

**TETON COUNTY**  
**FINANCIAL STATEMENTS**  
**June 30, 2011**

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners  
Teton County  
Jackson, Wyoming

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Teton County, Wyoming (the County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Teton County Weed and Pest Control District (discretely presented component unit), which represents 16 percent, 10 percent, and 13 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Teton County Building Corporation (blended component unit), which represents 1 percent, 1 percent, and 0 percent, respectively, of the assets, net assets, and revenues of the primary government. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Teton County Weed and Pest Control District and the Teton County Building Corporation is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the 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 the County as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 7, 2011 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County. The accompanying schedules of the Drug Court financial position and Drug Court activities and functional expenses 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 of the County. The supplementary information, the schedule of expenditures of federal awards and the schedules of Drug Court financial position and Drug Court activities and functional expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



JONES SIMKINS, P.C.  
December 7, 2011

## **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, 2011.

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*. GASB No. 34 was adopted in June 1999, but first became applicable to Teton County for the Fiscal Year ended June 30, 2003. Consequently, this is the eighth year of reporting under these new requirements promulgated by the Government Accounting Standards Board. 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 its discretely presented component units. The primary government can be generally described as providing the core services expected of local government, such as public health and safety and maintenance of infrastructure; component units are separate legal entities that provide ancillary services (examples of which are the county library, county housing authority, and county fair).

#### FINANCIAL HIGHLIGHTS

- County assets of \$101.6 million exceeded liabilities of \$22.2 million, which resulted in total net assets of \$79.4 million, the majority (70%) of which is net investment in capital assets net of related debt totaling \$55.8 million.
- Total assets of the primary government decreased \$0.8 million and total liabilities decreased \$5.3 million from June 30, 2010 to June 30, 2011. Total assets decreased primarily as a result of decreases in cash and receivables offset by increases in capital assets. Capital assets increased by approximately \$2.0 million. Major capital asset additions include the construction of new recreational pathways and the construction of a childhood education center. Liabilities decreased as payables balances owed to construction contractors were paid down along with the release of funds held in trust on behalf of the Snake River Sporting Club. (See *the Statement of Net Assets in the Audited Financial Statements*)
- Of the \$23.6 million in net assets that are not invested in capital assets, \$10.4 million was unrestricted and \$13.2 million was restricted for capital projects, infrastructure expenditures, public safety services, community development services and debt service. The current year decrease of \$5.3 million in unrestricted net assets is primarily associated with the large capital expenditures (total capital expenditures were \$5.7 million). These decreases in unrestricted net assets are offset by the overall increase in total net assets of \$4.5 million (program and general revenues exceeding program expenditures). (See *the Statement of Activities in the Audited Financial Statements*)
- Total general fund revenues were fairly consistent with the prior year, decreasing \$1.1 million from \$26.4 million in 2010 to \$25.3 million in 2011. Sales and use tax revenues decreased by approximately \$0.2 million due to continued sluggishness in retail, travel and tourism activity. Property tax revenue decreased \$0.5 million due to modest reductions in overall property values. 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, library, fair, and special fire fund). The combined tax rate for the year ended June 30, 2011, increased from 8.548 mills to

8.599 mills, leaving a tax margin of 3.401 mills or \$4.1 million that was not assessed on the total assessed valuation of \$1.2 billion, down from \$1.3 billion in 2010.

- Total General Fund expenditures decreased \$2.7 million between 2011 and 2010, resulting from reductions in the cost of certain functions. The County's administration function expenditures decreased \$2.5 million primarily from reduced self-insured health insurance costs, as well as reductions in total salary expenditures and maintenance expenditures. The County's community development function expenditures decreased \$0.4 million due to reduced total salary expenditures. Other general fund functions remained consistent with prior year levels. For the year ended June 30, 2011, revenues exceeded expenditures by \$3.9 million. After net interfund transfers out of \$2.5 million, the General Fund's total fund balance increased by \$1.4 million in 2011. 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 Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances 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 Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the 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 assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, 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 Assets 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 Fair Board  
Teton County Library Board  
Teton County Housing Authority  
Jackson Hole Travel and Tourism Board

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

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

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

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

- 2006 Pathways Specific Tax
- 2006 Daycare Specific Tax
- 2006 Trash Transfer Station Specific Tax
- 2006 Parks and Recreation Specific Tax
- 2010 Fire/EMS Specific Tax
- 2010 Pathways Specific Tax
- 2010 Wilson Specific Tax
- 2010 Parks and Recreation Specific Tax

The General Fund is always classified as a major fund. The size of the Parks and Recreation Special Revenue Fund and the Grants Special Revenue 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, capital projects funds, and the debt service fund have been included in 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. 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.
- The County has an outstanding lease revenue bond resulting in total bonds payable of \$5.3 million. The County also reports a liability associated with the estimated closure costs related to the County's landfill for approximately \$2 million. Other long-term liabilities include compensated absences, notes payable and capital leases which bring the total long-term liabilities to \$10.3 million.
- Subsequent to year-end, the County refinanced its revenue bond debt, issuing refunding bonds with a principal amount of \$5.0 million. The proceeds of these new refunding bonds will repay the original revenue bonds in full, and will provide \$0.3 million in savings on debt service costs over the next 7 years.

#### FINANCIAL ANALYSIS

As previously noted, *net assets* serve as a useful indicator of Teton County's financial position. Total primary government assets exceeded total primary government liabilities by approximately \$79.4 million, the majority of which is reflected in the net investment in capital assets totaling \$55.8 million. (*See also the complete Statement of Net Assets in the Audited Financial Statements*)

TETON COUNTY, WYOMING  
Management's Discussion and Analysis  
Year Ended June 30, 2011

The table below summarizes the County's assets, liabilities and net assets as of June 30, 2011 and 2010:

**SUMMARY SCHEDULE OF NET ASSETS**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 39,830,771	42,510,191	604,357	717,266	40,435,128	43,227,457
Capital assets	59,638,304	57,498,671	1,571,314	1,714,527	61,209,618	59,213,198
<b>Total assets</b>	<b>99,469,075</b>	<b>100,008,862</b>	<b>2,175,671</b>	<b>2,431,793</b>	<b>101,644,746</b>	<b>102,440,655</b>
Current liabilities	12,731,142	17,906,896	177,085	149,331	12,908,227	18,056,227
Non-current liabilities	9,319,793	9,479,285	6,140	10,000	9,325,933	9,489,285
<b>Total liabilities</b>	<b>22,050,935</b>	<b>27,386,181</b>	<b>183,225</b>	<b>159,331</b>	<b>22,234,160</b>	<b>27,545,512</b>
Invested in capital assets, net of debt	54,310,804	51,691,171	1,571,314	1,714,527	55,882,118	53,405,698
Restricted	12,783,737	5,411,803	370,607	370,607	13,154,344	5,782,410
Unrestricted	10,323,599	15,519,707	50,525	187,328	10,374,124	15,707,035
<b>Total net assets</b>	<b>\$ 77,418,140</b>	<b>72,622,681</b>	<b>1,992,446</b>	<b>2,272,462</b>	<b>79,410,586</b>	<b>74,895,143</b>

The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. These net assets are 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, 2011

**SUMMARY SCHEDULE OF CHANGES IN NET ASSETS**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 7,264,725	7,399,924	3,178,682	2,891,217	10,443,407	10,291,141
Operating grants and contributions	2,448,529	4,340,701	98,421	110,805	2,546,950	4,451,506
Capital grants and contributions	4,104,763	6,291,549	-	1,041,058	4,104,763	7,332,607
General revenues:						
Taxes	23,178,691	23,812,122	-	-	23,178,691	23,812,122
Investment and other income	511,264	391,239	35,279	25,570	546,543	416,809
<b>Total revenues</b>	<b>37,507,972</b>	<b>42,235,535</b>	<b>3,312,382</b>	<b>4,068,650</b>	<b>40,820,354</b>	<b>46,304,185</b>
<b>Expenses:</b>						
Administration	6,499,560	8,856,100	-	-	6,499,560	8,856,100
Community development	3,831,832	5,046,976	-	-	3,831,832	5,046,976
Health and human services	2,374,233	2,382,337	-	-	2,374,233	2,382,337
Justice	1,783,072	1,872,674	-	-	1,783,072	1,872,674
Infrastructure	4,688,942	4,782,273	-	-	4,688,942	4,782,273
Parks and recreation	3,947,797	3,530,119	-	-	3,947,797	3,530,119
Public safety	9,150,631	10,437,252	-	-	9,150,631	10,437,252
Interest and fiscal charges	257,979	242,556	-	-	257,979	242,556
Solid waste and recycling	-	-	3,592,398	2,919,474	3,592,398	2,919,474
<b>Total expenses</b>	<b>32,534,046</b>	<b>37,150,287</b>	<b>3,592,398</b>	<b>2,919,474</b>	<b>36,126,444</b>	<b>40,069,761</b>
Change in net assets before transfers and special items	4,973,926	5,085,248	(280,016)	1,149,176	4,693,910	6,234,424
Special item - Contributions to other entities	(178,467)	(661,932)	-	-	(178,467)	(661,932)
Special item - Landfill closure costs	-	(2,000,000)	-	-	-	(2,000,000)
Transfers in (out)	-	(1,123,286)	-	1,123,286	-	-
<b>Change in net assets</b>	<b>4,795,459</b>	<b>1,300,030</b>	<b>(280,016)</b>	<b>2,272,462</b>	<b>4,515,443</b>	<b>3,572,492</b>
Net assets - beginning	72,622,681	71,322,651	2,272,462	-	74,895,143	71,322,651
<b>Net assets - ending</b>	<b>\$ 77,418,140</b>	<b>72,622,681</b>	<b>1,992,446</b>	<b>2,272,462</b>	<b>79,410,586</b>	<b>74,895,143</b>

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

	2011 FINAL BUDGET	2011 ACTUAL	VARIANCE	VARIANCE AS A % OF BUDGET
Revenues	\$ 24,850,458	\$ 25,333,900	483,442	1.9%
Expenditures	22,943,338	21,427,926	1,515,412	6.6%
Excess of Revenues Over Expenditures	1,907,120	3,905,974	1,998,854	
Transfers From Other Funds	806,527	670,332	(136,195)	
Transfers To Other Funds	(3,335,216)	(3,201,131)	134,085	
Deficiency of Revenues Over Expenditures and Transfers	<u>\$ (621,569)</u>	1,375,175	<u>\$ 1,996,744</u>	
Fund Balance – Beginning of Fiscal Year		<u>\$ 13,009,229</u>		
Fund Balance – End of Fiscal Year		<u>\$ 14,384,404</u>		

The Board of County Commissioners must weigh the adequacy of the cash reserve with whether excess fund balance should be invested in infrastructure, returned to the taxpayers through a decrease to the mill levy, or used to increase the cash or capital reserves.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Sales and Use Tax revenue exceeded budgeted revenues by \$0.8 million. Budget to actual variances in the sales and use tax revenue were a result of the uncertainty of the national and local economic downturn and a decline in the local tourism economy. Based on these uncertainties, conservative projections were used to establish the sales and use tax revenue budget year. The budget projection expected a decrease of 9% compared to the prior year, but the actual sales and use tax revenue was essentially equal (within 1.6%) compared to the prior year.

