	719,587
Total net position	\$ 125,689,552	111,674,946	4,856,284	4,088,532	130,545,836	115,763,478

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, 2016

SUMMARY SCHEDULE OF CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Charges for services	\$ 12,294,142	12,696,812	4,588,021	4,565,362	16,882,163	17,262,174
Operating grants and contributions	2,407,009	1,872,136	88,955	104,928	2,495,964	1,977,064
Capital grants and contributions	2,665,446	2,537,959	-	-	2,665,446	2,537,959
General revenues:						
Taxes	40,303,769	40,961,035	-	-	40,303,769	40,961,035
Investment income	252,470	217,368	34,841	36,192	287,311	253,560
Other income	80,494	170,993	19,090	3,003	99,584	173,996
Total revenues	<u>58,003,330</u>	<u>58,456,303</u>	<u>4,730,907</u>	<u>4,709,485</u>	<u>62,734,237</u>	<u>63,165,788</u>
Expenses:						
Administration	7,930,673	7,844,461	-	-	7,930,673	7,844,461
Community development	6,364,288	8,442,904	-	-	6,364,288	8,442,904
Health and human services	3,106,865	2,821,843	-	-	3,106,865	2,821,843
Justice	1,988,090	1,730,828	-	-	1,988,090	1,730,828
Infrastructure	4,730,175	5,052,091	-	-	4,730,175	5,052,091
Parks and recreation	6,214,138	5,290,670	-	-	6,214,138	5,290,670
Public safety	13,044,769	10,971,992	-	-	13,044,769	10,971,992
Interest and fiscal charges	70,520	80,826	-	-	70,520	80,826
Solid waste and recycling	-	-	4,462,316	4,374,910	4,462,316	4,374,910
Building Corporation	-	-	40,045	42,157	40,045	42,157
Total expenses	<u>43,449,518</u>	<u>42,235,615</u>	<u>4,502,361</u>	<u>4,417,067</u>	<u>47,951,879</u>	<u>46,652,682</u>
Change in net position before transfers	14,553,812	16,220,688	228,546	292,418	14,782,358	16,513,106
Transfers in (out)	(539,206)	(37,200)	539,206	37,200	-	-
Change in net position	14,014,606	16,183,488	767,752	329,618	14,782,358	16,513,106
Net position - beginning	111,674,946	95,491,458	4,088,532	3,758,914	115,763,478	99,250,372
Net position - ending	<u>\$ 125,689,552</u>	<u>111,674,946</u>	<u>4,856,284</u>	<u>4,088,532</u>	<u>130,545,836</u>	<u>115,763,478</u>

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

	2016 Final Budget	2016 Actual	Variance	Variance as a % of Budget
Revenues	\$ 32,182,207	\$ 34,130,607	1,948,400	6.1%
Expenditures	27,504,982	24,384,178	3,120,804	11.3%
Excess of revenues over expenditures	4,677,225	9,746,429	5,069,204	
Transfers from other funds	823,713	685,111	(138,602)	
Transfers to other funds	(10,188,363)	(10,205,139)	(16,776)	
Deficiency of revenues over expenditures and transfers	<u>\$ (4,687,425)</u>	226,401	<u>\$ 4,913,826</u>	
Fund balance – beginning of fiscal year		<u>\$ 22,073,185</u>		
Fund balance – end of fiscal year		<u>\$ 22,299,586</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 2015, the County implemented three separate fund balance reserve policies: Operation Stabilization Reserve Policy, Special Revenue Fund Balance Policy, and Emergency Reserve/Capital Projects Fund Policy. The policies set minimum fund balance standards based upon governmental best practices and proper operating and emergency reserve balances to be reviewed annually. The approved fiscal year 2016 budget contains reserve transfers that will be reviewed and amended based upon the ending fund balances at June 30, 2015. *(See also Note 8 in the Notes to the Financial Statements for further discussion)*

GENERAL FUND BUDGETARY HIGHLIGHTS

Sales and use tax revenue exceeded budgeted revenues by \$1.3 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 for 2016 expected a decrease of 2.7% compared to the prior year actual figures, but the actual sales and use tax revenue increased 5.7% compared to the prior year.

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

Public safety expenditures were \$0.3 million below budget, due to lower than expected salaries and benefits costs for both sheriff and jail operations. Capital expenditures for public safety were also lower than expected.

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 2016, 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

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.

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Basic Financial Statements

TETON COUNTY
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Pooled cash and cash equivalents	\$ 56,619,876	2,926,486	59,546,362	-
Cash and cash equivalents	257,323	464,876	722,199	6,282,301
Investments	-	497,574	497,574	5,082,315
Accounts receivable	457,277	364,067	821,344	410,152
Taxes receivable	8,986,904	-	8,986,904	3,505,759
Other receivables	321	-	321	-
Due from other governments	6,901,367	4,841	6,906,208	685,834
Prepaid expenses	17,188	4,417	21,605	11,858
Inventory	-	-	-	9,153,121
Other assets	3,500	-	3,500	-
Capital assets	149,453,410	2,781,352	152,234,762	27,294,012
Accumulated depreciation	(61,206,673)	(1,062,228)	(62,268,901)	(2,518,178)
Total assets	161,490,493	5,981,385	167,471,878	49,907,174
Deferred outflows of resources:				
Pensions	6,789,395	230,757	7,020,152	999,055
Total deferred outflows of resources	6,789,395	230,757	7,020,152	999,055
Liabilities:				
Accounts payable and accrued liabilities	2,667,595	656,461	3,324,056	1,450,796
Unearned revenue	59,937	-	59,937	-
Funds held in trust	1,490,361	-	1,490,361	-
Long-term liabilities:				
Due within one year	3,626,000	25,000	3,651,000	361,117
Due in more than one year	11,367,694	10,596	11,378,290	10,492,690
Net pension liability	14,209,160	650,049	14,859,209	3,077,274
Total liabilities	33,420,747	1,342,106	34,762,853	15,381,877
Deferred inflows of resources:				
Revenues for future periods	8,936,196	-	8,936,196	3,230,000
Pensions	233,393	13,752	247,145	94,051
Total deferred inflows of resources	9,169,589	13,752	9,183,341	3,324,051
Net position:				
Net investment in capital assets	85,523,243	1,719,124	87,242,367	14,066,646
Restricted for capital projects	25,503,543	-	25,503,543	131,584
Restricted for infrastructure	2,602,173	-	2,602,173	-
Restricted for public safety	2,635,482	-	2,635,482	-
Restricted for community development	663,889	-	663,889	-
Restricted for other purposes	43,389	-	43,389	-
Restricted for permanent endowment - nonexpendable	-	-	-	2,531,218
Unrestricted	8,717,833	3,137,160	11,854,993	15,470,853
Total net position	\$ 125,689,552	4,856,284	130,545,836	32,200,301

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

TETON COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

	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	
Primary government:								
Governmental activities								
Administration	\$ 7,930,673	602,584	4,946	83,983	(7,239,160)	-	(7,239,160)	-
Community development	6,364,275	3,809,187	879,785	489,291	(1,186,012)	-	(1,186,012)	-
Health and human services	3,106,865	378,740	423,980	-	(2,304,145)	-	(2,304,145)	-
Justice	1,988,090	372,528	79,232	-	(1,536,330)	-	(1,536,330)	-
Infrastructure	4,445,848	169,797	510,897	1,318,206	(2,446,948)	-	(2,446,948)	-
Parks and recreation	6,563,618	3,813,093	59,016	622,264	(2,069,245)	-	(2,069,245)	-
Public safety	12,979,629	3,148,213	545,141	151,702	(9,134,573)	-	(9,134,573)	-
Debt service: interest and fiscal charge:	70,520	-	-	-	(70,520)	-	(70,520)	-
Total governmental activities	43,449,518	12,294,142	2,502,997	2,665,446	(25,986,933)	-	(25,986,933)	-
Business-type activities								
Integrated solid waste and recycling	4,462,316	4,588,021	88,955	-	-	214,660	214,660	-
Teton County Building Corporation	40,045	-	-	-	-	(40,045)	(40,045)	-
Total business-type activities	4,502,361	4,588,021	88,955	-	-	174,615	174,615	-
Total primary government	\$ 47,951,879	16,882,163	2,591,952	2,665,446	(25,986,933)	174,615	(25,812,318)	-
Component units:								
Teton County Library	\$ 4,167,923	53,874	529,650	-	-	-	-	(3,584,399)
Teton County Weed and Pest Control	1,969,613	417,917	122,650	-	-	-	-	(1,429,046)
Teton County Housing Authority	715,684	412,679	-	-	-	-	-	(303,005)
Jackson Teton County Regional Housing Authority	300,756	173,422	-	-	-	-	-	(127,334)
Jackson Hole Travel and Tourism Board	3,174,816	-	-	-	-	-	-	(3,174,816)
Total component units	\$ 10,328,792	1,057,892	652,300	-	-	-	-	(8,618,600)
General revenues:								
Sales and use taxes					\$ 25,266,831	-	25,266,831	3,610,869
Property taxes					11,333,888	-	11,333,888	5,038,628
Other taxes					3,607,062	-	3,607,062	-
County appropriations					-	-	-	3,378,748
Investment income (loss)					252,470	34,841	287,311	(159,509)
Gain (loss) on disposal of assets					(64,191)	-	(64,191)	56,922
Miscellaneous					144,685	19,090	163,775	9,485
Transfers					(539,206)	539,206	-	-
Total general revenues					40,001,539	593,137	40,594,676	11,935,143
Change in net position					14,014,606	767,752	14,782,358	3,316,543
Net position—beginning					111,674,946	4,088,532	115,763,478	28,883,758
Net position—ending					\$ 125,689,552	4,856,284	130,545,836	32,200,301

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

TETON COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	General	Parks and Recreation Special Revenue	Grants Special Revenue	Capital Projects	2012 Landfill Closure Specific Tax Fund	Non-major Funds	Total Governmental Funds
Assets:							
Pooled cash and cash equivalents	\$ 20,750,191	651,026	-	9,859,787	13,149,051	12,209,821	56,619,876
Cash and cash equivalents	253,923	1,400	-	-	-	2,000	257,323
Interfund receivable - pooled cash	505,756	-	-	-	-	-	505,756
Accounts receivable	28,709	46,728	-	-	-	381,840	457,277
Taxes receivable	7,896,777	-	-	-	-	1,090,127	8,986,904
Other receivables	321	-	-	-	-	-	321
Due from other governments	3,231,949	166,424	950,804	-	-	2,552,190	6,901,367
Due from other funds	16,301	117,309	-	-	-	224,818	358,428
Prepaid expenses	-	-	-	-	-	17,188	17,188
Other assets	3,500	-	-	-	-	-	3,500
Total assets	32,687,427	982,887	950,804	9,859,787	13,149,051	16,477,984	74,107,940
Liabilities:							
Interfund payable - pooled cash	-	-	505,756	-	-	-	505,756
Accounts payable and accrued liabilities	943,638	234,994	420,231	217,694	98,264	723,111	2,637,932
Due to other funds	101,183	-	16,301	240,944	-	-	358,428
Unearned revenue	-	-	-	-	-	59,937	59,937
Funds held in trust	1,490,361	-	-	-	-	-	1,490,361
Total liabilities	2,535,182	234,994	942,288	458,638	98,264	783,048	5,052,414
Deferred inflows of resources:							
Revenues for future periods	7,852,659	-	-	-	-	1,083,537	8,936,196
Total deferred inflows of resources	7,852,659	-	-	-	-	1,083,537	8,936,196
Fund balances:							
Nonspendable:							
Prepaid expenses	-	-	-	-	-	17,188	17,188
Restricted for:							
Capital projects	5,249,044	-	-	557,524	13,050,787	6,646,188	25,503,543
Infrastructure	-	-	-	-	-	2,602,173	2,602,173
Public safety	-	-	-	-	-	2,635,482	2,635,482
Community development	-	-	-	-	-	663,889	663,889
Other purposes	34,873	-	8,516	-	-	-	43,389
Committed for:							
Capital projects	-	-	-	8,843,625	-	-	8,843,625
Operations stabilization	6,537,747	-	-	-	-	-	6,537,747
Public safety	-	-	-	-	-	1,340,645	1,340,645
Parks and recreation	-	747,893	-	-	-	705,834	1,453,727
Assigned for:							
Capital projects	1,981,384	-	-	-	-	-	1,981,384
Unassigned	8,496,538	-	-	-	-	-	8,496,538
Total fund balances	22,299,586	747,893	8,516	9,401,149	13,050,787	14,611,399	60,119,330
Total liabilities, deferred inflows of resources and fund balances	\$ 32,687,427	982,887	950,804	9,859,787	13,149,051	16,477,984	74,107,940

