

TETON COUNTY
FINANCIAL STATEMENTS
June 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Teton County
Jackson, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Teton County, Wyoming (the County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Teton County Weed and Pest Control District (a discretely presented component unit), which represent 17 percent, 12 percent, and 13 percent, respectively of the assets, net position, and revenues of the aggregate discretely presented component units of the County. We also did not audit the financial statements of Teton County Building Corporation (a blended component unit), which represent 3 percent, 0 percent, and 0 percent, respectively, of the assets, net position, and revenues of the primary government. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Teton County Weed and Pest Control District and Teton County Building Corporation, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Teton County, Wyoming as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The supplementary information and the schedules described above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the supplementary information and the schedules described above are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.



JONES SIMKINS LLC
Logan, Utah
November 7, 2013

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, 2013.

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

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

FINANCIAL HIGHLIGHTS

- County assets of \$128.9 million exceeded liabilities and deferred inflows of \$31.3 million, which resulted in total net position of \$97.6 million, the majority of which (73%) is the County's investment in capital assets net of related debt totaling \$71.5 million. *(See the Statement of Net Position in the Audited Financial Statements)*
- Total assets of the primary government increased \$19.6 million from June 30, 2012 to June 30, 2013. Total assets increased primarily as a result of an increase in pooled cash, an increase in amounts due from other governments and additions to capital assets, which increased by approximately \$5.2, \$4.4 and \$9.7 million, respectively. Pooled cash increased as a result of changes in fund balance from general operations. The majority of the increase in funds due from other governments is a result of the transfer of 2008 pathway specific tax fund from the Town of Jackson (TOJ) in the amount of \$4.1 million. Historically, the funds were managed by TOJ as they sponsored the ballot initiative. During fiscal year 2013, it was determined the remaining funds were going to be solely used on County pathway assets. Therefore, both parties agreed to transfer the funds for management purposes. During fiscal year 2013, the County established a new special revenue fund to account for these SPET funds. As of the date of issuance of these financial statements, all funds have been transferred, along with \$1.0 million in partially constructed pathway infrastructure assets. Major capital asset additions include construction of additional space and renovation of existing space at the Teton County Library (Library) in the amount of \$9.4 million. While the Library is a component unit, the library buildings are owned by the County and the upgrades to the buildings are contributions from the Library. The County also began construction of a pathway bridge over the Snake River along with corresponding additions to the pathway system in the amount of \$2.2 million which is classified as construction in process. The County made other significant capital improvements including road improvements, vehicle fleet additions, pathway systems, and building improvements associated with a county-wide energy efficiency program.
- Total liabilities and deferred inflows increased \$0.3 million during 2013. An increase of \$1.1 million in accounts payable was due to construction of the Snake River pathway bridge. A decrease in funds held in trust resulted from distributions from the planning department escrow in the amount of \$0.7 million of affordable housing fee-in-lieu payment to the housing authority special revenue fund and \$0.1 million of road impact fees to the roads special revenue fund.

- Of the \$26.1 million in net position that are not invested in capital assets, \$9.5 million was unrestricted and \$16.6 million was restricted for future capital projects, infrastructure expenditures, public safety services and community development services. The current year increase of \$4.9 million in unrestricted net position is primarily associated with the excess of revenues over expenditures. *(See the Statement of Activities and the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds in the Audited Financial Statements)*
- Total general fund revenues increased \$0.6 million or 2.3% over the prior year, from \$27.1 million in 2012 to \$27.7 million in 2013. Sales and use tax revenues increased \$0.8 million due to improvements in the local retail and tourism economy. All other general fund tax revenues were generally consistent with the prior year, reflecting an aggregate decrease of \$0.4 million compared to 2012. The County is permitted by Wyoming Statutes to levy taxes up to 12 mills of the assessed valuation to finance general governmental services (general government operations, and library, fair and special fire fund operations). The combined tax rate for the year ended June 30, 2013, remained consistent with the prior year at 8.599 mills, leaving a tax margin of 3.401 mills or \$3.8 million that was not assessed on the total assessed valuation of \$1.1 billion, which is approximately the same assessed value as in 2012.
- Total general fund expenditures increased \$0.7 million between 2013 and 2012, primarily resulting from increases in administration function expenditures. The major increase in expenditures included energy efficiency building improvements of \$0.4 million to the county recreation center, a TOJ asset. Other general fund functional expenditures remained fairly consistent with prior year levels. For the year ended June 30, 2013, revenues exceeded expenditures by \$4.7 million.
- After net interfund transfers out of \$1.6 million, the general fund's total fund balance increased by \$3.1 million in 2013. During 2013, the 2006 daycare SPET fund made a unique transfer of \$1.4 million to the capital projects fund for reimbursement of a land purchase. Please note that the general fund revenues and expenditures do not include the activities of special revenue funds, which are described in the governmental funds discussion. *(See the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds in the Audited Financial Statements)*