Community development expenditures were \$0.6 million below budget, primarily due to energy mitigation projects not performed during 2011. Health and Human services expenditures were \$0.2 million below budget, resulting from certain grant funding not being expended as planned as well as reduced salary and benefit costs. Public Safety expenditures were \$0.5 million below budget, due to certain budgeted capital expenditures not being made as well as reductions in salary and overtime costs.

The Teton County budget process begins midway through the current fiscal year to coincide with the Town of Jackson 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.

CONTACT INFORMATION

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

## Basic Financial Statements

TETON COUNTY  
STATEMENT OF NET ASSETS  
June 30, 2011

	<u>Primary Government</u>			<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
<b>Assets:</b>				
Pooled cash and cash equivalents	\$ 26,525,534	342,812	26,868,346	-
Cash and cash equivalents	2,070,490	-	2,070,490	5,311,698
Restricted cash and cash equivalents	124,317	-	124,317	115,359
Investments	453,288	-	453,288	2,038,310
Accounts receivable	166,973	261,545	428,518	115,597
Taxes receivable	7,055,818	-	7,055,818	3,407,082
Other receivables	10,490	-	10,490	202
Due from other governments	2,854,710	-	2,854,710	70,702
Prepaid expenses	6,928	-	6,928	-
Inventory	-	-	-	179,123
Bond issuance costs	53,473	-	53,473	-
Notes receivable	508,750	-	508,750	-
Capital assets	101,258,111	1,869,600	103,127,711	26,461,312
Accumulated depreciation	<u>(41,619,807)</u>	<u>(298,286)</u>	<u>(41,918,093)</u>	<u>(2,114,138)</u>
<b>Total assets</b>	<b>\$ 99,469,075</b>	<b>2,175,671</b>	<b>101,644,746</b>	<b>35,585,247</b>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,627,790	152,085	1,779,875	428,590
Deferred revenue	6,972,153	-	6,972,153	2,724,522
Funds held in trust	3,121,087	-	3,121,087	-
<b>Long-term liabilities:</b>				
Due within one year	1,010,112	25,000	1,035,112	222,739
Due in more than one year	<u>9,319,793</u>	<u>6,140</u>	<u>9,325,933</u>	<u>2,528,735</u>
<b>Total liabilities</b>	<b>22,050,935</b>	<b>183,225</b>	<b>22,234,160</b>	<b>5,904,586</b>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	54,310,804	1,571,314	55,882,118	21,751,421
Restricted for capital projects	5,060,845	370,607	5,431,452	1,888,307
Restricted for infrastructure	2,724,320	-	2,724,320	-
Restricted for public safety	2,447,035	-	2,447,035	-
Restricted for community development	1,694,498	-	1,694,498	-
Restricted for debt service	823,752	-	823,752	-
Restricted for other purposes	33,287	-	33,287	-
Restricted for permanent endowment - nonexpendable	-	-	-	2,043,857
Unrestricted	<u>10,323,599</u>	<u>50,525</u>	<u>10,374,124</u>	<u>3,997,076</u>
<b>Total net assets</b>	<b>\$ 77,418,140</b>	<b>1,992,446</b>	<b>79,410,586</b>	<b>29,680,661</b>

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

TETON COUNTY  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities		
						Total		Total
<b>Primary government:</b>								
<b>Governmental activities:</b>								
Administration	\$ 6,499,560	513,244	-	167,337	(5,818,979)	-	(5,818,979)	
Community development	3,831,832	1,833,480	518,114	793,154	(687,084)	-	(687,084)	
Health and human services	2,374,233	163,759	383,552	-	(1,826,922)	-	(1,826,922)	
Justice	1,783,072	340,553	189,339	-	(1,253,180)	-	(1,253,180)	
Infrastructure	4,688,942	24,100	463,621	2,560,378	(1,640,843)	-	(1,640,843)	
Parks and recreation	3,947,797	1,805,528	146,793	583,894	(1,411,582)	-	(1,411,582)	
Public safety	9,150,631	2,584,061	747,110	-	(5,819,460)	-	(5,819,460)	
Debt service: interest and fiscal charges	257,979	-	-	-	(257,979)	-	(257,979)	
<b>Total governmental activities</b>	<b>32,534,046</b>	<b>7,264,725</b>	<b>2,448,529</b>	<b>4,104,763</b>	<b>(18,716,029)</b>	<b>-</b>	<b>(18,716,029)</b>	
<b>Business-type activities:</b>								
Integrated solid waste and recycling	3,592,398	3,178,682	98,421	-	-	(315,295)	(315,295)	
<b>Total primary government</b>	<b>\$ 36,126,444</b>	<b>10,443,407</b>	<b>2,546,950</b>	<b>4,104,763</b>	<b>(18,716,029)</b>	<b>(315,295)</b>	<b>(19,031,324)</b>	
<b>Component units:</b>								
Teton County Library	\$ 3,255,793	56,873	456,707	-	-	-	(2,742,213)	
Teton County Weed and Pest Control	1,681,050	591,759	167,547	-	-	-	(921,744)	
Teton County Fair	1,155,890	419,993	176,100	77,443	-	-	(482,354)	
Teton County Housing Authority	618,962	271,405	-	67,682	-	-	(279,875)	
Jackson Hole Travel and Tourism Board	-	-	-	-	-	-	-	
<b>Total component units</b>	<b>\$ 6,711,695</b>	<b>1,340,030</b>	<b>800,354</b>	<b>145,125</b>	<b>-</b>	<b>-</b>	<b>(4,426,186)</b>	
<b>General revenues:</b>								
Sales and use taxes					\$ 12,109,829	-	12,109,829	
Property taxes					9,850,727	-	9,850,727	
Other taxes					1,218,135	-	1,218,135	
County appropriations					-	-	568,600	
Investment income					283,824	20,802	304,626	
Gain (loss) on disposal of assets					(109,447)	-	(109,447)	
Miscellaneous					336,887	14,477	351,364	
Special item - Contributions to other entities					(178,467)	-	(178,467)	
Total general revenues and special items					23,511,488	35,279	23,546,767	
Change in net assets					4,795,459	(280,016)	4,515,443	
Net assets—beginning					72,622,681	2,272,462	74,895,143	
Net assets—ending					\$ 77,418,140	1,992,446	79,410,586	

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

TETON COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2011

	<u>General</u>	<u>Parks and Recreation Special Revenue</u>	<u>Grants Special Revenue</u>	<u>Non-major Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Pooled cash and cash equivalents	\$ 14,628,309	429,849	125,026	11,342,350	26,525,534
Cash and cash equivalents	1,609,810	1,400	-	459,280	2,070,490
Restricted cash and cash equivalents	124,317	-	-	-	124,317
Due from other funds	124,961	-	-	14,570	139,531
Investments	-	-	-	453,288	453,288
Accounts receivable	-	-	-	166,973	166,973
Taxes receivable	6,666,352	-	-	389,466	7,055,818
Other receivables	947	77	-	9,466	10,490
Due from other governments	1,729,020	8,700	594,134	522,856	2,854,710
Prepaid expenses	-	-	-	6,928	6,928
Notes receivable	508,750	-	-	-	508,750
<b>Total assets</b>	<b>\$ 25,392,466</b>	<b>440,026</b>	<b>719,160</b>	<b>13,365,177</b>	<b>39,916,829</b>
<b>Liabilities:</b>					
Due to other funds	\$ 14,570	-	109,842	15,119	139,531
Accounts payable and accrued liabilities	798,294	110,317	597,314	104,381	1,610,306
Deferred revenue	7,074,111	22,032	-	384,760	7,480,903
Funds held in trust	3,121,087	-	-	-	3,121,087
<b>Total liabilities</b>	<b>11,008,062</b>	<b>132,349</b>	<b>707,156</b>	<b>504,260</b>	<b>12,351,827</b>
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Prepaid expenses	-	-	-	6,928	6,928
<b>Restricted for:</b>					
Capital projects	-	-	-	5,060,845	5,060,845
Infrastructure	-	-	-	2,724,320	2,724,320
Public safety	-	-	-	2,447,035	2,447,035
Community development	1,104,752	-	-	589,746	1,694,498
Debt service	-	-	-	823,752	823,752
Other purposes	21,283	-	12,004	-	33,287
<b>Committed for:</b>					
Capital projects	5,458,164	-	-	-	5,458,164
Operations stabilization	5,254,365	-	-	-	5,254,365
Public safety	-	-	-	1,208,291	1,208,291
Parks and recreation	-	307,677	-	-	307,677
Unassigned	2,545,840	-	-	-	2,545,840
<b>Total fund balances</b>	<b>14,384,404</b>	<b>307,677</b>	<b>12,004</b>	<b>12,860,917</b>	<b>27,565,002</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,392,466</b>	<b>440,026</b>	<b>719,160</b>	<b>13,365,177</b>	<b>39,916,829</b>

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

TETON COUNTY  
RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
June 30, 2011

Total fund balances of governmental funds \$ 27,565,002

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets	\$ 101,258,111	
Accumulated depreciation	<u>(41,619,807)</u>	
		59,638,304

Other long-term assets are not available to pay for current period expenditures and are therefore deferred in the funds. 508,750

Long-term liabilities, net of related issuance costs, as well as accrued interest are not due and payable in the current period and are therefore not reported in the funds.

Long-term liabilities, due within one year	\$ (1,010,112)	
Long-term liabilities, due in more than one year	(9,319,793)	
Bond issuance costs	53,473	
Accrued interest payable	<u>(17,484)</u>	
		<u>(10,293,916)</u>

Net assets of governmental activities \$ 77,418,140

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, 2011

	General	Parks and Recreation Special Revenue	Grants Special Revenue	Non-major Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 20,945,178	-	-	2,428,791	23,373,969
Intergovernmental	763,506	128,484	5,065,773	150,526	6,108,289
Charges for services	1,627,025	1,801,078	-	2,341,863	5,769,966
Licenses and permits	1,614,026	-	-	-	1,614,026
Contributions	-	18,309	-	134,487	152,796
Miscellaneous	384,165	20,483	-	181,354	586,002
<b>Total revenues</b>	<u>25,333,900</u>	<u>1,968,354</u>	<u>5,065,773</u>	<u>5,237,021</u>	<u>37,605,048</u>
<b>Expenditures:</b>					
Administration	6,472,402	-	87,618	63,983	6,624,003
Community development	2,333,207	-	1,694,574	1,303,056	5,330,837
Health and human services	2,182,467	-	213,296	-	2,395,763
Justice	1,789,546	-	-	-	1,789,546
Infrastructure	2,415,634	-	2,326,361	115,415	4,857,410
Parks and recreation	-	3,276,094	408,894	313,194	3,998,182
Public safety	6,234,670	-	318,331	3,192,193	9,745,194
Debt service:					
Principal	-	-	-	475,000	475,000
Interest and fiscal charges	-	-	-	226,663	226,663
<b>Total expenditures</b>	<u>21,427,926</u>	<u>3,276,094</u>	<u>5,049,074</u>	<u>5,689,504</u>	<u>35,442,598</u>
Excess (deficiency) of revenues over expenditures	<u>3,905,974</u>	<u>(1,307,740)</u>	<u>16,699</u>	<u>(452,483)</u>	<u>2,162,450</u>
<b>Other financing sources (uses):</b>					
Proceeds from notes payable	-	-	399,226	-	399,226
Transfers in (out)	<u>(2,530,799)</u>	<u>1,005,361</u>	<u>(405,929)</u>	<u>1,931,367</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(2,530,799)</u>	<u>1,005,361</u>	<u>(6,703)</u>	<u>1,931,367</u>	<u>399,226</u>
Change in fund balance	1,375,175	(302,379)	9,996	1,478,884	2,561,676
Fund balance - July 1	<u>13,009,229</u>	<u>610,056</u>	<u>2,008</u>	<u>11,382,033</u>	<u>25,003,326</u>
Fund balance - June 30	<u>\$ 14,384,404</u>	<u>307,677</u>	<u>12,004</u>	<u>12,860,917</u>	<u>27,565,002</u>

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

TETON COUNTY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2011

Net change in fund balances - total governmental funds \$ 2,561,676

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 those assets is allocated over their estimated useful lives as depreciation expense. Capital assets received as contributions from other entities are recorded as income in the Statement of Activities, but are not reported in the funds.