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, 2016

Total fund balances of governmental funds		\$ 60,119,330
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions are not reported in the funds.		
Net pension liability	(14,209,160)	
Deferred outflow of resources - pensions	6,789,395	
Deferred inflow of resources - pensions	<u>(233,393)</u>	(7,653,158)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets	149,453,410	
Accumulated depreciation	<u>(61,206,673)</u>	88,246,737
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	(3,626,000)	
Long-term liabilities, due in more than one year	(11,367,694)	
Accrued interest payable	<u>(29,663)</u>	<u>(15,023,357)</u>
Net position of governmental activities		\$ <u><u>125,689,552</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, 2016

	General	Parks and Recreation Special Revenue	Grants Special Revenue	Capital Projects	2012 Landfill Closure Specific Tax Fund	Non-major Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 27,997,186	-	-	-	5,301,837	6,908,757	40,207,780
Intergovernmental	977,877	25,950	3,411,846	-	-	285,003	4,700,676
Charges for services	1,939,745	3,221,830	-	-	-	3,974,029	9,135,604
Licenses and permits	3,002,089	156,448	-	-	-	-	3,158,537
Contributions	18,913	32,567	-	-	-	257,914	309,394
Miscellaneous	194,796	20,805	2,997	41,912	49,073	120,290	429,873
Total revenues	34,130,606	3,457,600	3,414,843	41,912	5,350,910	11,545,993	57,941,864
Expenditures:							
Administration	7,233,238	-	-	194,934	-	-	7,428,172
Community development	2,169,216	-	180,917	1,234,905	-	2,659,037	6,244,075
Health and human services	2,816,563	-	179,524	218,630	-	-	3,214,717
Justice	1,759,463	-	-	75,148	-	-	1,834,611
Infrastructure	2,530,228	-	1,633,177	872,501	655,405	4,276,503	9,967,814
Parks and recreation	-	5,061,702	622,264	-	-	1,711,150	7,395,116
Public safety	7,184,675	-	436,985	717,318	-	4,366,977	12,705,955
Debt service:							
Principal	625,000	-	-	-	-	-	625,000
Interest and fiscal charges	65,794	-	-	-	-	-	65,794
Total expenditures	24,384,177	5,061,702	3,052,867	3,313,436	655,405	13,013,667	49,481,254
Excess (deficiency) of revenues over expenditures	9,746,429	(1,604,102)	361,976	(3,271,524)	4,695,505	(1,467,674)	8,460,610
Other financing sources (uses):							
Transfers in (out)	(9,520,028)	2,066,280	(361,976)	5,880,386	(510,000)	1,906,133	(539,205)
Total other financing sources (uses)	(9,520,028)	2,066,280	(361,976)	5,880,386	(510,000)	1,906,133	(539,205)
Change in fund balance	226,401	462,178	-	2,608,862	4,185,505	438,459	7,921,405
Fund balance - July 1	22,073,185	285,715	8,516	6,792,287	8,865,282	14,172,940	52,197,925
Fund balance - June 30	\$ 22,299,586	747,893	8,516	9,401,149	13,050,787	14,611,399	60,119,330

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, 2016

Net change in fund balances - governmental funds \$ 7,921,405

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	9,335,176	
Depreciation expense	<u>(4,614,714)</u>	4,720,462

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. (143,741)

The net effect of transactions involving net pension asset and liability, deferred inflows and outflows of resources related to pensions, nonemployer contributions, and pension expense is to decrease net position.

Change in deferred outflow of resources related to pensions	4,718,026	
Change in deferred inflow of resources related to pensions	(233,393)	
Change in net pension liability	<u>(5,925,478)</u>	(1,440,845)

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	774,055	
Change in accrued interest payable	4,593	
Change in landfill closure liability	2,240,508	
Change in compensated absences liability	<u>(61,831)</u>	<u>2,957,325</u>

Change in net position of governmental activities \$ 14,014,606

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

TETON COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	<u>Integrated Solid Waste and Recycling Fund</u>	<u>Teton County Building Corporation</u>	<u>Total Proprietary Funds</u>
Assets:			
Current assets:			
Pooled cash and cash equivalents	\$ 2,926,486	-	2,926,486
Cash and cash equivalents	-	464,876	464,876
Investments	-	497,574	497,574
Accounts receivable	364,067	-	364,067
Due from other governments	4,841	-	4,841
Prepaid expenses	-	4,417	4,417
	<hr/>	<hr/>	<hr/>
Total current assets	3,295,394	966,867	4,262,261
Non-current assets:			
Capital assets	2,781,352	-	2,781,352
Accumulated depreciation	(1,062,228)	-	(1,062,228)
	<hr/>	<hr/>	<hr/>
Total non-current assets	1,719,124	-	1,719,124
	<hr/>	<hr/>	<hr/>
Total assets	5,014,518	966,867	5,981,385
Deferred outflows of resources			
Pensions	230,757	-	230,757
	<hr/>	<hr/>	<hr/>
Total deferred outflows of resources	230,757	-	230,757
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	656,461	-	656,461
Long-term liabilities, due within one year	25,000	-	25,000
	<hr/>	<hr/>	<hr/>
Total current liabilities	681,461	-	681,461
Long-term liabilities, due in more than one year	10,596	-	10,596
Net pension liability	650,049	-	650,049
	<hr/>	<hr/>	<hr/>
Total non-current liabilities	660,645	-	660,645
	<hr/>	<hr/>	<hr/>
Total liabilities	1,342,106	-	1,342,106
Deferred inflows of resources			
Pensions	13,752	-	13,752
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	13,752	-	13,752
Net position:			
Net investment in capital assets	1,719,124	-	1,719,124
Unrestricted	2,170,293	966,867	3,137,160
	<hr/>	<hr/>	<hr/>
Total net position	\$ 3,889,417	966,867	4,856,284
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2016

	Integrated Solid Waste and Recycling Fund	Teton County Building Corporation	Total Proprietary Funds
Operating revenues:			
Charges for services	\$ 4,227,503	-	4,227,503
Materials sales	360,518	-	360,518
Miscellaneous	19,090	-	19,090
Total operating revenues	<u>4,607,111</u>	<u>-</u>	<u>4,607,111</u>
Operating expenses:			
Salaries and benefits	936,021	-	936,021
Current expenses	3,372,308	40,045	3,412,353
Depreciation	153,987	-	153,987
Total operating expenses	<u>4,462,316</u>	<u>40,045</u>	<u>4,502,361</u>
Operating income (loss)	<u>144,795</u>	<u>(40,045)</u>	<u>104,750</u>
Non-operating income:			
Grants and contributions	88,955	-	88,955
Investment income	25,235	9,606	34,841
Total non-operating income	<u>114,190</u>	<u>9,606</u>	<u>123,796</u>
Income (loss) before transfers	258,985	(30,439)	228,546
Transfers in (out)	<u>510,000</u>	<u>29,206</u>	<u>539,206</u>
Change in net position	768,985	(1,233)	767,752
Net position - beginning	<u>3,120,432</u>	<u>968,100</u>	<u>4,088,532</u>
Net position - ending	<u>\$ 3,889,417</u>	<u>966,867</u>	<u>4,856,284</u>

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

TETON COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2016

	<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	\$ 4,855,048	-	4,855,048
Payments to suppliers	(3,088,941)	(37,059)	(3,126,000)
Payments to employees	(934,418)	-	(934,418)
Net cash provided by (used in) operating activities	<u>831,689</u>	<u>(37,059)</u>	<u>794,630</u>
Cash flows from non-capital financing activities:			
Transfers from (to) other funds	510,000	29,206	539,206
Receipts from operating grants and contributions	84,114	-	84,114
Net cash provided by (used in) non-capital financing activities	<u>594,114</u>	<u>29,206</u>	<u>623,320</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(744,047)	-	(744,047)
Net cash used in capital and related financing activities	<u>(744,047)</u>	<u>-</u>	<u>(744,047)</u>
Cash flows from investing activities:			
Interest income received	25,235	5,304	30,539
Net cash provided by investing activities	<u>25,235</u>	<u>5,304</u>	<u>30,539</u>
Net increase in cash and cash equivalents	706,991	(2,549)	704,442
Cash and cash equivalents - beginning	<u>2,219,495</u>	<u>467,425</u>	<u>2,686,920</u>
Cash and cash equivalents - ending	<u>\$ 2,926,486</u>	<u>464,876</u>	<u>3,391,362</u>

(continued)

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

(continued)

TETON COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2016

	<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>144,795</u>	<u>(40,045)</u>	<u>104,750</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	153,987	-	153,987
Non-cash compensation expense	(5,856)	-	(5,856)
Pension accrual	1,559	-	1,559
Net change in assets and liabilities:			
Accounts receivable	247,937	-	247,937
Prepaid expenses	-	2,986	2,986
Accounts payable and accrued liabilities	<u>289,267</u>	<u>-</u>	<u>289,267</u>
Total adjustments	<u>686,894</u>	<u>2,986</u>	<u>689,880</u>
Net cash provided by (used in) operating activities	\$ <u><u>831,689</u></u>	<u><u>(37,059)</u></u>	<u><u>794,630</u></u>

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

TETON COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2016

	<u>Treasurer's Tax Agency Fund</u>
Assets:	
Pooled cash and cash equivalents	\$ 2,293,289
Cash and cash equivalents	<u>3,402,872</u>
Total assets	<u><u>5,696,161</u></u>
Liabilities:	
Due to other taxing units	<u>5,696,161</u>
Total liabilities	\$ <u><u>5,696,161</u></u>