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

The *Statement of Activities* presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

- A summary of changes to capital assets is contained within Note 3 of the Notes to the Financial Statements. As discussed in the financial highlights section above, the County received a unique contribution from the library component unit during 2013 totaling \$9.4 million.
- A summary of changes to long-term liabilities is contained within Note 6 of the Notes to the Financial Statements. The County has an outstanding lease revenue bond resulting in total bonds payable of \$4.4 million with a decrease in 2013 of \$0.5 million from principal payments. During 2013, the loan for Rafter J improvements from the State of Wyoming in the amount of \$0.7 million was paid off early. The County also reports a liability associated with the estimated closure costs related to the County's landfill for approximately \$12.5 million with \$0.2 million expended during fiscal 2013 for closure planning activities.

- Other long-term liabilities include employee compensated absences and notes payable which bring the total long-term liabilities to \$18.8 million.

FINANCIAL ANALYSIS

As previously noted, *net position* serves as a useful indicator of Teton County's financial condition. Total primary government assets and deferred outflows exceeded total primary government liabilities and deferred inflows by approximately \$97.6 million, the majority of which is reflected in the net investment in capital assets totaling \$71.5 million. (See also the *Statement of Net Position in the Audited Financial Statements*)

The table below summarizes the County's assets, liabilities, deferred inflows and net position as of June 30, 2013 and 2012:

SUMMARY SCHEDULE OF NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current assets	\$ 50,218,663	40,343,205	2,760,434	2,720,828	52,979,097	43,064,033
Capital assets	74,506,156	64,734,311	1,383,741	1,455,861	75,889,897	66,190,172
Total assets	124,724,819	105,077,516	4,144,175	4,176,689	128,868,994	109,254,205
Current liabilities	6,543,456	5,043,571	296,705	104,230	6,840,161	5,147,801
Non-current liabilities	17,473,849	18,967,092	4,284	3,923	17,478,133	18,971,015
Total liabilities	24,017,305	24,010,663	300,989	108,153	24,318,294	24,118,816
Deferred inflows of resources	6,954,534	6,827,316	-	-	6,954,534	6,827,316
Invested in capital assets, net of related debt	70,109,506	59,739,311	1,383,741	1,455,861	71,493,247	61,195,172
Restricted	16,411,891	12,226,536	201,710	281,180	16,613,601	12,507,716
Unrestricted	7,231,583	2,273,690	2,257,735	2,331,495	9,489,318	4,605,185
Total net position	\$ 93,752,980	74,239,537	3,843,186	4,068,536	97,596,166	78,308,073

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

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

TETON COUNTY, WYOMING
Management's Discussion and Analysis
Year Ended June 30, 2013