Capital outlays and asset contributions received	\$ 5,671,073	
Depreciation expense	<u>(3,243,125)</u>	2,427,948

Certain capital assets were disposed during the course of the year. The amount of net book value of the assets at the time of disposal is recorded in the Statement of Activities as a reduction of net assets. (288,315)

The Statement of Activities reports revenues on the accrual basis that do not provide current financial resources and are therefore deferred in the funds. (750)

Bond proceeds and capital leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the Statement of Net Assets. Repayments of bond and capital lease principal are expenditures in governmental funds.

Payment of principal on long-term liabilities	\$ 555,989	
Proceeds from notes payable	(399,226)	
Change in accrued interest payable	1,406	
Change in compensated absences liability	(51,394)	
Amortization of bond issuance costs	<u>(11,875)</u>	<u>94,900</u>

Change in net assets of governmental activities \$ 4,795,459

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

TETON COUNTY  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2011

	<u>Integrated Solid Waste and Recycling Fund</u>
Assets:	
Current assets:	
Pooled cash and cash equivalents	\$ 342,812
Accounts receivable	<u>261,545</u>
Total current assets	<u>604,357</u>
Non-current assets:	
Capital assets	1,869,600
Accumulated depreciation	<u>(298,286)</u>
Total non-current assets	<u>1,571,314</u>
Total assets	<u>\$ 2,175,671</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 152,085
Long-term liabilities, due within one year	<u>25,000</u>
Total current liabilities	177,085
Long-term liabilities, due in more than one year	<u>6,140</u>
Total liabilities	<u>183,225</u>
Net assets:	
Invested in capital assets, net of related debt	1,571,314
Restricted for capital projects	370,607
Unrestricted	<u>50,525</u>
Total net assets	<u><u>\$ 1,992,446</u></u>

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

TETON COUNTY  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
Year Ended June 30, 2011

	<u>Integrated Solid Waste and Recycling Fund</u>
Operating revenues:	
Charges for services	\$ 2,697,605
Materials sales	481,077
Miscellaneous	14,477
Total operating revenues	<u>3,193,159</u>
Operating expenses:	
Salaries and benefits	617,177
Current expenses	2,816,624
Depreciation	158,597
Total operating expenses	<u>3,592,398</u>
Operating loss	<u>(399,239)</u>
Non-operating income:	
Grants and contributions	98,421
Investment income	20,802
Total non-operating income	<u>119,223</u>
Change in net assets	(280,016)
Net assets - beginning	<u>2,272,462</u>
Net assets - ending	<u>\$ 1,992,446</u>

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

TETON COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2011

	<u>Integrated Solid Waste and Recycling Fund</u>
Cash flows from operating activities:	
Receipts from customers and users	\$ 3,185,779
Payments to suppliers	(2,797,870)
Payments to employees	<u>(612,037)</u>
Net cash used in operating activities	<u>(224,128)</u>
Cash flows from non-capital financing activities:	
Receipts from operating grants and contributions	<u>98,421</u>
Net cash provided by non-capital financing activities	<u>98,421</u>
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	<u>(15,384)</u>
Net cash used in capital and related financing activities	<u>(15,384)</u>
Cash flows from investing activities:	
Interest received	<u>20,802</u>
Net cash provided by investing activities	<u>20,802</u>
Net decrease in cash and cash equivalents	(120,289)
Cash and cash equivalents - beginning	<u>463,101</u>
Cash and cash equivalents - ending	<u>\$ 342,812</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, 2011

Integrated Solid  
Waste and  
Recycling Fund

Reconciliation of operating loss to net cash used in  
operating activities:

Operating loss	\$ <u>(399,239)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	158,597
Non-cash compensation expense	5,140
Net change in assets and liabilities:	
Accounts receivable	(7,380)
Accounts payable and accrued liabilities	<u>18,754</u>
Total adjustments	<u>175,111</u>
Net cash used in operating activities	\$ <u><u>(224,128)</u></u>

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

TETON COUNTY  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2011

	<u>Treasurer's Tax Agency Fund</u>
Assets:	
Pooled cash and cash equivalents	\$ 2,867,146
Cash and cash equivalents	<u>2,274,253</u>
Total assets	<u>\$ 5,141,399</u>
Liabilities:	
Due to other taxing units	<u>\$ 5,141,399</u>
Total liabilities	<u>\$ 5,141,399</u>

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

TETON COUNTY  
COMBINING STATEMENT OF NET ASSETS  
COMPONENT UNITS  
June 30, 2011

	<u>Teton County Library</u>	<u>Teton County Weed and Pest Control</u>	<u>Teton County Fair</u>	<u>Teton County Housing Authority</u>	<u>Jackson Hole Travel and Tourism Board</u>	<u>Total</u>
<b>Assets:</b>						
Cash and cash equivalents	\$ 3,379,155	643,345	270,786	1,018,412	-	5,311,698
Restricted cash and cash equivalents	-	115,359	-	-	-	115,359
Investments	2,038,310	-	-	-	-	2,038,310
Accounts receivable	-	31,860	-	83,737	-	115,597
Taxes receivable	2,865,198	10,198	377,997	-	153,689	3,407,082
Other receivables	202	-	-	-	-	202
Due from other governments	3,020	-	-	67,682	-	70,702
Inventory	507	178,616	-	-	-	179,123
Capital assets	1,733,680	5,430,565	4,516,090	14,780,977	-	26,461,312
Accumulated depreciation	(298,294)	(630,048)	(1,051,575)	(134,221)	-	(2,114,138)
<b>Total assets</b>	<b>\$ 9,721,778</b>	<b>5,779,895</b>	<b>4,113,298</b>	<b>15,816,587</b>	<b>153,689</b>	<b>35,585,247</b>
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 164,662	50,278	11,997	201,653	-	428,590
Deferred revenue	2,413,000	-	311,522	-	-	2,724,522
<b>Long-term liabilities:</b>						
Due within one year	95,000	113,988	6,250	7,501	-	222,739
Due in more than one year	-	2,528,735	-	-	-	2,528,735
<b>Total liabilities</b>	<b>2,672,662</b>	<b>2,693,001</b>	<b>329,769</b>	<b>209,154</b>	<b>-</b>	<b>5,904,586</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	1,435,386	2,204,764	3,464,515	14,646,756	-	21,751,421
Restricted for capital projects	1,718,883	115,359	54,065	-	-	1,888,307
Restricted for permanent endowment - non expendable	2,043,857	-	-	-	-	2,043,857
Unrestricted	1,850,990	766,771	264,949	960,677	153,689	3,997,076
<b>Total net assets</b>	<b>\$ 7,049,116</b>	<b>3,086,894</b>	<b>3,783,529</b>	<b>15,607,433</b>	<b>153,689</b>	<b>29,680,661</b>

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

TETON COUNTY  
COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
Year Ended June 30, 2011

	<u>Teton County Library</u>	<u>Teton County Weed and Pest Control</u>	<u>Teton County Fair</u>	<u>Teton County Housing Authority</u>	<u>Jackson Hole Travel and Tourism Board</u>	<u>Total</u>
Expenses	\$ 3,255,793	1,681,050	1,155,890	618,962	-	6,711,695
Program revenues:						
Charges for services	56,873	591,759	419,993	271,405	-	1,340,030
Operating grants and contributions	456,707	167,547	176,100	-	-	800,354
Capital grants and contributions	-	-	77,443	67,682	-	145,125
Total program revenues	513,580	759,306	673,536	339,087	-	2,285,509
Net expenses	(2,742,213)	(921,744)	(482,354)	(279,875)	-	(4,426,186)
General revenues:						
Sales and use taxes	1,038,540	-	431,606	-	153,689	1,623,835
Property taxes	2,965,633	881,190	359,452	-	-	4,206,275
County appropriations	-	-	-	568,600	-	568,600
Investment income	340,004	5,384	3,924	15,110	-	364,422
Gain on disposal of assets	-	6,282	-	-	-	6,282
Miscellaneous	3,164	21,687	991	4	-	25,846
Total general revenues	4,347,341	914,543	795,973	583,714	153,689	6,795,260
Change in net assets	1,605,128	(7,201)	313,619	303,839	153,689	2,369,074
Net assets – beginning	5,443,988	3,094,095	3,469,910	15,303,594	-	27,311,587
Net assets – ending	\$ 7,049,116	3,086,894	3,783,529	15,607,433	153,689	29,680,661

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

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

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, 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. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the County are discussed below.

**Financial Reporting Entity**

In determining the financial reporting entity, the County (primary government) complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, as amended. This standard requires the County to evaluate 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 combined financial statements to emphasize that they are legally separate from the County. All of the County's blended component units and discretely presented component units have a June 30 fiscal year-end.

*Blended Component Units*

**The Jackson / Teton County Public Facilities Joint Powers Board** (the Joint Powers Board) serves all citizens of the County and is governed by a board comprised of three County Commissioners and three members appointed by the Town of Jackson. The Joint Powers Board was established to provide an efficient, orderly and economically feasible method of jointly financing the acquisition, construction, and renovation of various projects, all of which will enhance the general civic welfare of the County and Town and their residents and will be of service to and be for the benefit of the County and Town and their residents. To date, the only involvement of the Town of Jackson has been to establish the Joint Powers Board.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

Consequently, the Joint Powers Board financial activity is reported in the debt service fund of the County because it has been determined to be fiscally dependent on the County.

**The 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. The board of the TCBC consists of three members. The County appointed the original three members. The TCBC is presented as a special revenue fund of the County because it has been determined to be fiscally dependent upon the County. The TCBC issues separately audited financial statements that can be obtained from the County.

*Discretely Presented Component Units*

**The Teton County Weed and Pest Control District** (the District) was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. The District is fiscally dependent upon the County as the Board of Commissioners approves the District's budget and tax levy. 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. was determined to be a component unit of the District in accordance with GASB Statement 39. The District issues separately audited financial statements that can be obtained by writing to PO Box 1852, Jackson, WY 83001.

**The Teton County Fair Board** (the Fair Board) maintains and manages the operations of the County Fair and conducts agricultural, industrial and other fairs and exhibitions within the County. The Fair Board is fiscally dependent upon the County because the Board of Commissioners approves the Fair Board's budget, levies taxes on behalf of the Fair Board and must approve any debt issuance. The Fair Board's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Fair Board is presented as a governmental fund type. The Fair Board does not issue separate financial statements.

**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. The Library is presented as a governmental fund type. Included in 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 was determined to be a component unit of the Library Board in accordance with GASB Statement 39. The Library Board does not issue separate financial statements.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

*Jointly Governed Organizations*

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

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

**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).

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

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 services are classified as governmental activities. The County's solid waste and recycling services are classified as business-type activities.