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

TETON COUNTY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2016

	Teton County Library	Teton County Weed and Pest Control	Teton County Housing Authority	Jackson Teton County Housing Authority	Jackson Hole Travel and Tourism Board	Total
Assets:						
Cash and cash equivalents	\$ 3,181,942	449,257	-	955,336	1,695,766	6,282,301
Investments	5,082,315	-	-	-	-	5,082,315
Accounts receivable	-	72,854	-	337,298	-	410,152
Taxes receivable	3,495,561	10,198	-	-	-	3,505,759
Due from other governments	1,466	41,760	-	-	642,608	685,834
Prepaid expenses	-	7,678	-	-	4,180	11,858
Inventory	837	122,143	-	9,030,141	-	9,153,121
Capital assets	1,084,211	5,660,324	-	20,549,477	-	27,294,012
Accumulated depreciation	(553,156)	(1,583,501)	-	(381,521)	-	(2,518,178)
Total assets	<u>12,293,176</u>	<u>4,780,713</u>	<u>-</u>	<u>30,490,731</u>	<u>2,342,554</u>	<u>49,907,174</u>
Deferred outflows of resources:						
Pensions	708,839	216,291	-	73,925	-	999,055
Total deferred outflows of resources	<u>708,839</u>	<u>216,291</u>	<u>-</u>	<u>73,925</u>	<u>-</u>	<u>999,055</u>
Liabilities:						
Accounts payable and accrued liabilities	101,442	29,281	-	931,483	388,590	1,450,796
Long-term liabilities:						
Due within one year	82,574	165,042	-	113,501	-	361,117
Due in more than one year	-	1,667,989	-	8,824,701	-	10,492,690
Net pension liability	2,189,121	639,026	-	249,127	-	3,077,274
Total liabilities	<u>2,373,137</u>	<u>2,501,338</u>	<u>-</u>	<u>10,118,812</u>	<u>388,590</u>	<u>15,381,877</u>
Deferred inflows of resources:						
Revenues for future periods	3,230,000	-	-	-	-	3,230,000
Pensions	46,312	15,126	-	32,613	-	94,051
Total deferred inflows of resources	<u>3,276,312</u>	<u>15,126</u>	<u>-</u>	<u>32,613</u>	<u>-</u>	<u>3,324,051</u>
Net position:						
Net investment in capital assets	531,055	2,298,336	-	11,237,255	-	14,066,646
Restricted for capital projects	131,584	-	-	-	-	131,584
Restricted for permanent endowment - non expendable	2,531,218	-	-	-	-	2,531,218
Unrestricted	4,158,709	182,204	-	9,175,976	1,953,964	15,470,853
Total net position	<u>\$ 7,352,566</u>	<u>2,480,540</u>	<u>-</u>	<u>20,413,231</u>	<u>1,953,964</u>	<u>32,200,301</u>

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

TETON COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
Year Ended June 30, 2016

	<u>Teton County Library</u>	<u>Teton County Weed and Pest Control</u>	<u>Teton County Housing Authority</u>	<u>Jackson Teton County Regional Housing Authority</u>	<u>Jackson Hole Travel and Tourism Board</u>	<u>Total</u>
Expenses	\$ 4,167,923	1,969,613	715,684	300,756	3,174,816	10,328,792
Program revenues:						
Charges for services	53,874	417,917	412,679	173,422	-	1,057,892
Operating grants and contributions	529,650	122,650	-	-	-	652,300
Total program revenues	583,524	540,567	412,679	173,422	-	1,710,192
Net expenses	(3,584,399)	(1,429,046)	(303,005)	(127,334)	(3,174,816)	(8,618,600)
General revenues:						
Sales and use taxes	-	-	-	-	3,610,869	3,610,869
Property taxes	3,647,425	1,391,203	-	-	-	5,038,628
County appropriations	-	-	2,379,009	999,739	-	3,378,748
Interest and investment income (loss)	(171,912)	452	7,859	3,303	789	(159,509)
Gain on disposal of assets	-	56,922	-	-	-	56,922
Miscellaneous	827	8,318	239	101	-	9,485
Total general revenues	3,476,340	1,456,895	2,387,107	1,003,143	3,611,658	11,935,143
Special item - transfer of operations	-	-	(19,537,422)	19,537,422	-	-
Change in net position	(108,059)	27,849	(17,453,320)	20,413,231	436,842	3,316,543
Net position – beginning	7,460,625	2,452,691	17,453,320	-	1,517,122	28,883,758
Net position – ending	\$ 7,352,566	2,480,540	-	20,413,231	1,953,964	32,200,301

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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 in a separate column in the financial statements to emphasize that they are legally separate from the County. Each of the County's blended component units and discretely presented component units have a June 30 fiscal year-end.

Blended Component Units

The Jackson / Teton County Public Facilities Joint Powers Board (the JPB) 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 JPB 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 JPB. Consequently, the JPB 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 JPB had no activity during the year ended June 30, 2016.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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 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. 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 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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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. This entity was dissolved in March 2016, with the assets, liabilities and remaining fund balance being transferred to the Jackson/Teton County Regional Housing Authority.

The Jackson/Teton County Regional Housing Authority (the Regional 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. Three board members, appointed by the County Commissioners and the Town of Jackson, govern the Regional Housing Authority. Decisions regarding new housing projects are to be made under the direction and authorization of the County Commissioners and the Jackson Town Council. The Regional Housing Authority receives substantially all of its financial support from Teton County (11/12), while the remaining portion is provided by the Town of Jackson (1/12), indicating its fiscal dependency on the County. The Regional 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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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: net investment in capital assets; 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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

The County's major governmental funds consist of the General Fund (see description above), Parks and Recreation Fund, Grants Fund, Capital Projects Fund, and 2012 Landfill Closure Specific Tax 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.

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 2012 Landfill Closure Specific Tax Fund is established to account for SPET funds restricted for the purpose of the funding of design, planning, engineering, and implementation of the closure, environmental monitoring, and mitigation of the existing Teton County Landfill at Horse Thief Canyon.

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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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 leasing activities as described in the blended component units section above.

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. Given that 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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

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.

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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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.

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).

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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 and 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 following items qualify for reporting in this category.

- Contributions made by the County prior to the County’s fiscal year end, but subsequent to the pension measurement date of December 31, 2015.
- The net difference between projected and actual earnings on pension plan investments.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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

- Property taxes for future periods are reported in both the governmental funds balance sheet and the entity-wide statement of net position. 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 recorded as deferred inflows.
- Pension related differences between expected and actual experience and changes in pension assumptions.

Pension Related Assets, Liabilities and Deferred Outflows and Inflows of Resources

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System (the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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. The unearned revenues are related to grant revenues and County fair deposits.

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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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 and sick 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 time is taken or the liquidated vacation balance is payable to the employee upon termination of employment. For governmental activities, compensated absences are generally liquidated by the General Fund.

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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Equity Classifications

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

- Net investment in capital assets - 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 “net investment in capital assets.”

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.

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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

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, 2016

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	\$ 15,496,958	-	-	15,496,958
WYO-STAR	-	16,138,840	-	16,138,840
Government bonds	-	8,929,182	-	8,929,182
Certificates of deposit	16,054,896	-	-	16,054,896
Total pooled cash and cash equivalents	<u>31,551,854</u>	<u>25,068,022</u>	<u>-</u>	<u>56,619,876</u>
Cash and cash equivalents:				
Cash-on-hand	-	-	3,500	3,500
Demand deposits	252,823	-	-	252,823
Certificates of deposit	1,000	-	-	1,000
Total cash and cash equivalents	<u>253,823</u>	<u>-</u>	<u>3,500</u>	<u>257,323</u>
Total governmental activities	<u>\$ 31,805,677</u>	<u>25,068,022</u>	<u>3,500</u>	<u>56,877,199</u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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	\$ 2,926,486	-	-	2,926,486
Total pooled cash and cash equivalents	2,926,486	-	-	2,926,486
Cash and cash equivalents:				
Demand deposits	464,876	-	-	464,876
Total cash and cash equivalents	464,876	-	-	464,876
Investments:				
Government bonds	-	497,574	-	497,574
Total investments	-	497,574	-	497,574
Total business-type activities	\$ 3,391,362	497,574	-	3,888,936

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	\$ 2,293,289	-	-	2,293,289
Total pooled cash and cash equivalents	2,293,289	-	-	2,293,289
Cash and cash equivalents:				
Demand deposits	3,402,872	-	-	3,402,872
Total cash and cash equivalents	3,402,872	-	-	3,402,872
Total fiduciary funds	\$ 5,696,161	-	-	5,696,161

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 2 – Deposits and Investments (continued)

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.

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, 2016, 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.

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. WYO-STAR operates and reports to participants on an amortized cost basis. As such, amounts held with WYO-STAR of \$16,138,840 are carried at amortized cost and are considered cash and cash equivalents.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 2 – Deposits and Investments (continued)

At June 30, 2016, the County had additional investments in various US government-backed bonds as follows:

<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 \$	<u>8,929,182</u>	<u>-</u>	<u>8,929,182</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,929,182</u>	<u>-</u>	<u>8,929,182</u>	<u>-</u>	<u>-</u>
<i>Business-type activities:</i>					
Government bonds \$	<u>497,574</u>	<u>-</u>	<u>497,574</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 497,574</u>	<u>-</u>	<u>497,574</u>	<u>-</u>	<u>-</u>

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The County's governmental activities and business-type activities have the following recurring fair value measurements as of June 30, 2016:

- Government bonds of \$8,929,182 and \$497,574, respectively, are valued using quoted market prices (Level 1 inputs).

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 uses the specific identification method to assess interest rate risk. 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, 2016

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	\$ 16,138,840	Variable	Variable	Unrated
FHLMC Bonds	2,000,440	11/16/2017	0.80%	AA+
FHLMC Bonds	1,000,450	4/29/2019	0.88%	AA+
FNMA Bonds	1,000,210	10/29/2018	0.88%	AAA
FHLMC Bonds	757,329	11/27/2020	1.00%	AA+
FHLMC Bonds	750,263	11/25/2020	1.25%	AA+
FHLMC Bonds	570,057	3/30/2021	1.13%	AA+
FHLMC Bonds	500,120	6/9/2021	1.25%	AA+
FHLBS Bonds	500,105	3/15/2021	1.00%	AA+
FNMA Bonds	500,045	2/26/2020	1.00%	AA+
FHLMC Bonds	499,980	5/25/2021	1.00%	AA+
FHLMC Bonds	499,955	5/25/2021	1.00%	AA+
FHLMC Bonds	350,228	4/28/2021	1.25%	AA+
<i>Business-type activities:</i>				
FNMA Bonds	\$ 497,574	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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 2 – Deposits and Investments (continued)

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.

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>
Cash and cash equivalents:				
Cash-on-hand	\$ -	-	423	423
Demand deposits	6,261,863	-	-	6,261,863
Certificates of deposit	20,015	-	-	20,015
Total cash and cash equivalents	<u>6,281,878</u>	<u>-</u>	<u>423</u>	<u>6,282,301</u>
Investments:				
Endowment investment pool	-	5,082,315	-	5,082,315
Total investments	<u>-</u>	<u>5,082,315</u>	<u>-</u>	<u>5,082,315</u>
Total component units	<u>\$ 6,281,878</u>	<u>5,082,315</u>	<u>423</u>	<u>11,364,616</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, 2016, all deposits of component units were fully collateralized or insured.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 2 – Deposits and Investments (continued)

Investments

Component units' investment policies state that each will comply with State law.

Fair Value

Component units categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

As of June 30, 2016, all of the component units' investments of \$5,082,315 are in an investment pool administered by the Community Foundation of Jackson Hole. The fair value of these investments is measured at net asset value per share or its equivalent on a recurring basis. The investments held in this pool may require a redemption notice of up to 60 days but are fully redeemable with advance notice on a quarterly basis. As of June 30, 2016, none of the investments held in the pool were subject to redemption restrictions.

Interest Rate Risk

Component units have no formal policies other than to follow the Wyoming State statutes, as previously discussed.

Credit Risk

Component units' policies for reducing exposure to credit risk are to comply with the Wyoming State statutes. At June 30, 2016, 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

Component units' policy for reducing this risk is to comply with Wyoming State statutes.