SUMMARY SCHEDULE OF CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 9,540,776	8,274,413	3,593,733	3,492,203	13,134,509	11,766,616
Operating grants and contributions	2,036,314	2,645,418	85,458	90,841	2,121,772	2,736,259
Capital grants and contributions	1,544,690	2,253,771	-	-	1,544,690	2,253,771
General revenues:						
Taxes	25,991,500	25,745,595	-	-	25,991,500	25,745,595
Investment income	87,399	321,979	6,567	13,328	93,966	335,307
Other income	443,840	386,053	39,020	3,416	482,860	389,469
Total revenues	<u>39,644,519</u>	<u>39,627,229</u>	<u>3,724,778</u>	<u>3,599,788</u>	<u>43,369,297</u>	<u>43,227,017</u>
Expenses:						
Administration	8,258,418	7,351,341	-	-	8,258,418	7,351,341
Community development	2,625,362	3,534,509	-	-	2,625,362	3,534,509
Health and human services	2,486,562	2,468,489	-	-	2,486,562	2,468,489
Justice	1,618,813	1,718,290	-	-	1,618,813	1,718,290
Infrastructure	5,101,752	5,296,453	-	-	5,101,752	5,296,453
Parks and recreation	4,868,264	4,949,385	-	-	4,868,264	4,949,385
Public safety	9,829,603	9,402,788	-	-	9,829,603	9,402,788
Interest and fiscal charges	106,736	192,431	-	-	106,736	192,431
Solid waste and recycling	-	-	3,617,806	3,276,478	3,617,806	3,276,478
Building Corporation	-	-	81,086	71,576	81,086	71,576
Total expenses	<u>34,895,510</u>	<u>34,913,686</u>	<u>3,698,892</u>	<u>3,348,054</u>	<u>38,594,402</u>	<u>38,261,740</u>
Change in net position before transfers and special items	4,749,009	4,713,543	25,886	251,734	4,774,895	4,965,277
Special item - contributions from other government	5,142,099	-	-	-	5,142,099	-
Special item - contributions from component units	9,371,099	3,783,529	-	-	9,371,099	3,783,529
Special item - landfill closure costs	-	(10,700,000)	-	-	-	(10,700,000)
Special item - settlement of contingent claim	-	-	-	848,681	-	848,681
Transfers in (out)	251,236	(144,995)	(251,236)	144,995	-	-
Change in net position	<u>19,513,443</u>	<u>(2,347,923)</u>	<u>(225,350)</u>	<u>1,245,410</u>	<u>19,288,093</u>	<u>(1,102,513)</u>
Net position - beginning	<u>74,239,537</u>	<u>76,587,460</u>	<u>4,068,536</u>	<u>2,823,126</u>	<u>78,308,073</u>	<u>79,410,586</u>
Net position - ending	<u>\$ 93,752,980</u>	<u>74,239,537</u>	<u>3,843,186</u>	<u>4,068,536</u>	<u>97,596,166</u>	<u>78,308,073</u>

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

	2013 Final Budget	2013 Actual	Variance	Variance as a % of Budget
Revenues	\$ 25,782,594	\$ 27,695,824	1,913,230	7.4%
Expenditures	24,886,158	22,985,960	1,900,198	7.6%
Excess of revenues over expenditures	896,436	4,709,864	3,813,428	
Transfers from other funds	972,376	635,141	(337,235)	
Transfers to other funds	<u>(2,587,053)</u>	<u>(2,238,437)</u>	<u>348,616</u>	
Deficiency of revenues over expenditures and transfers	<u>\$ (718,241)</u>	3,106,568	<u>\$ 3,824,809</u>	
Fund balance – beginning of fiscal year		<u>\$ 12,080,390</u>		
Fund balance – end of fiscal year		<u>\$ 15,186,958</u>		

The Board of County Commissioners must weigh the adequacy of the County's reserves with whether excess fund balance should be invested in infrastructure, returned to the taxpayers through a decrease to the mill levy, or retained as reserves.

GENERAL FUND BUDGETARY HIGHLIGHTS

Sales and use tax revenue exceeded budgeted revenues by \$1.2 million. Budget to actual variances in the sales and use tax revenue were a result of better than expected improvements in the local retail and tourism economy. Based on the uncertainty in local and national economic conditions, conservative projections were used to establish the sales and use tax revenue budget for the year. The budget projection expected an increase of 3% compared to the prior year, but the actual sales and use tax revenue increased 7% compared to the prior year.