In the government-wide Statement of Net Assets, 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 resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

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

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

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

These government-wide statements focus more on the sustainability of the County as an entity and the change in the County's net assets 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.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

The following fund types are used by the County:

*Governmental Funds*

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

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

The County's major governmental funds consist of the General Fund (see description above), the Parks and Recreation Fund and the Grants 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 appropriation 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 or capital projects.

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 housing (Housing Authority Fund), construction of County building assets (Building Corporation Fund), and tourism promotion and visitor impact services (Lodging Tax Fund).

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

The County's non-major capital projects funds consist of funds that collect sales tax 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 made by the TCBC. Currently, the debt service fund holds no assets or liabilities and has no activities.

*Proprietary Funds:*

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

Proprietary funds are required to be 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 only proprietary fund is the Integrated Solid Waste and Recycling Fund. This fund accounts for the County-wide solid waste disposal and recycling operations.

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

The County's fiduciary funds consist of one agency fund. Agency funds account for assets held in a purely custodial capacity. Because agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The County has one agency fund in 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 other governmental units.

**Basis of Accounting**

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

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

*Accrual*

The governmental activities and the business-type activities in the government-wide financial statements, the proprietary fund financial statements, and the fiduciary funds 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. Property taxes are recognized as revenues in the year for which they are levied.

*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. 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. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met.

**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 cash equivalents for purposes of these financial statements. Negative balances incurred in pooled cash at year-end are treated as interfund payables of the deficit account and interfund receivables in other funds with positive balances. Investments of the pool are reported at fair value.

*Cash and Cash Equivalents*

For the purposes of the Statement of Net Assets, 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

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

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 at 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.

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 United States government and reimbursements for grant expenditures due from the State of Wyoming, the United States government, or other granting agencies.

*Inventory*

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

*Capital Assets*

Capital assets include land, buildings, improvements, infrastructure, furniture and equipment. Capital assets are reported in the government-wide financial statements and the proprietary fund financial statements. The County defines capital assets as 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	7 to 30
Infrastructure	8 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.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

*Deferred Revenues*

In the government-wide financial statements and the proprietary fund financial statements, deferred revenue is recognized when cash or other assets are received or recognized prior to being earned. In the governmental fund financial statements, deferred revenue is recorded when revenue is either unearned or unavailable.

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 as of year-end, which are intended to finance the following fiscal year, are deferred in both the government-wide statements and fund statements.

*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 assets. Bond premiums and discounts, as well as issuance costs, when material, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs are reported as expenditures whether or not they are withheld from the actual debt proceeds received.

*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 dependent upon years of service. Accumulated vacation leave is payable to the employee upon leaving employment of the County for any reason. An estimated liability for vacation leave 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 have been eliminated from the

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

government-wide Statement of Net Assets. 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 Assets 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 have been eliminated. In the governmental fund financial statements, transfers are reported as other financing sources or uses.

*Equity Classifications*

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

- Invested in capital assets, net of related debt - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of these assets.
- Restricted net assets - Consists of net assets with constraints placed on their 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 assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

*Fund Balance Classifications*

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

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

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

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

*Revenues*

Property tax, sales tax, fees, licenses, fees-in-lieu of taxes, intergovernmental revenues, and interest 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, 2011

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

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

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 2 - Deposits and Investments (continued)

*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	\$ 16,406,393	-	-	16,406,393
WYO-STAR	-	3,056,873	-	3,056,873
Certificates of deposit	<u>7,062,268</u>	<u>-</u>	<u>-</u>	<u>7,062,268</u>
 Total pooled cash and cash equivalents	 <u>23,468,661</u>	 <u>3,056,873</u>	 <u>-</u>	 <u>26,525,534</u>
Cash and cash equivalents:				
Cash-on-hand	-	-	3,500	3,500
Demand deposits	397,678	-	-	397,678
Money market accounts	-	360,998	-	360,998
WYO-STAR	-	1,307,314	-	1,307,314
Certificates of deposit	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
 Total cash and cash equivalents	 <u>398,678</u>	 <u>1,668,312</u>	 <u>3,500</u>	 <u>2,070,490</u>
Restricted cash and cash equivalents:				
Demand deposits	<u>124,317</u>	<u>-</u>	<u>-</u>	<u>124,317</u>
 Total restricted cash and cash equivalents	 <u>124,317</u>	 <u>-</u>	 <u>-</u>	 <u>124,317</u>
Investments:				
Government bonds	<u>-</u>	<u>453,288</u>	<u>-</u>	<u>453,288</u>
 Total investments	 <u>-</u>	 <u>453,288</u>	 <u>-</u>	 <u>453,288</u>
 Total governmental activities	 <u>\$ 23,991,656</u>	 <u>5,178,473</u>	 <u>3,500</u>	 <u>29,173,629</u>

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

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	\$ <u>342,812</u>	<u>-</u>	<u>-</u>	<u>342,812</u>
Total business-type activities	\$ <u><u>342,812</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>342,812</u></u>

*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	\$ <u>2,867,146</u>	<u>-</u>	<u>-</u>	<u>2,867,146</u>
Total pooled cash and cash equivalents	<u>2,867,146</u>	<u>-</u>	<u>-</u>	<u>2,867,146</u>
Cash and cash equivalents:				
Demand deposits	11,740	-	-	11,740
Certificates of deposit	<u>2,262,513</u>	<u>-</u>	<u>-</u>	<u>2,262,513</u>
Total cash and cash equivalents	<u>2,274,253</u>	<u>-</u>	<u>-</u>	<u>2,274,253</u>
Total fiduciary funds	\$ <u><u>5,141,399</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>5,141,399</u></u>

*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, 2011, all deposits of the County were fully collateralized or insured.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 2 - Deposits and Investments (continued)

*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. Accordingly, the County may invest in United States Treasury bills, notes, or bonds or any other obligation issued by the United States Treasury or guaranteed by the United States; bonds, notes, debentures or any other obligation or securities issued by or guaranteed by any federal government agency or instrumentality; repurchase agreements involving securities which are authorized investments that have been previously mentioned and subject to certain limitations, mortgage backed securities that are obligations of or guaranteed or insured issuances of the United States, its agencies, instrumentalities or organizations created by an act of congress excluding those defined as high risk; bankers acceptances eligible for purchase by the federal reserve system; guaranteed investment contracts if issued by a United States commercial bank or insurance company whose credit rating is of the highest category; a commingled fund of eligible securities if the securities are held through a trust department of a bank authorized to do business in the State of Wyoming or through a trust company authorized to do business in the State of Wyoming with total capital of at least \$10,000,000; bonds of the Wyoming Natural Gas Pipeline Authority and the Wyoming Infrastructure Authority; commercial paper of corporations organized and existing under the laws of any state of the United States with a maturity of not more than 270 days and rated by Moody's as P-1 or by Standard and Poor's as A-1 or equivalent ratings indicating that the commercial paper issued by a corporation is of the highest quality rating; and a diversified money market fund in which the County does not own more than 10% of the net assets of the funds and subject to several other limitations. The County may also enter into contracts which are determined to be necessary or appropriate to hedge risk or to place the obligation of the bonds, in whole or in part, on the interest rate, cash flow or other basis but the contracts may not be for investment purposes.

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

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

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 2 - Deposits and Investments (continued)

At June 30, 2011, the County had investments in money market mutual funds invested in US Government securities as well as Federal Farm Credit Bank bonds. The County uses the specific identification method to assess interest rate risk.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
Money Market	\$ 360,998	360,998	-	-	-
WYO-STAR	4,364,187	4,364,187	-	-	-
Bonds	453,288	-	453,288	-	-
<b>Total</b>	<b>\$ 5,178,473</b>	<b>4,725,185</b>	<b>453,288</b>	<b>-</b>	<b>-</b>

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy for managing its exposure to fair value loss arising from increasing interest rates is to match the maturities of investments with anticipated cash flows.

*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. 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>
Federal Farm Credit Bank Bonds	\$ 453,288	1/2/2013	4.86%	AAA
WYO-STAR	4,364,187	Variable	Variable	Unrated

*Concentration of Credit Risk*

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

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

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's Treasurer or Deputy Treasurer. All security 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	\$ -	-	358	358
Demand deposits	5,185,403	-	-	5,185,403
Certificates of deposit	125,937	-	-	125,937
<b>Total cash and cash equivalents</b>	<b>5,311,340</b>	<b>-</b>	<b>358</b>	<b>5,311,698</b>
Restricted cash and cash equivalents:				
Demand deposits	115,359	-	-	115,359
<b>Total restricted cash and cash equivalents</b>	<b>115,359</b>	<b>-</b>	<b>-</b>	<b>115,359</b>
Investments:				
Endowment investment pool	-	2,038,310	-	2,038,310
<b>Total investments</b>	<b>-</b>	<b>2,038,310</b>	<b>-</b>	<b>2,038,310</b>
<b>Total component units</b>	<b>\$ 5,426,699</b>	<b>2,038,310</b>	<b>358</b>	<b>7,465,367</b>

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 2 - Deposits and Investments (continued)

*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, 2011, all deposits of component units were fully collateralized or insured.

*Investments*

Component units manage their investment risk as follows:

*Interest Rate Risk*

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

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The component units' policies for reducing exposure to credit risk are to comply with the Wyoming State statutes. At June 30, 2011, all investments held by the component units are in an investment pool administered by the Community Foundation of Jackson Hole (a non-profit organization) which is not rated.

*Concentration of Credit Risk*

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

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the component units will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. The component units have no formal policies with respect to custodial credit risk. As of June 30, 2011, all of the component units' investments were in an investment pool administered by the Community Foundation of Jackson Hole.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 3 - Capital Assets

*Governmental activities:*

Capital asset changes are as follows:

	Balance 6/30/10	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/11
Capital assets not being depreciated:					
Land	\$ 8,014,527	-	-	-	8,014,527
Rights of way	280,440	-	-	-	280,440
Construction in progress	7,157,970	4,936,534	(35,000)	(7,334,642)	4,724,862
<b>Total capital assets not being depreciated</b>	<b>15,452,937</b>	<b>4,936,534</b>	<b>(35,000)</b>	<b>(7,334,642)</b>	<b>13,019,829</b>
Capital assets being depreciated:					
Buildings and improvements	30,061,653	82,083	(157,358)	6,854,305	36,840,683
Infrastructure	39,347,119	10,605	(22,517)	272,398	39,607,605
Equipment and vehicles	11,131,882	641,851	(191,678)	207,939	11,789,994
<b>Total capital assets being depreciated</b>	<b>80,540,654</b>	<b>734,539</b>	<b>(371,553)</b>	<b>7,334,642</b>	<b>88,238,282</b>
Accumulated depreciation:					
Buildings and improvements	(13,756,745)	(1,017,636)	-	-	(14,774,381)
Infrastructure	(18,870,140)	(1,330,518)	1,407	-	(20,199,251)
Equipment and vehicles	(5,868,035)	(894,971)	116,831	-	(6,646,175)
<b>Total accumulated depreciation</b>	<b>(38,494,920)</b>	<b>(3,243,125)</b>	<b>118,238</b>	<b>-</b>	<b>(41,619,807)</b>
<b>Total capital assets being depreciated, net</b>	<b>42,045,734</b>	<b>(2,508,586)</b>	<b>(253,315)</b>	<b>7,334,642</b>	<b>46,618,475</b>
<b>Total capital assets, net</b>	<b>\$ 57,498,671</b>	<b>2,427,948</b>	<b>(288,315)</b>	<b>-</b>	<b>59,638,304</b>