Custodial Credit Risk

Component units have no formal policies with respect to custodial credit risk. As of June 30, 2016, all of the component units' investments are in an investment pool administered by the Community Foundation of Jackson Hole.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 3 – Capital Assets

Governmental activities:

Capital asset activity is as follows:

	Balance 7/1/15	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/16
Capital assets not being depreciated:					
Land	\$ 9,922,327	92,352	-	-	10,014,679
Rights of way	338,840	18,900	-	-	357,740
Construction in progress	6,192,916	7,295,623	(118,662)	(4,714,910)	8,654,967
Total capital assets not being depreciated	16,454,083	7,406,875	(118,662)	(4,714,910)	19,027,386
Capital assets being depreciated:					
Buildings and improvements	55,185,333	473,374	(18,332)	268,699	55,909,074
Infrastructure	51,787,237	222,414	-	4,446,211	56,455,862
Equipment and vehicles	17,312,562	1,232,513	(483,987)	-	18,061,088
Total capital assets being depreciated	124,285,132	1,928,301	(502,319)	4,714,910	130,426,024
Accumulated depreciation:					
Buildings and improvements	(21,933,097)	(1,717,027)	8,657	-	(23,641,467)
Infrastructure	(26,646,798)	(1,816,903)	-	-	(28,463,701)
Equipment and vehicles	(8,489,304)	(1,080,784)	468,583	-	(9,101,505)
Total accumulated depreciation	(57,069,199)	(4,614,714)	477,240	-	(61,206,673)
Total capital assets being depreciated, net	67,215,933	(2,686,413)	(25,079)	4,714,910	69,219,351
Total capital assets, net	\$ 83,670,016	4,720,462	(143,741)	-	88,246,737

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 3 – Capital Assets (continued)

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

Infrastructure	\$ 3,319,998
Public safety	812,495
Parks and recreation	401,690
Administration	57,084
Health and human services	14,933
Justice	7,991
Community development	<u>523</u>
Total depreciation expense	\$ <u><u>4,614,714</u></u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 3 – Capital Assets (continued)

Business-type activities:

Capital asset activity is as follows:

	Balance 7/1/15	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/16
Capital assets not being depreciated:					
Land	\$ 126,320	-	-	-	126,320
Construction in progress	-	519,172	-	-	519,172
Total capital assets not being depreciated	126,320	519,172	-	-	645,492
Capital assets being depreciated:					
Buildings and improvements	1,032,297	120,000	-	-	1,152,297
Equipment and vehicles	853,980	129,583	-	-	983,563
Total capital assets being depreciated	1,886,277	249,583	-	-	2,135,860
Accumulated depreciation:					
Buildings and improvements	(446,027)	(85,174)	-	-	(531,201)
Equipment and vehicles	(437,506)	(93,521)	-	-	(531,027)
Total accumulated depreciation	(883,533)	(178,695)	-	-	(1,062,228)
Total capital assets being depreciated, net	1,002,744	70,888	-	-	1,073,632
Total capital assets, net	\$ 1,129,064	590,060	-	-	1,719,124

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 3 – Capital Assets (continued)

Component Units:

Changes to capital assets are as follows:

	Balance 7/1/15	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/16
<u>County Library</u>					
Buildings and improvements \$	649,138	-	-	-	649,138
Equipment	406,118	28,955	-	-	435,073
Accumulated depreciation	(483,300)	(69,856)	-	-	(553,156)
Capital assets, net	\$ 571,956	(40,901)	-	-	531,055
<u>Weed and Pest</u>					
Construction in progress \$	32,940	71,853	-	(104,793)	-
Land	702,409	-	-	-	702,409
Buildings and improvements	4,217,251	-	-	104,793	4,322,044
Equipment	630,326	59,745	(54,200)	-	635,871
Accumulated depreciation	(1,422,472)	(215,229)	54,200	-	(1,583,501)
Capital assets, net	\$ 4,160,454	(83,631)	-	-	4,076,823
<u>Housing Authority</u>					
Land \$	12,308,293	-	-	-	12,308,293
Construction in progress	6,734,686	9,270,444	(6,921,985)	(9,030,142)	53,003
Buildings and improvements	1,244,171	-	6,921,985	-	8,166,156
Equipment	22,025	-	-	-	22,025
Accumulated depreciation	(261,663)	(119,858)	-	-	(381,521)
Capital assets, net	\$ 20,047,512	9,150,586	-	(9,030,142)	20,167,956

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 3 – Capital Assets (continued)

Component Units:

Depreciation expense was charged to the component units as follows:

Weed and Pest	\$ 215,229
County Library	69,856
Housing Authority	<u>119,858</u>
Total depreciation expense	<u>\$ 404,943</u>

Note 4 – Accounts Payable and Accrued Liabilities

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

Governmental activities:

Payables to vendors	\$ 662,118
Due to other governments	578,289
Payables to contractors	552,248
Payroll-related liabilities	385,190
Self-insured health insurance liabilities	303,901
Retainage payable	156,186
Accrued interest payable	<u>29,663</u>
Total accounts payable and accrued liabilities	<u>\$ 2,667,595</u>

Business-type activities:

Payables to vendors	\$ 336,033
Payables to contractors	268,991
Retainage payable	39,723
Payroll-related liabilities	11,549
Due to other governments	<u>165</u>
Total accounts payable and accrued liabilities	<u>\$ 656,461</u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 4 – Accounts Payable and Accrued Liabilities (continued)

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, 2016, the plan had incurred claims payable and estimated claims incurred but not reported (IBNR) of \$303,901.

For the year ended June 30, 2016, changes to aggregate claims liabilities are as follows:

Claims Liabilities 6/30/15	Claims Incurred and Changes in Estimates	Claims Paid	Claims Liabilities 6/30/16
\$ 386,344	2,788,557	(2,871,000)	303,901

For the year ended June 30, 2015, changes to aggregate claims liabilities were as follows:

Claims Liabilities 6/30/14	Claims Incurred and Changes in Estimates	Claims Paid	Claims Liabilities 6/30/15
\$ 315,040	3,179,304	(3,108,000)	386,344

Component units:

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

Payables to vendors	\$ 1,242,680
Payroll-related liabilities	107,934
Security deposits	53,538
Accrued interest payable	20,291
Unearned revenue	5,715
Escrow payable	19,828
Payables to contractors	810
Total accounts payable and accrued liabilities	\$ 1,450,796

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 5 – Funds Held in Trust

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

Funds held by Planning and Development department	\$ 1,424,942
Bonds held by County Clerk of District Court	50,409
Funds held by County Sheriff for jail inmates	<u>15,010</u>
 Total funds held in trust	 <u><u>\$ 1,490,361</u></u>

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 7/1/15	Additions	Reductions	Balance 6/30/16	Due Within One Year
Bonds	\$ 3,348,494	-	(625,000)	2,723,494	625,000
Notes payable	931,883	-	(149,055)	782,828	151,000
Compensated absences	756,374	410,192	(348,361)	818,205	350,000
Landfill closure liability	<u>12,909,675</u>	<u>-</u>	<u>(2,240,508)</u>	<u>10,669,167</u>	<u>2,500,000</u>
 Total long-term liabilities	 <u><u>\$ 17,946,426</u></u>	 <u><u>410,192</u></u>	 <u><u>(3,362,924)</u></u>	 <u><u>14,993,694</u></u>	 <u><u>3,626,000</u></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 1.75% to 2.40%, maturing July 2018.	<u><u>\$ 2,723,494</u></u>
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TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 6 – Long-Term Liabilities (continued)

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.

Debt service requirements for bonds payable are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	625,000	56,044	681,044
2018	675,000	44,387	719,387
2019	<u>1,423,494</u>	<u>17,100</u>	<u>1,440,594</u>
Total	<u>\$ 2,723,494</u>	<u>117,531</u>	<u>2,841,025</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 2016 amounted to approximately \$685,000 or 95% 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.

\$ 782,828

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 6 – Long-Term Liabilities (continued)

Debt service requirements for notes payable are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 150,547	7,828	158,375
2018	152,051	6,323	158,374
2019	153,572	4,802	158,374
2020	155,107	3,267	158,374
2021	<u>171,551</u>	<u>1,716</u>	<u>173,267</u>
Total	<u>\$ 782,828</u>	<u>23,936</u>	<u>806,764</u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

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, 2016, the estimated remaining closure and post-closure care liability is \$10,669,167.

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 2014, 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, 2016

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.	\$ 2,229,465
\$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.	1,357,309
\$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.	1,186,294
\$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.	268,243
\$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.	<u>96,519</u>
Total conduit debt	\$ <u><u>5,137,830</u></u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 6 – Long-Term Liabilities (continued)

Business type activities:

Changes to long-term liabilities are as follows:

	Balance 7/1/15	Additions	Reductions	Balance 6/30/16	Due Within One Year
Compensated absences	\$ 41,452	34,144	(40,000)	35,596	25,000
Total long-term liabilities	\$ 41,452	34,144	(40,000)	35,596	25,000

Component units:

Changes to long-term liabilities are as follows:

	Balance 7/1/15	Additions	Reductions	Balance 6/30/16	Due Within One Year
<u>County Library</u>					
Compensated absences	\$ 95,143	46,000	(58,569)	82,574	82,574
Total County Library	95,143	46,000	(58,569)	82,574	82,574
<u>Weed and Pest</u>					
Notes payable	1,884,675	-	(106,188)	1,778,487	110,498
Compensated absences	67,951	-	(13,407)	54,544	54,544
Total Weed and Pest	1,952,626	-	(119,595)	1,833,031	165,042
<u>Housing Authority</u>					
Notes payable	2,408,626	6,575,199	(53,124)	8,930,701	106,000
Compensated absences	7,501	10,000	(10,000)	7,501	7,501
Total Housing Authority	2,416,127	6,585,199	(63,124)	8,938,202	113,501
Total long-term liabilities	\$ 4,463,896	6,631,199	(241,288)	10,853,807	361,117

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 6 – Long-Term Liabilities (continued)

Notes payable consist of the following:

\$9,600,000 Teton County Housing Authority loan from First Interstate Bank dated June 2015. Interest only payments during the first twenty four months at 3.06%. Thereafter, the loan is scheduled to be paid in one payment of all outstanding principal and interest in August 2017. Note is secured by real property. \$ 5,981,541

\$3,000,000 Teton County Housing Authority loan from First Interstate Bank dated May 2015. Interest only payments during the first eighteen months at 2.72%. Thereafter, monthly installments of principal and interest at 4.73%, maturing May 2034. Note is secured by real property. 2,949,160

\$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. 1,778,487

10,709,188

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 6 – Long-Term Liabilities (continued)

Debt service requirements for notes payable are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 216,946	252,867	469,813
2018	6,206,528	211,128	6,417,656
2019	228,523	200,800	429,323
2020	239,631	189,964	429,595
2021	251,662	178,596	430,258
2022-2023	<u>3,565,898</u>	<u>895,563</u>	<u>4,461,461</u>
Total	<u>\$ 10,709,188</u>	<u>1,928,918</u>	<u>12,638,106</u>

Note 7 – Retirement Plans

Defined Benefit Plans

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, 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming 82002 or by calling 1-307-777-7691. Substantially all County employees are eligible to participate in following retirement plans offered by the System based upon eligibility and hiring status: 1) Public Employees Pension Plan; 2) Law Enforcement Pension Plan; 3) Paid Fireman's Pension Plan B; and 4) Wyoming Deferred Compensation Plan.

Public Employees Pension Plan

The Public Employees Pension Plan (PEPP) is a cost sharing multiple employer defined benefit, contributory retirement plan covering substantially all full-time employees of the County.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 7 – Retirement Plans (continued)

PEPP statutorily requires 16.62% of the participant's salary to be contributed to PEPP. Contributions consist of 8.25% of the participant's salary as employee contributions and 8.37% as employer contributions. The amount of contributions designated as employee contributions represent the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. Employers can elect to cover all or a portion of the employee's contribution at their discretion. Through legislation passed during the 2014 legislative session, two tiers of benefits were established for participants of this plan.

- Tier 1, PEPP allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60.
- Tier 2, PEPP allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65. All employees may also retire upon normal retirement on the bases that the sum of the member's age and service is at least 85.

PEPP provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost of living adjustment provided to retirees must be granted by the State Legislature. In addition a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through date of termination or, if they are vested, they may elect to remain in PEPP and be eligible for retirement benefits at age 50 (Tier 1 employees) and 60 (Tier 2 employees).

Contributions to PEPP for the year ended June 30, 2016 were \$1,482,187 for the County and \$306,136, \$30,500, and \$87,745 for the Library, Regional Housing Authority, and Weed & Pest component units, respectively.

Law Enforcement Pension Plan

The Wyoming Law Enforcement Pension Plan (LEPP) is a cost sharing multiple employer defined benefit, contributory plan covering all law enforcement employees of the County.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 7 – Retirement Plans (continued)

LEPP statutorily requires participants to contribute 8.6% of their salary to LEPP and the employer is required to contribute 8.6% of each participant's salary.

LEPP statutorily provides retirement, disability and death benefits according to predetermined amounts determined by salary, age and years of service of the participant. Any cost of living adjustment provided to retirees must be granted by the State Legislature. In addition a cost of living adjustment will not be approved by the legislature unless LEPP is 100% funded after the COLA is awarded. Participants may withdraw from LEPP at any time and receive refunds of participant contributions plus accumulated interest.

Contributions to LEPP for the year ended June 30, 2016 were \$647,245.

Paid Fireman's Pension Plan B

The Wyoming Paid Firemen's Pension Plan (PFPP) is a cost sharing multiple employer defined benefit, contributory plan covering all firefighter employees of the County.

The Plan statutorily requires participants to contribute 9.245% of their salary to PFPP and the employer is required to contribute 12% of each participant's salary.

PFPP statutorily provides retirement, disability and death benefits according to predetermined amounts determined by salary, age and years of service of the participant. Any cost of living adjustment provided to retirees must be granted by the State Legislature. In addition a cost of living adjustment will not be approved by the legislature unless PFPP is 100% funded after the COLA is awarded. Participants may withdraw from PFPP at any time and receive refunds of participant contributions plus accumulated interest.

Contributions to PFPP for the year ended June 30, 2016 were \$306,136.

Wyoming Deferred Compensation Plan

The Plan administered by the System is an IRS Section 457 Deferred Compensation Plan. This Plan is available as a supplemental plan to the defined benefit retirement plans. Contributions may be made into this Plan (subject to plan and Internal Revenue Code limitations) by employees and employer contributions may be made into this Plan at rates determined by the County. During 2016, employees did contribute to this Plan and the County elected not to make contributions to this Plan on behalf of participating employees.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 7 – Retirement Plans (continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources Related to Pensions

Governmental and Business-type Activities:

At June 30, 2016, the County reported for the primary government a net pension liability of \$14,859,209, of which \$14,209,160 is related to governmental activities and \$650,049 is related to the County’s ISWR proprietary fund.

	Proportionate Share	Net Pension Liability
PEPP	0.501527%	\$ 11,682,315
LEPP	2.271553%	1,706,389
PFPP - B	4.809564%	1,470,505
Total net pension asset / liability		\$ 14,859,209

Component Units:

At June 30, 2016, the County reported for component units a net pension liability of \$3,077,274, of which \$2,189,121 is related to the Library, \$249,127 is related to the Regional Housing Authority, and \$639,026 is related to the Weed & Pest.

	Proportionate Share	Net Pension Liability
PEPP		
Library	0.093980%	\$ 2,189,121
Housing Authority	0.010695%	249,127
Weed & Pest	0.027434%	639,026
Total net pension liability		\$ 3,077,274

The net pension liability and asset was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2015.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 7 – Retirement Plans (continued)

Governmental and Business-type Activities:

For the year ended June 30, 2016, the County recognized for the primary government pension expense of \$2,638,148. At June 30, 2016, the County reported for the primary government deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	247,145
Net difference between projected and actual earnings on pension plan investments	5,282,294	-
Contributions subsequent to the measurement date	1,259,484	-
Change in proportionate share	<u>478,374</u>	<u>-</u>
	<u>\$ 7,020,152</u>	<u>247,145</u>

Deferred outflows of resources related to pensions resulting from County contributions of \$1,259,484 made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2017	\$ 1,369,811
2018	1,369,811
2019	1,364,599
2020	1,030,360
Thereafter	<u>378,942</u>
	<u>\$ 5,513,523</u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 7 – Retirement Plans (continued)

Component Units:

For the year ended June 30, 2016, the County recognized for the Library, Regional Housing Authority, and Weed & Pest component units pension expense of \$312,788, \$35,596, and \$91,306, respectively. At June 30, 2016, the County reported for the Library and Regional Housing Authority component units deferred outflows of resources related to pensions from the following sources:

	Library Net Deferred Outflows (Inflows) of Resources	HA Net Deferred Outflows (Inflows) of Resources	WP Net Deferred Outflows (Inflows) of Resources
	<u> </u>	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ (46,312)	(5,270)	(13,519)
Net difference between projected and actual earnings on pension plan investments	536,083	61,007	156,488
Contributions subsequent to the measurement date	165,226	12,918	45,156
Change in proportionate share	<u>7,530</u>	<u>(27,344)</u>	<u>13,040</u>
	<u>\$ 662,527</u>	<u>41,311</u>	<u>201,165</u>

Deferred outflows of resources related to pensions resulting from Library, Regional Housing Authority, and Weed & Pest contributions of \$165,226, \$12,918, and \$45,156, respectively, made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 7 – Retirement Plans (continued)

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

Fiscal Year Ending June 30,	Library Net Deferred Outflows of Resources	HA Net Deferred Outflows of Resources	WP Net Deferred Outflows of Resources
2016	\$ 129,208	5,025	40,089
2017	129,208	5,025	40,089
2018	130,360	5,993	40,490
2019	108,525	12,350	35,341
	<u>\$ 497,301</u>	<u>28,393</u>	<u>156,009</u>

Actuarial Assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PEPP</u>	<u>LEPP</u>	<u>PFPP</u>
Projected salary increases, includes inflation	4.25% to 6.00%	4.25% to 8.00%	4.25% to 7.00%
Assumed inflation rate	3.25%	3.25%	3.25%
Investment Rate of Return	7.75%	7.75%	7.75%

Mortality rates were based on the RP-2000 Combined Mortality Table, fully generational, for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 7 – Retirement Plans (continued)

Discount Rate

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

<u>Asset Class</u>	<u>30 Year Assumptions Nominal Arithmetic Return</u>	<u>30 Year Assumptions Real Arithmetic Return</u>	<u>Policy Allocation</u>	<u>30 Year Assumptions Nominal Geometric Return</u>
Total Plan	8.27%	5.30%	100.00%	7.56%
Inflation	2.75%			
US Equity	8.83%	5.92%	25.00%	
Non-US Equity	10.37%	7.42%	30.00%	
Fixed Income	3.86%	1.08%	15.00%	
Real Estate	7.50%	4.62%	3.00%	
Private Markets	10.31%	7.36%	9.00%	
Hedge Funds	6.86%	4.00%	8.50%	
GAA	7.17%	4.30%	3.00%	
Risk Parity	6.72%	3.87%	4.00%	
Cash	3.00%	0.25%	2.50%	

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following tables present the proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 7 – Retirement Plans (continued)

Governmental and Business-type Activities:

	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
<i>PEPP</i>			
Proportionate share of net pension liability	16,771,670	11,682,315	7,379,713
<i>LEPP</i>			
Proportionate share of net pension liability	3,462,227	1,706,389	255,472
<i>PFPP - B</i>			
Proportionate share of net pension liability	2,524,696	1,470,505	599,108
<i>Component Units:</i>			
	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
<i>PEPP - LB</i>			
Proportionate share of net pension liability	3,142,804	2,189,121	1,382,867
<i>PEPP - HA</i>			
Proportionate share of net pension liability	357,658	249,127	157,373
<i>PEPP - WP</i>			
Proportionate share of net pension liability	917,415	639,026	403,672

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 7 – Retirement Plans (continued)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Wyoming Retirement System financial report.

Note 8 – Net Position and Fund Equities

Net position of governmental activities includes certain amounts restricted by enabling legislation. As of June 30, 2016 net position restricted by enabling legislation totaled \$5,026,204, 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 projects.

The County has adopted a resolution establishing three separate fund reserve policies: Operation Stabilization Reserve Policy (OSR), Special Revenue Fund Balance Policy (SRFB), and Emergency Reserve/Capital Projects Fund Policy (ERCP). The County Commissioners are the body authorized to establish such policies with administration of the policies by Teton County Clerk, Teton County Treasurer, and the Board of County Commissioner's Administrator. The Board of Commissioners may authorize the use of the reserves.

The OSR requires the County to maintain a minimum of 2 ½ months of regular, on-going operating expenses (including transfers out) for the committed operation stabilization reserve. For purposes of this calculation, the total general fund operations expenses for the next fiscal year budget will be used. The County Clerk will calculate the OSR level during the annual budget process. Upon approval, the OSR may be used to allow time for the County to restructure its operations in a deliberate manner (as might be required in an economic downturn), but such use will only take place in the context of an adopted plan. As of June 30, 2016, the County had committed approximately \$6.6 million which exceeds the stabilization requirement estimated to be approximately \$5 million at June 30, 2016.

The SRFB requires the County to maintain a minimum of 15% of prior year audited revenue excluding interfund transfer in special revenue funds. The SRFB excludes Parks and Recreation and ISWR funds, which maintain previously adopted policies. At June 30, 2016, the minimum fund balance requirement is approximately \$1.6 million compared to approximately \$8.1 million in committed and assigned fund balances in special revenue funds at June 30, 2016.

The ERCP requires the County to maintain a minimum of 20% of the total general fund revenues for the committed emergency capital reserve. For the purposes of this calculation, the total general fund revenues for the prior audited fiscal year will be utilized. The County Clerk calculates the ERCP level after the year-end audit and prepares a budget amendment. If revenues decline, the ERCP amount will remain the same. At June 30, 2016, the County committed approximately \$8.8 million in its capital projects fund exceeding the minimum fund balance requirement of approximately \$7 million.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 9 – Operating Leases

Governmental activities:

The County leases office equipment under operating leases. Lease rental expenses under operating leases for the year ended June 30, 2016 was approximately \$57,000. Future minimum non-cancelable operating lease payments are approximately as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2017	\$ 51,200
2018	33,900
2019	23,100
2020	11,100
2021	2,400
	<u>\$ 121,700</u>

Component Units:

The Jackson/Teton County Regional Housing Authority acts as lessor and leases office space and residential units to tenants. Lease rental revenues under operating leases for the year ended June 30, 2016 were approximately \$518,000. Future minimum non-cancelable operating lease revenues are approximately as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2017	\$ 152,000
2018	155,000
2019	139,000
2020	43,000
2021	29,000
	<u>\$ 518,000</u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2016

Note 10 – Interfund Transfers

The County made the following interfund transfers:

<u>Purpose</u>	<u>Amount</u>	<u>Transfer in</u>	<u>Transfer out</u>
Capital purchases	\$ 6,283,811	Capital Projects Fund	General Fund
Operations and capital purchases	\$ 2,325,734	Non-Major Funds	General Fund
Operations	\$ 1,566,388	Parks and Rec Fund	General Fund
Operations	\$ 510,000	ISWR Fund	2012 Landfill Closure SPET
Program-specific funding	\$ 361,976	General Fund	Grants Fund
Operations and capital purchases	\$ 323,135	General Fund	Non-Major Funds
Operations and capital purchases	\$ 240,000	Parks and Rec Fund	Non-Major Funds
Capital purchases	\$ 259,892	Parks and Rec Fund	Capital Projects Fund
Operations	\$ 150,000	Non-Major Funds	Non-Major Funds
Capital purchases	\$ 143,533	Non-Major Funds	Capital Projects Fund
Operations	\$ 29,206	Building Corporation	General Fund

Note 11 – Related Party Transactions

During the year, the primary government contributed general appropriations of approximately \$3,379,000 to the Jackson/Teton County Regional Housing Authority. The primary government also paid for contract services of approximately \$7,000 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: \$572,000 from the Teton County Library Board, and \$84,000 from the Jackson/Teton County Regional Housing Authority.