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 3 - Capital Assets (continued)

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

Infrastructure	\$ 2,373,971
Public safety	652,061
Parks and recreation	79,517
Administration	71,017
Community development	48,376
Health and human services	13,853
Justice	<u>4,330</u>
 Total depreciation expense	 <u>\$ 3,243,125</u>

Disposals of capital assets in fiscal year 2011 included the contribution of \$178,467 of assets to the Town of Jackson. In accordance with the existing interlocal agreement executed in fiscal year 2004, the County transfers ownership of all County-acquired park and recreation center capital assets located within the Town of Jackson boundaries to the Town government. This asset contribution is reported on the entity-wide statement of activities as a special item.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 3 - Capital Assets (continued)

*Business-type activities:*

Capital asset changes are as follows:

	Balance 6/30/10	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/11
Capital assets not being depreciated:					
Land	\$ 126,320	-	-	-	126,320
Construction in progress	254,244	15,384	-	(269,628)	-
Total capital assets not being depreciated	380,564	15,384	-	(269,628)	126,320
Capital assets being depreciated:					
Buildings and improvements	749,283	-	-	269,628	1,018,911
Equipment and vehicles	724,369	-	-	-	724,369
Total capital assets being depreciated	1,473,652	-	-	269,628	1,743,280
Accumulated depreciation:					
Buildings and improvements	(55,852)	(74,760)	-	-	(130,612)
Equipment and vehicles	(83,837)	(83,837)	-	-	(167,674)
Total accumulated depreciation	(139,689)	(158,597)	-	-	(298,286)
Total capital assets being depreciated, net	1,333,963	(158,597)	-	269,628	1,444,994
Total capital assets, net	\$ 1,714,527	(143,213)	-	-	1,571,314

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 3 - Capital Assets (continued)

*Component Units:*

Capital asset changes are as follows:

	Balance 6/30/10	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/11
<u>County Library</u>					
Construction in progress	\$ 333,024	507,952	-	-	840,976
Buildings and improvements	649,138	-	-	-	649,138
Equipment	257,583	-	(14,017)	-	243,566
Accumulated depreciation	(239,215)	(59,079)	-	-	(298,294)
Capital assets, net	<u>\$ 1,000,530</u>	<u>448,873</u>	<u>(14,017)</u>	<u>-</u>	<u>1,435,386</u>
<u>Weed and Pest</u>					
Land	\$ 702,409	-	-	-	702,409
Buildings and improvements	4,290,779	21,753	-	-	4,312,532
Equipment	321,757	120,368	(26,501)	-	415,624
Accumulated depreciation	(415,208)	(240,423)	25,583	-	(630,048)
Capital assets, net	<u>\$ 4,899,737</u>	<u>(98,302)</u>	<u>(918)</u>	<u>-</u>	<u>4,800,517</u>
<u>County Fair</u>					
Buildings and improvements	\$ 3,935,562	459,994	-	-	4,395,556
Equipment	120,534	-	-	-	120,534
Accumulated depreciation	(924,837)	(126,738)	-	-	(1,051,575)
Capital assets, net	<u>\$ 3,131,259</u>	<u>333,256</u>	<u>-</u>	<u>-</u>	<u>3,464,515</u>
<u>Housing Authority</u>					
Land	\$ 13,072,702	4,734	-	-	13,077,436
Construction in progress	-	465,185	-	-	465,185
Buildings and improvements	1,233,160	-	-	-	1,233,160
Equipment	5,196	-	-	-	5,196
Accumulated depreciation	(103,353)	(30,868)	-	-	(134,221)
Capital assets, net	<u>\$ 14,207,705</u>	<u>439,051</u>	<u>-</u>	<u>-</u>	<u>14,646,756</u>

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 3 - Capital Assets (continued)

Depreciation expense was charged to the component units as follows:

Weed and Pest	\$ 240,423
County Fair	126,738
County Library	59,079
Housing Authority	<u>30,868</u>
Total depreciation expense	<u>\$ 457,108</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	\$ 507,737
Payables to contractors	445,637
Self-insured health insurance liabilities	327,000
Retainage payable	217,755
Due to other governments	112,178
Accrued interest payable	<u>17,483</u>
Total accounts payable and accrued liabilities	<u>\$ 1,627,790</u>

*Business-type activities:*

Payables to vendors	<u>\$ 152,085</u>
Total accounts payable and accrued liabilities	<u>\$ 152,085</u>

The County's general fund operates a self-insured employee health and dental benefit plan. 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 \$40,000/individual and \$500,000 for the overall plan. At June 30, 2011, the plan had incurred claims payable and estimated claims incurred but not reported (IBNR) of \$327,000.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 4 – Accounts Payable and Accrued Liabilities (continued)

For the year ended June 30, 2011, changes to aggregate claims liabilities are as follows:

Claims Liabilities 6/30/10	Claims Incurred and Changes in Estimates	Claims Paid	Claims Liabilities 6/30/11
\$ 479,000	2,453,000	(2,605,000)	327,000

For the year ended June 30, 2010, changes to aggregate claims liabilities were as follows:

Claims Liabilities 6/30/09	Claims Incurred and Changes in Estimates	Claims Paid	Claims Liabilities 6/30/10
\$ 243,000	2,657,000	(2,421,000)	479,000

*Component units:*

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

Payables to contractors	\$	280,573
Accrued interest payable		49,474
Payables to vendors		40,729
Payroll related liabilities		32,835
Security deposits		24,979
 Total accounts payable and accrued liabilities	 \$	 428,590

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 5 – Funds Held in Trust

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

Funds held for Snake River Sporting Club development	\$ 1,248,111
Funds held by Planning and Development department	1,726,682
Bonds held by County Clerk of District Court	66,378
Funds held by County Sherriff for civil process	63,858
Funds held by County Sherriff for jail inmates	<u>16,058</u>
 Total funds held in trust	 <u>\$ 3,121,087</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. Long-term liability activities are as follows:

	<u>Beginning</u> Balance	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> Balance	<u>Due Within</u> One Year
Bonds	\$ 5,800,000	-	(475,000)	5,325,000	500,000
Notes payable	1,950,774	399,226	(75,989)	2,274,011	207,612
Compensated absences	677,000	350,000	(298,606)	728,394	300,000
Capital leases	7,500	-	(5,000)	2,500	2,500
Landfill closure liability	2,000,000	-	-	2,000,000	-
 Total long-term liabilities	 <u>\$ 10,435,274</u>	 <u>749,226</u>	 <u>(854,595)</u>	 <u>10,329,905</u>	 <u>1,010,112</u>

Bonds payable consist of the following:

\$7,315,000 Teton County Building Corporation Revenue Bonds dated April 2003. Payable in semi-annual installments ranging from \$75,000 to \$1,950,000 plus interest ranging from 3.55% to 4.05%, maturing June 2018. \$ 5,325,000

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 6 - Long-Term Liabilities (continued)

Debt service requirements for bonds payable are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 500,000	209,800	709,800
2013	525,000	191,550	716,550
2014	550,000	171,863	721,863
2015	575,000	150,688	725,688
2016	600,000	127,975	727,975
2017-2018	<u>2,575,000</u>	<u>182,950</u>	<u>2,757,950</u>
Total	<u>\$ 5,325,000</u>	<u>1,034,826</u>	<u>6,359,826</u>

Teton County Building Corporation has pledged all building lease revenues to secure the revenue bonds described above. These bonds were issued to provide financing for the construction of multiple County facilities. Principal and interest payments on these bonds currently amount to approximately \$710,000 or 94% of total Teton County Building Corporation revenues.

Capital leases consist of the following:

\$50,000 lease/purchase obligation for library improvements, dated July 2001. Payable in quarterly installments of \$1,250 with 0% interest, maturing July 2011.	<u>\$ 2,500</u>
--	-----------------

Future minimum lease payments under capital leases are as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2012	\$ <u>2,500</u>
Total minimum lease payments	2,500
Less: amounts representing interest	<u>-</u>
Present value of minimum lease payments	<u>\$ 2,500</u>

Capital lease obligations are secured by the related assets. At June 30, 2011, the cost of leased capital assets is \$50,000 and the related accumulated depreciation is \$47,500.



TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

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. The general fund records the operating expenses related to these post-closure maintenance and monitoring activities. In the statement of net assets, a liability is recorded based on the estimated future post-closure costs that will be incurred under the current maintenance and monitoring requirements as established by the state and federal government. Expense or gain is recorded for these landfill post-closure costs based on changes in the estimated future maintenance and monitoring liability.

As of the beginning of fiscal year 2010, the County's estimate of future post closure care costs was zero, based on the expectation that no future remediation costs and little or no remaining monitoring and maintenance costs would be incurred.

During fiscal year 2010, the State of Wyoming Department of Environmental Quality communicated to the County that additional landfill site remediation activities will be required based on the results returned from landfill site monitoring activities. The County has established a landfill site remediation plan and has recorded as a liability an estimate of the costs associated with this remediation as well as all future remaining monitoring and maintenance costs.

As of June 30, 2011, the estimate of future landfill post-closure costs is \$2,000,000. However, the actual cost of post-closure care may differ due to unexpected increases in the rate of inflation, changes in technology, or 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, 2011

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 assets. 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.	\$ 3,227,821
\$2,000,000 Development Revenue Bonds Series 2010 with interest at 2.92%, due November 2027. The bonds were issued to finance the construction of the Jackson Hole Community Counseling Center.	2,000,000
\$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.	1,877,607
\$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	459,454
\$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>134,024</u>
Total conduit debt	\$ <u><u>7,698,906</u></u>

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 6 - Long-Term Liabilities (continued)

*Business type activities:*

Long-term liability activities are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$ 26,000	32,000	(26,860)	31,140	25,000
Total long-term liabilities	\$ 26,000	32,000	(26,860)	31,140	25,000

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 6 - Long-Term Liabilities (continued)

*Component units:*

Long-term liability activities are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>County Library</u>					
Compensated absences	\$ 99,450	45,000	(49,450)	95,000	95,000
Total County Library	99,450	45,000	(49,450)	95,000	95,000
<u>Weed and Pest</u>					
Notes payable	2,673,517	-	(77,764)	2,595,753	67,018
Compensated absences	47,092	-	(122)	46,970	46,970
Total Weed and Pest	2,720,609	-	(77,886)	2,642,723	113,988
<u>County Fair</u>					
Compensated absences	6,250	500	(500)	6,250	6,250
Total County Fair	6,250	500	(500)	6,250	6,250
<u>Housing Authority</u>					
Compensated absences	8,600	10,000	(11,099)	7,501	7,501
Total Housing Authority	8,600	10,000	(11,099)	7,501	7,501
Total long-term liabilities	\$ 2,834,909	55,500	(138,935)	2,751,474	222,739

Notes payable consist of the following:

\$3,600,000 Teton County Weed and Pest Control District note dated March 2007. Payable in semi-annual installments of \$214,500, interest at 5.65%, maturing March 2032.

\$ 2,595,753

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

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>
2012	\$ 67,018	147,482	214,500
2013	70,883	143,617	214,500
2014	74,971	139,529	214,500
2015	79,295	135,205	214,500
2016	83,868	130,632	214,500
2017-2021	497,716	574,784	1,072,500
2022-2026	658,772	413,728	1,072,500
2027-2031	871,945	200,555	1,072,500
2032	191,285	8,813	200,098
Total	<u>\$ 2,595,753</u>	<u>1,894,345</u>	<u>4,490,098</u>

Note 7 - Net Assets and Fund Equities

Net assets of governmental activities include certain amounts restricted by enabling legislation. As of June 30, 2011 net assets restricted by enabling legislation totaled \$818,476, all of which related to energy mitigation fees collected by the County's planning and development office.