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, 2016

Note 13 – Commitments and Contingencies

Governmental activities:

The County has executed multiple contracts for the completion of various projects including: the Teton County Fairgrounds Upgrades, the South Park Loop Pathway Connector, Cattleman's Bridge, Hoback Bridge, and the Children's Learning Center. The remaining expenditure commitment for services yet to be performed on these contracts as of June 30, 2016 is approximately \$4,358,000. The total commitment amount is subject to adjustment for change orders and additional costs incurred by the contractors.

Business-type Activities:

The Integrated Solid Waste and Recycling Fund has executed several multi-year contracts for the provision of solid waste handling and transportation operations. The remaining expenditure commitment for services yet to be performed as of June 30, 2016 is approximately \$3,317,000 to be incurred over fiscal years 2017 through 2019. The total commitment amount is subject to adjustment for actual transport mileage incurred by the contractor.

The Integrated Solid Waste and Recycling Fund has executed a multi-year contract for various professional services related to the landfill closure. The remaining expenditure commitment for services yet to be performed as of June 30, 2016 is approximately \$3,013,000.

The Integrated Solid Waste and Recycling Fund has executed a multi-year contract for construction services related to the improvements to the Recycling Center. The remaining expenditure commitment for services yet to be performed as of June 30, 2016 is approximately \$847,000.

Component Units:

Jackson/Teton County Regional Housing Authority has executed multiple contracts for the completion of the Grove Phase II. The remaining expenditures commitment for services yet to be performed as of June 30, 2016 is approximately \$608,000.

Note 14 – Subsequent Events

As of June 30, 2016, the Jackson/Teton County Regional Housing Authority owed approximately \$5,981,000 on a construction loan for phase two of the Grove Affordable Housing Project. On August 15, 2016, the entire remaining balance of principal and interest was settled using the proceeds from the sale of Grove phase two units. The sale of these units, which took place during the months of July and August 2016, decreased inventory by approximately \$9,000,000.

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Required Supplementary Information

TETON COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
<u>Taxes</u>				
Sales and use taxes	\$ 14,755,644	14,755,644	15,996,409	1,240,765
Property taxes	6,858,716	6,879,736	6,918,703	38,967
Payments in lieu of property tax	2,164,000	2,306,780	2,449,409	142,629
Gasoline tax	1,329,000	1,329,000	1,226,707	(102,293)
Lodging tax	350,000	350,000	392,496	42,496
Severance tax	210,000	210,000	212,661	2,661
Motor vehicle fees	660,000	760,000	789,605	29,605
Other taxes	10,000	10,000	11,196	1,196
Total taxes	26,337,360	26,601,160	27,997,186	1,396,026
<u>Other Revenues</u>				
Intergovernmental	803,084	903,057	977,877	74,820
Charges for services	1,927,623	2,013,060	1,939,745	(73,315)
Licenses and permits	2,423,851	2,441,536	3,002,089	560,553
Contributions	5,000	15,000	18,913	3,913
Miscellaneous	136,000	208,394	194,796	(13,598)
Total revenues	31,632,918	32,182,207	34,130,606	1,948,399
Expenditures:				
<u>Administration</u>				
General administration	4,433,228	4,173,059	2,463,486	1,709,573
County commissioners	1,081,188	1,126,813	925,035	201,778
County clerk	882,020	885,486	864,644	20,842
County treasurer	685,012	685,012	680,890	4,122
County assessor	575,948	575,948	518,604	57,344
Information systems	523,613	527,225	330,294	196,931
Facilities maintenance	1,074,363	1,074,363	1,018,227	56,136
Special projects	248,700	460,524	432,058	28,466
Total administration	9,504,072	9,508,430	7,233,238	2,275,192
<u>Community development</u>				
County planner	1,628,586	1,628,586	1,412,302	216,284
Community development	191,685	683,710	751,714	(68,004)
Special projects	7,200	7,200	5,200	2,000
Total community development	1,827,471	2,319,496	2,169,216	150,280

(continued)

TETON COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Health and human services</u>				
Public and environmental health	1,313,047	1,327,546	1,284,278	43,268
Human services	1,137,194	1,137,194	1,145,277	(8,083)
County coroner	163,264	187,611	151,881	35,730
Agricultural extension	213,400	213,400	200,552	12,848
WIC program	48,068	48,068	27,141	20,927
Health officer	6,930	7,434	7,434	-
Total health and human services	<u>2,881,903</u>	<u>2,921,253</u>	<u>2,816,563</u>	<u>104,690</u>
<u>Justice</u>				
County attorney	1,141,224	1,152,405	1,100,901	51,504
Clerk of district court	776,567	776,567	654,028	122,539
Justice court	4,300	4,840	4,534	306
Total justice	<u>1,922,091</u>	<u>1,933,812</u>	<u>1,759,463</u>	<u>174,349</u>
<u>Infrastructure</u>				
Road and bridge	1,504,286	1,861,538	1,857,922	3,616
County engineer	579,178	579,178	526,268	52,910
Pathways	169,979	169,979	146,038	23,941
Total infrastructure	<u>2,253,443</u>	<u>2,610,695</u>	<u>2,530,228</u>	<u>80,467</u>
<u>Public safety</u>				
County sheriff	5,478,278	5,496,386	5,212,059	284,327
Board of prisoners and jail	1,576,286	1,576,286	1,612,037	(35,751)
Emergency management	327,756	327,875	262,308	65,567
Special projects	119,955	119,955	98,271	21,684
Total public safety	<u>7,502,275</u>	<u>7,520,502</u>	<u>7,184,675</u>	<u>335,827</u>
<u>Debt Service</u>				
Principal	625,000	625,000	625,000	-
Interest and fiscal charges	65,794	65,794	65,794	-
Total debt service	<u>690,794</u>	<u>690,794</u>	<u>690,794</u>	-
Total expenditures	<u>26,582,049</u>	<u>27,504,982</u>	<u>24,384,177</u>	<u>3,120,805</u>
Revenues over (under) expenditures	<u>5,050,869</u>	<u>4,677,225</u>	<u>9,746,429</u>	<u>5,069,204</u>

(continued)

TETON COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other financing sources (uses):				
Transfer from grants fund	433,973	433,973	361,976	(71,997)
Transfer from fire / EMS fund	240,490	240,490	173,885	(66,605)
Transfer from E911 fund	149,250	149,250	149,250	-
Transfer to roads fund	(197,224)	(197,224)	(197,224)	-
Transfer to fire / EMS fund	(1,823,927)	(1,823,927)	(1,721,010)	102,917
Transfer to parks and recreation fund	(1,566,388)	(1,566,388)	(1,566,388)	-
Transfer to building corporation	(29,206)	(29,206)	(29,206)	-
Transfer to housing authority fund	(390,000)	(407,500)	(407,500)	-
Transfer to capital projects fund	(6,067,837)	(6,164,118)	(6,283,811)	(119,693)
Total other financing sources (uses)	<u>(9,250,869)</u>	<u>(9,364,650)</u>	<u>(9,520,028)</u>	<u>(155,378)</u>
Change in fund balance	\$ <u>(4,200,000)</u>	<u>(4,687,425)</u>	226,401	<u>4,913,826</u>
Fund balance - July 1			<u>22,073,185</u>	
Fund balance - June 30	\$		<u>22,299,586</u>	

TETON COUNTY
BUDGETARY COMPARISON SCHEDULE
PARKS AND RECREATION FUND
Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 12,000	12,000	25,950	13,950
Charges for services	3,469,740	3,469,740	3,221,830	(247,910)
Licenses and permits	103,668	103,668	156,448	52,780
Contributions	125,500	129,500	32,567	(96,933)
Miscellaneous	1,000	13,464	20,805	7,341
	<u>3,711,908</u>	<u>3,728,372</u>	<u>3,457,600</u>	<u>(270,772)</u>
Total revenues				
Expenditures:				
Parks and recreation	<u>5,988,794</u>	<u>5,994,229</u>	<u>5,061,702</u>	<u>932,527</u>
	<u>5,988,794</u>	<u>5,994,229</u>	<u>5,061,702</u>	<u>932,527</u>
Total expenditures				
Deficiency of revenues over expenditures	<u>(2,276,886)</u>	<u>(2,265,857)</u>	<u>(1,604,102)</u>	<u>661,755</u>
Other financing sources:				
Transfer from lodging tax fund	240,000	240,000	240,000	-
Transfer from general fund	<u>2,036,886</u>	<u>2,036,886</u>	<u>1,826,280</u>	<u>(210,606)</u>
	<u>2,276,886</u>	<u>2,276,886</u>	<u>2,066,280</u>	<u>(210,606)</u>
Total other financing sources				
Change in fund balance	<u>\$ -</u>	<u>11,029</u>	462,178	<u>451,149</u>
Fund balance - July 1			<u>285,715</u>	
Fund balance - June 30			<u>\$ 747,893</u>	

TETON COUNTY
BUDGETARY COMPARISON SCHEDULE
GRANTS FUND
Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 5,049,511	11,363,826	3,411,846	(7,951,980)
Miscellaneous	-	-	2,997	2,997
Total revenues	<u>5,049,511</u>	<u>11,363,826</u>	<u>3,414,843</u>	<u>(7,948,983)</u>
Expenditures:				
Community development	1,472	851,472	180,917	670,555
Health and human services	113,977	161,556	179,524	(17,968)
Infrastructure	2,812,623	8,022,301	1,633,177	6,389,124
Parks and recreation	716,180	691,383	622,264	69,119
Public safety	977,853	1,204,981	436,985	767,996
Total expenditures	<u>4,622,105</u>	<u>10,931,693</u>	<u>3,052,867</u>	<u>7,878,826</u>
Excess of revenues over expenditures	<u>427,406</u>	<u>432,133</u>	<u>361,976</u>	<u>(70,157)</u>
Other financing uses:				
Transfer to general fund	<u>(427,406)</u>	<u>(432,133)</u>	<u>(361,976)</u>	<u>70,157</u>
Total other financing uses	<u>(427,406)</u>	<u>(432,133)</u>	<u>(361,976)</u>	<u>70,157</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	-	<u>-</u>
Fund balance - July 1			<u>8,516</u>	
Fund balance - June 30			<u>\$ 8,516</u>	