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

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 8 – Operating Leases

The County leases office equipment under operating leases. Lease rental expenses under operating leases for the year ended June 30, 2011 was approximately \$40,000. Future minimum non-cancelable operating lease payments are approximately as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2012	\$ 30,000
2013	17,000
2014	8,000
2015	<u>2,000</u>
	<u>\$ 57,000</u>

Note 9 - Interfund Transfers

The County made the following interfund transfers:

<u>Purpose</u>	<u>Amount</u>	<u>Transfer in</u>	<u>Transfer out</u>
Program-specific funding	\$ 264,403	General Fund	Non-Major Funds
Operations and capital purchases	1,005,361	Parks and Rec Fund	General Fund
Debt service payments	740,245	Non-Major Funds	General Fund
Operations and capital purchases	1,455,525	Non-Major Funds	General Fund
Operations and capital purchases	405,929	General Fund	Grants Fund

Note 10 – Related Party Transactions

During the year, the general fund contributed exaction fee revenues, additional general appropriations, and contributions of approximately \$636,000 to the Teton County Housing Authority (component unit) and contributed approximately \$175,000 to the Teton County Fair Board (component unit). The general fund also paid for contract services of approximately \$297,000 to the Teton County Weed and Pest Control District (component unit). 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: \$433,000 from the Teton County Library, \$98,000 from the Teton County Weed and Pest Control District, \$66,000 from the Teton County Housing Authority, and \$26,000 from the Teton County Fair Board.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 11 - Retirement Commitments

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

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

The required contribution to the Public Employees Pension Plan (PEPP) part of the System is statutorily set at 14.12% of the participant's annual covered salary. County employees participating in the PEPP are required to contribute 7.00% of their annual covered salary to the System. The County contributes the remaining 7.12% of the participant's annual covered salary. The required contribution to the Wyoming Law Enforcement Retirement Plan (WLERP) part of the System is statutorily set at 17.2%. County employees participating in the WLERP are required to contribute 8.6% of their annual covered salary to the System. The County contributes the remaining 8.6%. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The County currently pays 80% of the required employees' contribution to the PEPP and 31% of the required employees' contribution to the WLERP.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 11 - Retirement Commitments (continued)

Contributions to the System for the years ended June 30, 2011, 2010, and 2009 were as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<i>Primary Government</i>			
Employee contributions	\$ 793,078	695,879	722,541
Employer contributions	802,289	704,234	731,452
<i>County Library - Component Unit</i>			
Employee contributions	\$ 90,353	89,425	89,156
Employer contributions	91,949	91,192	90,917
<i>Weed and Pest - Component Unit</i>			
Employee contributions	\$ 26,151	23,715	21,206
Employer contributions	26,615	24,183	21,624
<i>County Fair - Component Unit</i>			
Employee contributions	\$ 6,864	5,675	5,802
Employer contributions	6,987	5,785	5,916
<i>Housing Authority - Component Unit</i>			
Employee contributions	\$ 14,359	12,632	12,885
Employer contributions	14,613	12,881	12,903

Note 12 – Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits the deferral of a portion of the employee's salary until future years. All funds are held by the trustee of the plan.

The County's involvement is limited to withholding the amounts elected by employees and remitting those amounts to the trustee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency.

TETON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

Note 13 - 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.

Note 14 – Commitments and Contingencies

*Governmental activities:*

The County has executed contracts for architectural and general contractor services associated with the design and construction of pathways valued at approximately \$3,900,000. Funding for the pathways currently under construction is provided by grants from the U.S. Department of Transportation and the Wyoming Department of Transportation.

*Component units:*

The Library Board has executed a contract for the addition / renovation work on its Jackson branch building valued at approximately \$7,600,000. Funding for the library construction work is sourced from the special purpose excise tax.

Note 15 – Subsequent Events

On October 31, 2011, the County refinanced its Series 2003 Building Corporation Revenue Bonds. Under the refinancing agreement, the maturity date of the new refunding bonds is July 1, 2018. The new interest rate ranges from 0.75% to 2.40% with annual debt service ranging from approximately \$600,000 to \$1,400,000.

## Required Supplementary Information

TETON COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
<u>Taxes</u>				
Sales and use taxes	\$ 9,858,160	9,868,296	10,620,435	752,139
Property taxes	6,762,712	6,839,812	6,859,165	19,353
Payments in lieu of property tax	1,903,793	1,903,793	2,054,683	150,890
State gasoline tax	712,000	712,000	682,673	(29,327)
Severance tax	185,000	185,000	206,984	21,984
Motor vehicle fees	593,000	593,000	511,337	(81,663)
Other taxes	15,000	15,000	9,901	(5,099)
Total taxes	20,029,665	20,116,901	20,945,178	828,277
<u>Other Revenues</u>				
Intergovernmental	720,347	735,707	763,506	27,799
Charges for services	1,747,045	1,771,359	1,627,025	(144,334)
Licenses and permits	1,207,200	1,777,200	1,614,026	(163,174)
Miscellaneous	261,000	449,291	384,165	(65,126)
Total revenues	23,965,257	24,850,458	25,333,900	483,442
Expenditures:				
<u>Administration</u>				
General administration	3,039,771	2,440,159	2,640,984	(200,825)
County commissioners	642,633	647,633	629,655	17,978
County clerk	900,537	900,540	847,953	52,587
County treasurer	504,275	504,275	498,665	5,610
County assessor	449,192	449,192	432,807	16,385
Information systems	439,064	439,392	424,935	14,457
Facilities maintenance	894,496	894,496	855,747	38,749
Special projects	86,231	159,764	141,656	18,108
Total administration	6,956,199	6,435,451	6,472,402	(36,951)
<u>Community development</u>				
County planner	1,149,332	1,217,353	1,186,366	30,987
Community development	1,054,474	1,645,555	1,105,994	539,561
Energy efficiency program	73,191	73,191	40,847	32,344
Total community development	2,276,997	2,936,099	2,333,207	602,892

(continued)

TETON COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Health and human services</u>				
Public and environmental health	1,004,866	1,011,866	866,734	145,132
Human services	987,177	987,177	967,169	20,008
County coroner	106,926	179,901	160,664	19,237
Agricultural extension	151,848	152,049	142,977	9,072
WIC program	72,804	73,266	30,993	42,273
Health officer	7,180	7,180	6,930	250
Special projects	7,200	7,200	7,000	200
Total health and human services	<u>2,338,001</u>	<u>2,418,639</u>	<u>2,182,467</u>	<u>236,172</u>
<u>Justice</u>				
County attorney	1,009,020	1,009,020	976,904	32,116
Clerk of district court	592,988	592,988	600,391	(7,403)
Justice court	315,701	314,727	212,251	102,476
Total justice	<u>1,917,709</u>	<u>1,916,735</u>	<u>1,789,546</u>	<u>127,189</u>
<u>Infrastructure</u>				
Road and bridge	1,463,675	1,827,876	1,830,094	(2,218)
County engineer	431,807	471,479	442,200	29,279
Pathways	142,468	146,218	93,340	52,878
Contributions to other governments	-	50,000	50,000	-
Total infrastructure	<u>2,037,950</u>	<u>2,495,573</u>	<u>2,415,634</u>	<u>79,939</u>
<u>Public safety</u>				
County sheriff	4,291,250	4,409,238	4,293,959	115,279
Board of prisoners and jail	1,413,000	1,479,341	1,407,653	71,688
Emergency management	183,378	188,530	171,850	16,680
Capital projects	38,500	299,000	40,569	258,431
Special projects	578,062	364,732	320,639	44,093
Total public safety	<u>6,504,190</u>	<u>6,740,841</u>	<u>6,234,670</u>	<u>506,171</u>
Total expenditures	<u>22,031,046</u>	<u>22,943,338</u>	<u>21,427,926</u>	<u>1,515,412</u>
Excess of revenues over expenditures	<u>1,934,211</u>	<u>1,907,120</u>	<u>3,905,974</u>	<u>1,998,854</u> (continued)

TETON COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other financing sources (uses):				
Transfer from grants fund	478,184	478,184	405,929	(72,255)
Transfer from fire / EMS fund	213,343	213,343	149,403	(63,940)
Transfer from E911 fund	115,000	115,000	115,000	-
Transfer to fire / EMS fund	(1,223,345)	(1,223,345)	(1,136,925)	86,420
Transfer to parks and recreation fund	(958,793)	(1,028,271)	(1,005,361)	22,910
Transfer to building corporation	(765,000)	(765,000)	(740,245)	24,755
Transfer to housing authority fund	(318,600)	(318,600)	(318,600)	-
Total other financing sources (uses)	<u>(2,459,211)</u>	<u>(2,528,689)</u>	<u>(2,530,799)</u>	<u>(2,110)</u>
Change in fund balance	\$ <u>(525,000)</u>	<u>(621,569)</u>	1,375,175	<u>1,996,744</u>
Fund balance - July 1			<u>13,009,229</u>	
Fund balance - June 30	\$		<u>14,384,404</u>	

TETON COUNTY  
BUDGETARY COMPARISON SCHEDULE  
PARKS AND RECREATION FUND  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 1,903,990	1,951,335	1,801,078	(150,257)
Intergovernmental	70,045	129,383	128,484	(899)
Contributions	10,800	26,600	18,309	(8,291)
Miscellaneous	8,000	14,000	20,483	6,483
	<u>1,992,835</u>	<u>2,121,318</u>	<u>1,968,354</u>	<u>(152,964)</u>
Total revenues				
Expenditures:				
Parks and recreation	<u>3,045,814</u>	<u>3,341,976</u>	<u>3,276,094</u>	<u>65,882</u>
Total expenditures	<u>3,045,814</u>	<u>3,341,976</u>	<u>3,276,094</u>	<u>65,882</u>
Deficiency of revenues over expenditures	<u>(1,052,979)</u>	<u>(1,220,658)</u>	<u>(1,307,740)</u>	<u>(87,082)</u>
Other financing sources:				
Transfer from general fund	<u>958,793</u>	<u>1,029,020</u>	<u>1,005,361</u>	<u>(23,659)</u>
Total other financing sources	<u>958,793</u>	<u>1,029,020</u>	<u>1,005,361</u>	<u>(23,659)</u>
Change in fund balance	\$ <u><u>(94,186)</u></u>	<u><u>(191,638)</u></u>	<u>(302,379)</u>	<u><u>(110,741)</u></u>
Fund balance - July 1			<u>610,056</u>	
Fund balance - June 30			\$ <u><u>307,677</u></u>	

TETON COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GRANTS FUND  
Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 8,575,334	9,910,796	5,065,773	(4,845,023)
Total revenues	<u>8,575,334</u>	<u>9,910,796</u>	<u>5,065,773</u>	<u>(4,845,023)</u>
Expenditures:				
Infrastructure	3,895,835	3,895,835	2,326,361	1,569,474
Community development	1,904,382	2,336,505	1,694,574	641,931
Parks and recreation	502,215	502,215	408,894	93,321
Public safety	429,286	678,951	318,331	360,620
Health and human services	61,197	234,449	213,296	21,153
Administration	1,678,154	1,678,154	87,618	1,590,536
Total expenditures	<u>8,471,069</u>	<u>9,326,109</u>	<u>5,049,074</u>	<u>4,277,035</u>
Excess of revenues over expenditures	<u>104,265</u>	<u>584,687</u>	<u>16,699</u>	<u>(567,988)</u>
Other financing sources (uses):				
Program-related debt proceeds	432,532	432,532	399,226	(33,306)
Transfer to general fund	<u>(532,686)</u>	<u>(556,731)</u>	<u>(405,929)</u>	<u>150,802</u>
Total other financing sources (uses)	<u>(100,154)</u>	<u>(124,199)</u>	<u>(6,703)</u>	<u>117,496</u>
Change in fund balance	<u>\$ 4,111</u>	<u>460,488</u>	9,996	<u>(450,492)</u>
Fund balance - July 1			<u>2,008</u>	
Fund balance - June 30			<u>\$ 12,004</u>	

TETON COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2011

**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 all governmental 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 unreserved fund balances. In the budget presentation, authorized increases to fund balance are shown as positive changes in fund balance and authorized decreases are shown as negative changes in fund balance.