TETON COUNTY
BUDGETARY COMPARISON SCHEDULE
2012 LANDFILL CLOSURE SPECIFIC TAX FUND
Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 7,044,000	7,044,000	5,301,837	(1,742,163)
Miscellaneous	5,000	45,000	49,073	4,073
Total revenues	<u>7,049,000</u>	<u>7,089,000</u>	<u>5,350,910</u>	<u>(1,738,090)</u>
Expenditures:				
Infrastructure	<u>106,702</u>	<u>2,514,892</u>	<u>655,405</u>	<u>1,859,487</u>
Total expenditures	<u>106,702</u>	<u>2,514,892</u>	<u>655,405</u>	<u>1,859,487</u>
Excess of revenues over expenditures	<u>6,942,298</u>	<u>4,574,108</u>	<u>4,695,505</u>	<u>121,397</u>
Other financing uses:				
Transfer to recycling fund	<u>(510,000)</u>	<u>(510,000)</u>	<u>(510,000)</u>	<u>-</u>
Total other financing uses	<u>(510,000)</u>	<u>(510,000)</u>	<u>(510,000)</u>	<u>-</u>
Change in fund balance	<u>\$ 6,432,298</u>	<u>4,064,108</u>	4,185,505	<u>121,397</u>
Fund balance - July 1			<u>8,865,282</u>	
Fund balance - June 30			<u>\$ 13,050,787</u>	

TETON COUNTY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PRIMARY GOVERNMENT

	December 31, 2015	December 31, 2014
<u>Public Employee Pension Plan:</u>		
Proportion of the net pension liability	0.501527%	0.466463%
Proportionate share of the net pension liability	\$ 11,682,315	8,231,636
Covered employee payroll	\$ 8,956,486	7,791,267
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	130.43%	106.00%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%
<u>Law Enforcement Pension Plan:</u>		
Proportion of the net pension liability	2.271553%	2.101185%
Proportionate share of the net pension liability	\$ 1,706,389	619,086
Covered employee payroll	\$ 3,416,409	3,252,244
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	49.95%	19.04%
Plan fiduciary net position as a percentage of the total pension liability	87.49%	94.76%
<u>Paid Fireman's Pension Plan B:</u>		
Proportion of the net pension liability	4.809564%	3.820583%
Proportionate share of the net pension liability (asset)	\$ 1,470,505	(42,967)
Covered employee payroll	\$ 1,249,835	1,006,802
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	117.66%	-4.27%
Plan fiduciary net position as a percentage of the total pension liability	79.33%	100.98%

TETON COUNTY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COMPONENT UNITS

	December 31, 2015	December 31, 2014
<u>Public Employee Pension Plan - Library:</u>		
Proportion of the net pension liability	0.093980%	0.093356%
Proportionate share of the net pension liability	\$ 2,189,121	1,647,440
Covered employee payroll	\$ 1,678,813	1,559,307
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	130.40%	105.65%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%
<u>Public Employee Pension Plan - Housing Authority:</u>		
Proportion of the net pension liability	0.010695%	0.012962%
Proportionate share of the net pension liability	\$ 249,127	228,744
Covered employee payroll	\$ 190,144	216,509
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	131.02%	105.65%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%
<u>Public Employee Pension Plan - Weed & Pest:</u>		
Proportion of the net pension liability	0.027434%	0.026726%
Proportionate share of the net pension liability	\$ 639,026	471,633
Covered employee payroll	\$ 489,243	464,377
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	130.62%	101.56%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%

TETON COUNTY
SCHEDULE OF CONTRIBUTIONS
PRIMARY GOVERNMENT

	Year Ended June 30, 2016	Year Ended June 30, 2015
	<hr/>	<hr/>
<u>Public Employee Pension Plan:</u>		
Contractually required contribution	\$ 1,492,813	1,354,444
Contributions in relation to the contractually required contribution	<hr/> 1,492,813	<hr/> 1,354,444
Contribution deficiency (excess)	<hr/> \$ -	<hr/> -
Covered employee payroll	\$ 8,982,028	8,534,619
Contributions as a percentage of covered employee payroll	16.62%	15.87%
<u>Law Enforcement Pension Plan:</u>		
Contractually required contribution	\$ 654,629	583,138
Contributions in relation to the contractually required contribution	<hr/> 654,629	<hr/> 583,138
Contribution deficiency (excess)	<hr/> \$ -	<hr/> -
Covered employee payroll	\$ 3,805,983	3,390,337
Contributions as a percentage of covered employee payroll	17.20%	17.20%
<u>Paid Fireman's Pension Plan B:</u>		
Contractually required contribution	\$ 333,826	239,097
Contributions in relation to the contractually required contribution	<hr/> 333,826	<hr/> 239,097
Contribution deficiency (excess)	<hr/> \$ -	<hr/> -
Covered employee payroll	\$ 1,571,316	1,125,427
Contributions as a percentage of covered employee payroll	21.25%	21.25%

TETON COUNTY
SCHEDULE OF CONTRIBUTIONS
COMPONENT UNITS

	Year Ended June 30, 2016	Year Ended June 30, 2015
	<hr/>	<hr/>
<u>Public Employee Pension Plan - Library:</u>		
Contractually required contribution	\$ 306,136	253,544
Contributions in relation to the contractually required contribution	<hr/> 306,136	<hr/> 253,544
Contribution deficiency (excess)	<hr/> \$ -	<hr/> -
Covered employee payroll	\$ 1,841,974	1,597,631
Contributions as a percentage of covered employee payroll	16.62%	15.87%
<u>Public Employee Pension Plan - Housing Authority:</u>		
Contractually required contribution	\$ 30,500	29,517
Contributions in relation to the contractually required contribution	<hr/> 30,500	<hr/> 29,517
Contribution deficiency (excess)	<hr/> \$ -	<hr/> -
Covered employee payroll	\$ 183,514	185,992
Contributions as a percentage of covered employee payroll	16.62%	15.87%
<u>Public Employee Pension Plan - Weed & Pest:</u>		
Contractually required contribution	\$ 87,745	74,457
Contributions in relation to the contractually required contribution	<hr/> 87,745	<hr/> 74,457
Contribution deficiency (excess)	<hr/> \$ -	<hr/> -
Covered employee payroll	\$ 527,948	469,168
Contributions as a percentage of covered employee payroll	16.62%	15.87%

TETON COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2016

Note 1 – 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.

Note 2 – 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.

Note 3 – Schedules of the Proportionate Share of the Net Pension Liability and Contributions

Generally accepted accounting standards require the presentation of 10 years of the County's proportionate share of the net pension liability and the County's annual contributions. Transition provisions in the accounting standard indicate that information should be presented for as many years as are available. The County determined that it is not practicable to provide information prior to 2015.

Supplementary Information

TETON COUNTY
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2016

Special Revenue Funds							
	Special Fire	Fire/EMS	Enhanced 911	Housing Authority	Roads	Lodging Tax	County Fair
Assets:							
Pooled cash and cash equivalents	\$ 1,565,597	904,544	995,639	471,525	2,539,423	484,362	783,587
Cash and cash equivalents	-	-	-	-	-	-	2,000
Accounts receivable	-	290,576	47,730	43,534	-	-	-
Taxes receivable	460,615	-	-	-	-	-	629,512
Due from other governments	58,603	-	-	-	65,384	206,906	12,021
Due from other funds	-	224,818	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	17,188
Total assets	2,084,815	1,419,938	1,043,369	515,059	2,604,807	691,268	1,444,308
Liabilities:							
Accounts payable and accrued liabilities	33,566	79,293	1,315	336,737	2,634	27,379	35,633
Unearned revenue	-	-	-	-	-	-	59,937
Total liabilities	33,566	79,293	1,315	336,737	2,634	27,379	95,570
Deferred inflows of resources:							
Revenues for future periods	457,821	-	-	-	-	-	625,716
Total deferred inflows of resources	457,821	-	-	-	-	-	625,716
Fund balances:							
Nonspendable:							
Prepaid expenses	-	-	-	-	-	-	17,188
Restricted for:							
Capital projects	-	-	-	178,322	-	-	-
Infrastructure	-	-	-	-	2,602,173	-	-
Public safety	1,593,428	-	1,042,054	-	-	-	-
Community development	-	-	-	-	-	663,889	-
Committed for:							
Public safety	-	1,340,645	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	705,834
Total fund balances	1,593,428	1,340,645	1,042,054	178,322	2,602,173	663,889	723,022
Total liabilities, deferred inflows of resources and fund balances \$	2,084,815	1,419,938	1,043,369	515,059	2,604,807	691,268	1,444,308

TETON COUNTY
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2016

Capital Projects Funds									Total Non-major Governmental Funds
2006 Daycare Specific Tax Fund	2006 Trash Transfer 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 Pathways Specific Tax Fund	2014 Pathways Specific Tax Fund	2014 Fire/EMS Specific Tax Fund	
1,073,048	180,313	103,999	325,608	461,473	-	740,665	576,087	1,003,951	12,209,821
-	-	-	-	-	-	-	-	-	2,000
-	-	-	-	-	-	-	-	-	381,840
-	-	-	-	-	-	-	-	-	1,090,127
-	-	-	-	-	-	-	1,104,638	1,104,638	2,552,190
-	-	-	-	-	-	-	-	-	224,818
-	-	-	-	-	-	-	-	-	17,188
<u>1,073,048</u>	<u>180,313</u>	<u>103,999</u>	<u>325,608</u>	<u>461,473</u>	<u>-</u>	<u>740,665</u>	<u>1,680,725</u>	<u>2,108,589</u>	<u>16,477,984</u>
105,086	2,600	-	610	3,300	-	88,180	6,778	-	723,111
-	-	-	-	-	-	-	-	-	59,937
<u>105,086</u>	<u>2,600</u>	<u>-</u>	<u>610</u>	<u>3,300</u>	<u>-</u>	<u>88,180</u>	<u>6,778</u>	<u>-</u>	<u>783,048</u>
-	-	-	-	-	-	-	-	-	1,083,537
-	-	-	-	-	-	-	-	-	1,083,537
-	-	-	-	-	-	-	-	-	17,188
967,962	177,713	103,999	324,998	458,173	-	652,485	1,673,947	2,108,589	6,646,188
-	-	-	-	-	-	-	-	-	2,602,173
-	-	-	-	-	-	-	-	-	2,635,482
-	-	-	-	-	-	-	-	-	663,889
-	-	-	-	-	-	-	-	-	1,340,645
-	-	-	-	-	-	-	-	-	705,834
<u>967,962</u>	<u>177,713</u>	<u>103,999</u>	<u>324,998</u>	<u>458,173</u>	<u>-</u>	<u>652,485</u>	<u>1,673,947</u>	<u>2,108,589</u>	<u>14,611,399</u>
<u>1,073,048</u>	<u>180,313</u>	<u>103,999</u>	<u>325,608</u>	<u>461,473</u>	<u>-</u>	<u>740,665</u>	<u>1,680,725</u>	<u>2,108,589</u>	<u>16,477,984</u>

TETON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2016

Special Revenue Funds							
	Special Fire	Fire/EMS	Enhanced 911	Housing Authority	Roads	Lodging Tax	County Fair
Revenues:							
Taxes	\$ 474,739	-	-	-	586,513	1,177,489	701,432
Intergovernmental	16,086	9,550	-	-	259,367	-	-
Charges for services	265,304	2,074,335	298,373	901,202	-	-	434,815
Contributions	30,938	158,631	-	67,845	-	-	500
Miscellaneous	17,626	22,035	4,080	972	9,314	2,051	23,364
Total revenues	804,693	2,264,551	302,453	970,019	855,194	1,179,540	1,160,111
Expenditures:							
Community development	-	-	-	2,248,132	-	-	-
Health and human services	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	428,854	507,134	-
Parks and recreation	-	-	-	-	-	185,000	1,138,799
Public safety	675,507	3,632,079	59,391	-	-	-	-
Total expenditures	675,507	3,632,079	59,391	2,248,132	428,854	692,134	1,138,799
Excess (deficiency) of revenues over expenditures	129,186	(1,367,528)	243,062	(1,278,113)	426,340	487,406	21,312
Other financing sources (uses):							
Transfers in (out)	-	1,840,659	(149,250)	407,500	197,224	(390,000)	-
Total other financing sources (uses)	-	1,840,659	(149,250)	407,500	197,224	(390,000)	-
Change in fund balance	129,186	473,131	93,812	(870,613)	623,564	97,406	21,312
Fund balance - July 1	1,464,242	867,514	948,242	1,048,935	1,978,609	566,483	701,710
Fund balance - June 30	\$ 1,593,428	1,340,645	1,042,054	178,322	2,602,173	663,889	723,022