**Budget Adoption and Monitoring**

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

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

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

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

**Budgetary Compliance**

The following departments of the General Fund exceeded budgeted expenditures: Clerk of District Court, Road and Bridge, and General Administration.

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## Supplementary Information

TETON COUNTY  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 June 30, 2011

Special Revenue Funds							
	Special Fire	Fire/EMS	Enhanced 911	Housing Authority	Roads	Lodging Tax	Building Corporation
Assets:							
Pooled cash and cash equivalents	\$ 1,488,962	1,123,403	871,690	543,252	2,702,039	409	-
Cash and cash equivalents	-	-	-	-	-	-	360,998
Due from other funds	-	14,570	-	-	-	-	-
Investments	-	-	-	-	-	-	453,288
Accounts receivable	-	111,766	55,207	-	-	-	-
Taxes receivable	389,466	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	9,466
Due from other governments	38,625	-	-	-	25,221	46,085	-
Prepaid expenses	-	-	-	-	-	-	6,928
Total assets	<u>\$ 1,917,053</u>	<u>1,249,739</u>	<u>926,897</u>	<u>543,252</u>	<u>2,727,260</u>	<u>46,494</u>	<u>830,680</u>
Liabilities:							
Due to other funds	\$ -	15,119	-	-	-	-	-
Accounts payable and accrued liabilities	12,155	26,329	-	-	2,940	-	-
Deferred revenue	384,760	-	-	-	-	-	-
Total liabilities	<u>396,915</u>	<u>41,448</u>	<u>-</u>	<u>-</u>	<u>2,940</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable:							
Prepaid expenses	-	-	-	-	-	-	6,928
Restricted for:							
Capital projects	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	2,724,320	-	-
Public safety	1,520,138	-	926,897	-	-	-	-
Community development	-	-	-	543,252	-	46,494	-
Debt service	-	-	-	-	-	-	823,752
Committed for:							
Public safety	-	1,208,291	-	-	-	-	-
Total fund balances	<u>1,520,138</u>	<u>1,208,291</u>	<u>926,897</u>	<u>543,252</u>	<u>2,724,320</u>	<u>46,494</u>	<u>830,680</u>
Total liabilities and fund balances	<u>\$ 1,917,053</u>	<u>1,249,739</u>	<u>926,897</u>	<u>543,252</u>	<u>2,727,260</u>	<u>46,494</u>	<u>830,680</u>

TETON COUNTY  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 June 30, 2011

Capital Projects Funds								Total Non-major Governmental Funds
2006 Pathways Specific Tax Fund	2006 Daycare Specific Tax Fund	2006 Trash Transfer Specific Tax Fund	2006 Parks & Recreation Specific Tax Fund	2010 Fire/EMS Specific Tax Fund	2010 Pathways Specific Tax Fund	2010 Wilson Specific Tax Fund	2010 Parks & Recreation Specific Tax Fund	
-	2,652,000	1,369,076	-	187,631	378,066	24,790	1,032	11,342,350
98,282	-	-	-	-	-	-	-	459,280
-	-	-	-	-	-	-	-	14,570
-	-	-	-	-	-	-	-	453,288
-	-	-	-	-	-	-	-	166,973
-	-	-	-	-	-	-	-	389,466
-	-	-	-	-	-	-	-	9,466
-	-	-	-	160,058	177,427	-	75,440	522,856
-	-	-	-	-	-	-	-	6,928
<u>98,282</u>	<u>2,652,000</u>	<u>1,369,076</u>	<u>-</u>	<u>347,689</u>	<u>555,493</u>	<u>24,790</u>	<u>76,472</u>	<u>13,365,177</u>
-	-	-	-	-	-	-	-	15,119
-	42,566	-	-	-	17,152	-	3,239	104,381
-	-	-	-	-	-	-	-	384,760
-	<u>42,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,152</u>	<u>-</u>	<u>3,239</u>	<u>504,260</u>
-	-	-	-	-	-	-	-	6,928
98,282	2,609,434	1,369,076	-	347,689	538,341	24,790	73,233	5,060,845
-	-	-	-	-	-	-	-	2,724,320
-	-	-	-	-	-	-	-	2,447,035
-	-	-	-	-	-	-	-	589,746
-	-	-	-	-	-	-	-	823,752
-	-	-	-	-	-	-	-	1,208,291
<u>98,282</u>	<u>2,609,434</u>	<u>1,369,076</u>	<u>-</u>	<u>347,689</u>	<u>538,341</u>	<u>24,790</u>	<u>73,233</u>	<u>12,860,917</u>
<u>98,282</u>	<u>2,652,000</u>	<u>1,369,076</u>	<u>-</u>	<u>347,689</u>	<u>555,493</u>	<u>24,790</u>	<u>76,472</u>	<u>13,365,177</u>

TETON COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2011

Special Revenue Funds

	Special Fire	Fire/EMS	Enhanced 911	Housing Authority	Roads	Lodging Tax	Building Corporation
Revenues:							
Taxes	\$ 425,543	-	-	-	513,853	46,494	-
Intergovernmental	81,361	69,165	-	-	-	-	-
Charges for services	195,915	1,506,904	286,044	353,000	-	-	-
Contributions	86,210	48,277	-	-	-	-	-
Miscellaneous	53,939	38,666	7,033	4,291	20,807	-	17,326
Total revenues	<u>842,968</u>	<u>1,663,012</u>	<u>293,077</u>	<u>357,291</u>	<u>534,660</u>	<u>46,494</u>	<u>17,326</u>
Expenditures:							
Administration	-	-	-	-	-	-	63,983
Community development	-	-	-	568,600	-	-	-
Infrastructure	-	-	-	-	79,877	-	-
Parks and recreation	-	-	-	-	-	-	-
Public safety	693,931	2,088,815	74,040	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	475,000
Interest and fiscal charges	-	-	-	-	-	-	226,663
Total expenditures	<u>693,931</u>	<u>2,088,815</u>	<u>74,040</u>	<u>568,600</u>	<u>79,877</u>	<u>-</u>	<u>765,646</u>
Excess (deficiency) of revenues over expenditures	<u>149,037</u>	<u>(425,803)</u>	<u>219,037</u>	<u>(211,309)</u>	<u>454,783</u>	<u>46,494</u>	<u>(748,320)</u>
Other financing sources (uses):							
Transfers in (out)	-	987,522	(115,000)	318,600	-	-	740,245
Total other financing sources (uses)	-	<u>987,522</u>	<u>(115,000)</u>	<u>318,600</u>	<u>-</u>	<u>-</u>	<u>740,245</u>
Change in fund balance	149,037	561,719	104,037	107,291	454,783	46,494	(8,075)
Fund balance - July 1	<u>1,371,101</u>	<u>646,572</u>	<u>822,860</u>	<u>435,961</u>	<u>2,269,537</u>	<u>-</u>	<u>838,755</u>
Fund balance - June 30	<u>\$ 1,520,138</u>	<u>1,208,291</u>	<u>926,897</u>	<u>543,252</u>	<u>2,724,320</u>	<u>46,494</u>	<u>830,680</u>

TETON COUNTY  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2011

Capital Projects Funds								Total Non-major Governmental Funds
2006 Pathways Specific Tax Fund	2006 Daycare Specific Tax Fund	2006 Trash Transfer Specific Tax Fund	2006 Parks & Recreation Specific Tax Fund	2010 Fire/EMS Specific Tax Fund	2010 Pathways Specific Tax Fund	2010 Wilson Specific Tax Fund	2010 Parks & Recreation Specific Tax Fund	
-	1,825	-	-	682,093	554,516	24,742	179,725	2,428,791
-	-	-	-	-	-	-	-	150,526
-	-	-	-	-	-	-	-	2,341,863
-	-	-	-	-	-	-	-	134,487
46	25,420	11,430	20	1,003	977	48	348	181,354
46	27,245	11,430	20	683,096	555,493	24,790	180,073	5,237,021
-	-	-	-	-	-	-	-	63,983
-	734,456	-	-	-	-	-	-	1,303,056
18,386	-	-	-	-	17,152	-	-	115,415
-	-	-	206,354	-	-	-	106,840	313,194
-	-	-	-	335,407	-	-	-	3,192,193
-	-	-	-	-	-	-	-	475,000
-	-	-	-	-	-	-	-	226,663
18,386	734,456	-	206,354	335,407	17,152	-	106,840	5,689,504
(18,340)	(707,211)	11,430	(206,334)	347,689	538,341	24,790	73,233	(452,483)
-	-	-	-	-	-	-	-	1,931,367
-	-	-	-	-	-	-	-	1,931,367
(18,340)	(707,211)	11,430	(206,334)	347,689	538,341	24,790	73,233	1,478,884
116,622	3,316,645	1,357,646	206,334	-	-	-	-	11,382,033
98,282	2,609,434	1,369,076	-	347,689	538,341	24,790	73,233	12,860,917

TETON COUNTY  
COMBINING STATEMENT OF NET ASSETS  
TETON COUNTY LIBRARY AND TETON COUNTY LIBRARY FOUNDATION  
June 30, 2011

	Teton County Library	Teton County Library Foundation	Total Teton County Library
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Assets:			
Cash and cash equivalents	\$ 2,922,400	456,755	3,379,155
Investments	-	2,038,310	2,038,310
Taxes receivable	2,865,198	-	2,865,198
Other receivables	202	-	202
Due from other governments	3,020	-	3,020
Inventory	507	-	507
Capital assets	1,733,680	-	1,733,680
Accumulated depreciation	(298,294)	-	(298,294)
Total assets	<u>\$ 7,226,713</u>	<u>2,495,065</u>	<u>9,721,778</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 154,211	10,451	164,662
Deferred revenue	2,413,000	-	2,413,000
Long-term liabilities:			
Due within one year	95,000	-	95,000
Total liabilities	<u>2,662,211</u>	<u>10,451</u>	<u>2,672,662</u>
Net assets:			
Invested in capital assets, net of related debt	1,435,386	-	1,435,386
Restricted for capital projects	1,718,883	-	1,718,883
Restricted for permanent endowment - non expendable	-	2,043,857	2,043,857
Unrestricted	1,410,233	440,757	1,850,990
Total net assets	<u>\$ 4,564,502</u>	<u>2,484,614</u>	<u>7,049,116</u>