TETON COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2016

Capital Projects Funds									
2006 Daycare Specific Tax Fund	2006 Trash Transfer 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 Pathways Specific Tax Fund	2014 Pathways Specific Tax Fund	2014 Fire/EMS Specific Tax Fund	Total Non-major Governmental Funds
-	-	-	-	-	-	-	1,861,303	2,107,281	6,908,757
-	-	-	-	-	-	-	-	-	285,003
-	-	-	-	-	-	-	-	-	3,974,029
-	-	-	-	-	-	-	-	-	257,914
4,960	2,819	445	1,528	2,318	229	26,718	523	1,308	120,290
4,960	2,819	445	1,528	2,318	229	26,718	1,861,826	2,108,589	11,545,993
410,905	-	-	-	-	-	-	-	-	2,659,037
-	-	-	-	-	-	-	-	-	-
-	1,217,948	17,460	-	-	62,364	1,854,864	187,879	-	4,276,503
-	-	-	123,073	264,278	-	-	-	-	1,711,150
-	-	-	-	-	-	-	-	-	4,366,977
410,905	1,217,948	17,460	123,073	264,278	62,364	1,854,864	187,879	-	13,013,667
(405,945)	(1,215,129)	(17,015)	(121,545)	(261,960)	(62,135)	(1,828,146)	1,673,947	2,108,589	(1,467,674)
-	-	-	-	-	-	-	-	-	1,906,133
-	-	-	-	-	-	-	-	-	1,906,133
(405,945)	(1,215,129)	(17,015)	(121,545)	(261,960)	(62,135)	(1,828,146)	1,673,947	2,108,589	438,459
1,373,907	1,392,842	121,014	446,543	720,133	62,135	2,480,631	-	-	14,172,940
967,962	177,713	103,999	324,998	458,173	-	652,485	1,673,947	2,108,589	14,611,399

TETON COUNTY
COMBINING STATEMENT OF NET POSITION
TETON COUNTY LIBRARY AND TETON COUNTY LIBRARY FOUNDATION
June 30, 2016

	<u>Teton County Library</u>	<u>Teton County Library Foundation</u>	<u>Total Teton County Library</u>
Assets:			
Cash and cash equivalents	\$ 2,429,718	752,224	3,181,942
Investments	-	5,082,315	5,082,315
Taxes receivable	3,495,561	-	3,495,561
Due from other governments	1,466	-	1,466
Inventory	837	-	837
Capital assets	1,084,211	-	1,084,211
Accumulated depreciation	(553,156)	-	(553,156)
Total assets	<u>6,458,637</u>	<u>5,834,539</u>	<u>12,293,176</u>
Deferred Outflows of resources:			
Pensions	708,839	-	708,839
Total deferred outflows of resources	<u>708,839</u>	<u>-</u>	<u>708,839</u>
Liabilities:			
Accounts payable and accrued liabilities	89,781	11,661	101,442
Long-term liabilities:			
Due within one year	82,574	-	82,574
Net pension liability	2,189,121	-	2,189,121
Total liabilities	<u>2,361,476</u>	<u>11,661</u>	<u>2,373,137</u>
Deferred inflows of resources:			
Pensions	46,312	-	46,312
Revenues for future periods	3,230,000	-	3,230,000
Total deferred inflows of resources	<u>3,276,312</u>	<u>-</u>	<u>3,276,312</u>
Net position:			
Net investment in capital assets	531,055	-	531,055
Restricted for capital projects	131,584	-	131,584
Restricted for permanent endowment - non expendable	-	2,531,218	2,531,218
Unrestricted	867,049	3,291,660	4,158,709
Total net position	<u>\$ 1,529,688</u>	<u>5,822,878</u>	<u>7,352,566</u>

TETON COUNTY
COMBINING STATEMENT OF ACTIVITIES
TETON COUNTY LIBRARY AND TETON COUNTY LIBRARY FOUNDATION
Year Ended June 30, 2016

	<u>Teton County Library</u>	<u>Teton County Library Foundation</u>	<u>Total Teton County Library</u>
Expenses	\$ 3,674,343	493,580	4,167,923
Program revenues:			
Charges for services	53,874	-	53,874
Operating grants and contributions	-	529,650	529,650
Total program revenues	<u>53,874</u>	<u>529,650</u>	<u>583,524</u>
Net (expenses) revenues	<u>(3,620,469)</u>	<u>36,070</u>	<u>(3,584,399)</u>
General revenues (expenses):			
Property taxes	3,647,425	-	3,647,425
Interest and investment income (loss)	4,107	(176,019)	(171,912)
Miscellaneous	827	-	827
Inter-entity contributions	21,677	(21,677)	-
Total general revenues (expenses)	<u>3,674,036</u>	<u>(197,696)</u>	<u>3,476,340</u>
Change in net position	53,567	(161,626)	(108,059)
Net position – beginning	<u>1,476,121</u>	<u>5,984,504</u>	<u>7,460,625</u>
Net position – ending	<u>\$ 1,529,688</u>	<u>5,822,878</u>	<u>7,352,566</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, 2016

Assets:		
Accounts receivable		\$ <u>21,897</u>
Total assets		<u>21,897</u>
Liabilities:		
Payable to general fund pooled cash		10,948
Accounts payable		<u>10,949</u>
Total liabilities		<u>21,897</u>
Fund balance		<u>-</u>
Total liabilities and fund balance		\$ <u>21,897</u>

TETON COUNTY COURT SUPERVISED TREATMENT PROGRAM
SCHEDULE OF ACTIVITIES AND FUNCTIONAL EXPENSES
Year Ended June 30, 2016

Revenues:

State grants	\$ 79,232
Program participant fees	4,040
Contributions from Teton County	20,581
Contributions from Town of Jackson	<u>30,616</u>
 Total revenues	 <u>134,469</u>

Expenses:

Administrative	61,265
Treatment and supervision	66,494
Travel and training	<u>6,710</u>
 Total expenses	 <u>134,469</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, 2016

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	873,664
Total Schools and Roads Cluster			873,664
Passed through Wyoming Department of Health:			
Special Supplemental Nutrition Program For WIC	10.557	None	26,990
Passed through Wyoming State Forestry Division:			
Cooperative Forestry Assistance - SFA Fire Training	10.664	14-DG-1102-0000-039	16,086
Total USDA			916,740
<u>U.S. Department of Justice (DOJ)</u>			
Passed through Wyoming Sheriff's Association:			
Enforce Underage Drinking Laws Program 2015	16.727	None	1,359
Enforce Underage Drinking Laws Program 2016	16.727	None	4,632
Total DOJ			5,991
<u>U.S. Department of Transportation (DOT)</u>			
Passed through Wyoming Department of Transportation:			
Highway Safety Cluster:			
High Risk Rural Rd Program	20.600	CN22035	64,972
BJA-Selective Traffic Enforcement	20.616	405D	2,627
Total Highway Safety Cluster			67,599
Total DOT			67,599
<u>U.S. Department of Health and Human Services (HHS)</u>			
Passed through Wyoming Department of Family Services:			
Temporary Assistance For Needy Families Cluster:			
Temp Assistance for Needy Families - Climb	93.558	None	64,938
Temp Assistance for Needy Families - Pub Hlth	93.558	None	56,075
Total Temporary Assistance for Needy Families Cluster			121,013
Passed through Wyoming Department of Health:			
All Hazards (PH Emer Preparedness)	93.069	None	89,312
PH-All Hazards Ebola	93.069	None	11,187
County Health Officer	93.069	None	9,600

TETON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Contract Number	Expenditures
<u>U.S. Department of Health and Human Services (HHS) (continued)</u>			
Community Services Block Cluster:			
WY Rural & Frontier Health CSBG Tripartite FY15	93.569	CSBG.TTN1516	20,265
WY Rural & Frontier Health CSBG Tripartite FY16	93.569	CSBG.TTN.1615	47,579
Total Community Services Block Cluster			<u>67,844</u>
Total HHS			<u>298,956</u>
<u>U.S. Department of Homeland Security (DHS)</u>			
Passed through Wyoming Office of Homeland Security:			
Homeland Security Cluster:			
FY2014 Law Enforcement (LETPA)	97.067	14-GPD-TET-LS-HLE14	4,447
FY2015 Law Enforcement (LETPA)	97.067	15-GPD-TET-LS-HLE15	94,633
FY2014 State Homeland Security (SHSP)	97.067	14-GPD-TET-SC-HSG14	30,803
FY2015 Homeland Security (HSG)	97.067	15-GPD-TET-SC-HSG15	15,361
RERT Bomb Team Grant	97.067	14-GPD-BT5-BM-HMB14	18,643
RERT Call out	97.067	None	7,435
FY 2013 HRT	97.067	13-GPD-RR8-RR-HRT13	468
FY 2014 HRT	97.067	14-GPD-RR8-RR-HRT14	39,405
FY 2015 HRT	97.067	15-GPD-RR8-RR-HRT15	14,024
Office of Homeland Security--Project Lifesaver	97.067	None	21,685
Total Homeland Security Cluster			<u>246,904</u>
FY2015 Emergency Management Performance Grant	97.042	15-GPD-TET-EM-GCF15	34,727
FY 2013 Hazard Mitigation Grant	97.047	13FEMA-TET-PD-PDMT13	5,971
Total DHS			<u>287,602</u>
Total Expenditures of Federal Awards			<u>\$ 1,576,888</u>

TETON COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2016

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 provided in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 – Significant Accounting Policies

Basis of Accounting

The information in the Schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200. The Schedule is prepared using the same accounting policies and basis of accounting as the basic financial statements.

CFDA Numbers

Title 2 U.S. *Code of Federal Regulations* Part 200 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

Title 2 U.S. *Code of Federal Regulations* Part 200 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, 2016, 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 30, 2016. 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented,

or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

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 30, 2016



Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 circumstance.

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, 2016.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Jones Simkins LLC". The signature is written in a cursive, flowing style.

JONES SIMKINS LLC

Logan, Utah

November 30, 2016

TETON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

A. Summary of Auditors' Results

1.	Type of Report issued:	Unmodified
2.	Internal control over financial reporting: Material weaknesses identified:	No
	Significant deficiencies identified that were not considered to be material weaknesses:	None reported
3.	Non-compliance material to financial statements noted:	No
4.	Internal control over major programs: Material weaknesses identified:	No
	Significant deficiencies identified that were not considered to be material weaknesses:	None reported
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 2 CFR 200.516(a):	None
7.	Federal programs tested as major programs:	Schools and Roads Cluster CFDA # 10.665
8.	Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
9.	Auditee qualification as high or low risk:	Low

TETON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

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

None

- C. Findings and Questioned Costs Related to Federal Awards Required to be reported in Uniform Guidance.

None

TETON COUNTY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Client Submitted Document)
Year Ended June 30, 2016

None required as there were no findings or questioned costs related to federal awards required to be reported in accordance with Uniform Guidance in the prior year.

TETON COUNTY
CORRECTIVE ACTION PLAN
(Client Submitted Document)
Year Ended June 30, 2016

No corrective action plan required as there were no findings related to the financial statements required to be reported in accordance with *Government Auditing Standards*.