TETON COUNTY  
COMBINING STATEMENT OF ACTIVITIES  
TETON COUNTY LIBRARY AND TETON COUNTY LIBRARY FOUNDATION  
Year Ended June 30, 2011

	<u>Teton County Library</u>	<u>Teton County Library Foundation</u>	<u>Total Teton County Library</u>
Expenses	\$ 2,832,736	423,057	3,255,793
Program revenues:			
Charges for services	56,873	-	56,873
Operating grants and contributions	12,735	443,972	456,707
Total program revenues	69,608	443,972	513,580
Net (expenses) revenues	(2,763,128)	20,915	(2,742,213)
General revenues:			
Sales and use taxes	1,038,540	-	1,038,540
Property taxes	2,965,633	-	2,965,633
Investment income	28,508	311,496	340,004
Miscellaneous	3,164	-	3,164
Total general revenues	4,035,845	311,496	4,347,341
Change in net assets	1,272,717	332,411	1,605,128
Net assets – beginning	3,291,785	2,152,203	5,443,988
Net assets – ending	\$ 4,564,502	2,484,614	7,049,116

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Teton County Drug Court  
Program Reporting

TETON COUNTY DRUG COURT  
SCHEDULE OF FINANCIAL POSITION  
June 30, 2011

Assets:	
Accounts receivable	\$ <u>37,385</u>
Total assets	\$ <u><u>37,385</u></u>
Liabilities:	
Payable to general fund pooled cash	\$ 36,287
Accounts payable	<u>1,098</u>
Total liabilities	<u><u>37,385</u></u>
Fund balance	<u>-</u>
Total liabilities and fund balance	\$ <u><u>37,385</u></u>

TETON COUNTY DRUG COURT  
SCHEDULE OF ACTIVITIES AND FUNCTIONAL EXPENSES  
Year Ended June 30, 2011

Revenues:

State grants	\$ 141,504
Contributions from Teton County	39,292
Contributions from Town of Jackson	<u>34,633</u>
Total revenues	<u>215,429</u>

Expenses:

Treatment and supervision	109,542
Administrative	79,326
Travel and training	21,852
Miscellaneous	<u>4,709</u>
Total expenses	<u>215,429</u>

Net change in fund balance \$ -

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## Governmental Audit Reports

TETON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA No.</u>	<u>Contract Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture (USDA)</u>			
Passed through Wyoming State Forestry Division:			
Western Wyoming Fuel Breaks - Pineglen	10.664	10-DG-11046000621	\$ 51,870
Western Wyoming Fuel Breaks - Deer Creek Heights	10.664	10-DG-11046000621	13,808
Passed through Wyoming Department of Health:			
Special Supplemental Nutrition Prog For WIC	10.557	None	<u>30,744</u>
Total USDA			<u>96,422</u>
<u>U.S. Department of Commerce (DOC)</u>			
Passed through Wyoming Office of Homeland Security:			
WYOLINK - AMENDMENT	11.555	07-NTI-TET-PS-PCS7 WYO	<u>86,350</u>
Total DOC			<u>86,350</u>
<u>U.S. Department of Housing &amp; Urban Development (HUD)</u>			
Passed through Wyoming Business Council:			
CDBG - WCDA - Low Income Housing	14.228	None	67,372
CDBG - JH Elders Market Analysis	14.228	None	<u>17,428</u>
Total HUD			<u>84,800</u>
<u>U.S. Department of Justice (DOJ)</u>			
Passed through Volunteers of America of WY and MT:			
Juvenile Justice Delinquency Prevention	16.540	2007-JF-FX-K001	10,647
Passed through Wyoming Division of Criminal Investigation:			
Edward Byrne Memorial Justice Assistance (ARRA)	16.803	None	<u>50,588</u>
Total DOJ			<u>61,235</u>
<u>U.S. Department of Transportation (DOT)</u>			
Direct Program:			
North 89 Pathway Grant	20.520	WY-20-X001-00	1,937,575
Passed through Wyoming Department of Transportation:			
Highway Planning and Construction Cluster:			
Jackson Hole Community Pathway	20.205	STP-E-LC 0.00 TL08012	1,487
Jackson North/Teton County Pathway (ARRA)	20.205	STIM-E 153.98 N104084	<u>387,299</u>
Total Highway Planning and Construction Cluster			388,786

TETON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Contract Number	Expenditures
<u>Highway Safety Cluster:</u>			
Bureau of Justice Assistance - DUI/SPEED	20.600	402 FY2010	2,400
Bureau of Justice Assistance - DUI/SPEED	20.600	402 FY2011	7,600
Bureau of Justice Assistance - DUI/SPEED	20.601	154AL FY2010	6,000
Bureau of Justice Assistance - DUI/SPEED	20.601	154AL FY2011	<u>10,200</u>
Total Highway Safety Cluster			26,200
<u>Passed through Wyoming Office of Homeland Security:</u>			
FY2011 HazMat Planning (HMEP)	20.703	11-DOT-TET-HM-HMP11	<u>496</u>
Total DOT			<u>2,353,057</u>
<u>U.S. Department of Education (ED)</u>			
<u>Passed through State of Wyoming:</u>			
Juvenile Crisis Shelter (ARRA)	84.397	S397A090051	<u>110,790</u>
Total ED			<u>110,790</u>
<u>U.S. Department of Health and Human Services (HHS)</u>			
<u>Passed through Wyoming Department of Family Services:</u>			
<u>Temporary Assistance For Needy Families Cluster:</u>			
Temp Assistance for Needy Families - HS	93.558	None	12,461
Temp Assistance for Needy Families - HS	93.558	None	71,282
Temp Assistance for Needy Families - PH	93.558	None	1,548
Temp Assistance for Needy Families - PH	93.558	None	<u>34,240</u>
Total Temporary Assistance for Needy Families Cluster			119,531
Maternal and Child Health	93.994	None	18,194
<u>Passed through Wyoming Department of Health:</u>			
All Hazards	93.069	None	53,072
All Hazards	93.069	None	13,965
All Hazards - CHO	93.069	None	12,000
<u>Community Services Block Cluster:</u>			
WY Rural & Frontier Health CSBG Tripartite	93.569	CSBG.TTN1020	33,958
WY Rural & Frontier Health CSBG Tripartite	93.569	CSBG.TTN1116	39,095
WY Rural & Frontier Health CSBG Tripartite	93.569	CSBG.10%SETASIDETTN1114	<u>10,000</u>
Total Community Services Block Cluster			83,053
<u>Passed through Curran Seeley Foundation:</u>			
SO SPF-SIG	93.243	5U79SP011176-05	<u>2,000</u>
Total HHS			<u>301,815</u>

TETON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Contract Number	Expenditures
<u>U.S. Department of Homeland Security (DHS)</u>			
Passed through Wyoming Office of Homeland Security:			
Homeland Security Cluster:			
FY2008 Homeland Security (Bomb Team)	97.067	08-GPD-BT5-BM-HMB8	48,376
FY2008 Homeland Security (HSGP)	97.067	08-GPD-TET-SC-HSG8	90,881
FY2008 Citizen Corps Program (CCP)	97.067	08-GPD-TET-CC-HCC8	18
FY2009 Homeland Security (HSGP)	97.067	09-GPD-TET-SC-HSG9	25,559
FY2009 Citizen Corps Program (CCP)	97.067	09-GPD-TET-CC-HCC9	<u>1,970</u>
Total Homeland Security Cluster			166,804
 FY2010 IECGP - WYOLINK	 97.001	 09-GPD-TET-IE-CGP9	 5,395
FY2009 EMPG	97.042	10-GPD-TET-EM-GCF10	<u>35,188</u>
 Total DHS			 <u>207,387</u>
 Total Expenditures of Federal Awards			 \$ <u><u>3,301,856</u></u>

TETON COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2011

Note 1 – Purpose of the Schedule

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

Note 2 – Significant Accounting Policies

Basis of Accounting

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

CFDA Numbers

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

Major Programs

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



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

To the Board of County Commissioners  
Teton County  
Jackson, Wyoming

We have audited 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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 7, 2011. We did not audit the financial statements of the Teton County Weed and Pest Control District (discretely presented component unit) or the Teton County Building Corporation (blended component unit). Those financial statements were audited by other auditors whose 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* has been issued separately. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial

reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 11-01 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 11-02 to be a significant deficiency.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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*.

We noted certain matters that we reported to management of the County in a separate letter dated December 7, 2011.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



JONES SIMKINS, P.C.  
December 7, 2011



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

To the Board of County Commissioners  
Teton County  
Jackson, Wyoming

Compliance

We have audited the compliance of Teton County, Wyoming (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the 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, 2011.

## Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

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

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



JONES SIMKINS, P.C.  
December 7, 2011

TETON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011

A. Summary of Auditors' Results

- |    |   |   |
|----|---|---|
| 1. | Type of Report issued:  | Unqualified   |
| 2. | Internal control over financial reporting:<br>Material weaknesses identified:   | Yes-1   |
|    | Significant deficiencies identified that were not considered to be material weaknesses:   | Yes-1   |
| 3. | Non-compliance material to financial statements noted:  | No  |
| 4. | Internal control over major programs:<br>Material weaknesses identified:<br>Significant deficiencies identified that were not considered to be material weaknesses: | No<br><br>No  |
| 5. | Type of auditor's report issued on compliance for major programs:   | Unqualified   |
| 6. | Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133:  | None  |
| 7. | Federal programs tested as major programs:  | Highway Planning & Construction Cluster<br>CFDA # 20.205<br><br>North 89 Pathway<br>CFDA # 20.520 |
| 8. | Dollar threshold used to distinguish between Type A and Type B programs:  | \$ 300,000  |
| 9. | Auditee qualification as high or low risk:  | High  |

TETON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011

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

Finding 11-01

Condition: The County has not developed policies and procedures sufficient to record all transactions in the proper period and to prepare financial information on the accrual and modified accrual basis as required by generally accepted accounting principles.

Criteria: Internal controls should be sufficiently comprehensive to ensure that all financial transactions are properly accumulated, processed, summarized and reported in the financial statements and the schedule of expenditures of federal awards in accordance with generally accepted accounting principles.

Effect: Significant and numerous audit adjustments were made to the County's trial balance and schedule of expenditures of federal awards. The auditors provided assistance in drafting the annual financial statements.

Cause: The County does not have the expertise to record certain types of transactions or prepare the financial statements and the schedule of expenditures of federal awards in accordance with generally accepted accounting principles.

Recommendation: The County Clerk, County Treasurer and key accounting support staff should attend continuing education courses to obtain the necessary additional training to help them better understand and apply generally accepted accounting principles.

Finding 11-02

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

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

Effect: The County has a significant deficiency in the design of its internal control processes.

Cause: The County does not have sufficient expertise to evaluate and improve internal controls to the level expected by the GAO.

TETON COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2011

Recommendation: Those charged with governance should seek assistance to establish appropriate policies and procedures for recording the County's financial transactions, and develop effective risk assessment and monitoring controls.

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

None

TETON COUNTY  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
(Client Submitted Document)  
Year Ended June 30, 2011

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

TETON COUNTY  
CORRECTIVE ACTION PLAN  
(Client Submitted Document)  
Year Ended June 30, 2011

Teton County respectfully submits the following corrective action plan for the year ended June 30, 2011:

The findings from the schedule of findings and questioned costs are addressed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

**Findings – Financial Statement Audit**

Response to finding 11-01

The County concurs with the recommendation and will continue to pursue training opportunities for management and staff to help improve financial reporting controls.

Response to finding 11-02

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