Administration expenditures were \$0.5 million below budget, due to lower than expected salary and benefit costs. The County also had lower than expected health insurance expense offset with higher than expected stop-loss insurance reimbursements received.

Health and human services expenditures were \$0.2 million below budget, resulting from lower than expected capital expenditures and lower state nursing and supply cost.

Justice expenditures were \$0.2 million below budget due to lower than expected salary and benefit costs.

Infrastructure expenditures were \$0.3 million below budget, due to reduced road maintenance and flood control costs. Engineering services were lower than expected as landfill closure expenditures were budgeted in to a separate special revenue fund. Pathways capital expenditures were lower than expected as various projects were pushed into fiscal year 2014.

Public safety expenditures were \$0.7 million below budget, due to lower than expected salaries and benefits costs for both sheriff and jail operations. Capital expenditures for public safety were also lower than expected.

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

Basic Financial Statements

TETON COUNTY
STATEMENT OF NET POSITION
June 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Pooled cash and cash equivalents	\$ 33,464,459	1,525,087	34,989,546	-
Cash and cash equivalents	807,444	439,692	1,247,136	4,650,973
Investments	-	479,818	479,818	2,463,925
Accounts receivable	257,940	312,386	570,326	48,794
Taxes receivable	7,012,285	-	7,012,285	3,311,375
Other receivables	1,319	-	1,319	40,108
Due from other governments	8,138,050	-	8,138,050	468,257
Prepaid expenses	30,666	3,451	34,117	438
Inventory	-	-	-	214,642
Other assets	506,500	-	506,500	500,000
Capital assets	124,065,172	1,969,512	126,034,684	20,470,507
Accumulated depreciation	(49,559,016)	(585,771)	(50,144,787)	(1,586,487)
Total assets	\$ 124,724,819	4,144,175	128,868,994	30,582,532
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,091,929	271,705	3,363,634	362,932
Unearned revenue	105,227	-	105,227	-
Funds held in trust	1,996,192	-	1,996,192	-
Long-term liabilities:				
Due within one year	1,350,108	25,000	1,375,108	379,774
Due in more than one year	17,473,849	4,284	17,478,133	1,958,159
Total liabilities	24,017,305	300,989	24,318,294	2,700,865
Deferred inflows of resources:				
Revenues for future periods	6,954,534	-	6,954,534	2,963,000
Total deferred inflows of resources	6,954,534	-	6,954,534	2,963,000
Net position:				
Invested in capital assets, net of related debt	70,109,506	1,383,741	71,493,247	16,692,628
Restricted for capital projects	10,566,617	201,710	10,768,327	-
Restricted for infrastructure	2,106,925	-	2,106,925	-
Restricted for public safety	2,907,501	-	2,907,501	-
Restricted for community development	802,609	-	802,609	-
Restricted for debt service	-	-	-	583,569
Restricted for other purposes	28,239	-	28,239	-
Restricted for permanent endowment - nonexpendable	-	-	-	2,469,472
Unrestricted	7,231,583	2,257,735	9,489,318	5,172,998
Total net position	\$ 93,752,980	3,843,186	97,596,166	24,918,667

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

TETON COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
Administration	\$ 8,258,418	557,349	3,575	342,942	(7,354,552)	-	(7,354,552)	-
Community development	2,625,362	3,345,022	474,975	875,430	2,070,065	-	2,070,065	-
Health and human services	2,486,562	198,066	428,701	-	(1,859,795)	-	(1,859,795)	-
Justice	1,618,813	309,971	119,315	-	(1,189,527)	-	(1,189,527)	-
Infrastructure	5,101,752	153,812	330,315	276,901	(4,340,724)	-	(4,340,724)	-
Parks and recreation	4,868,264	2,896,818	129,414	10,000	(1,832,032)	-	(1,832,032)	-
Public safety	9,829,603	2,079,738	550,019	39,417	(7,160,429)	-	(7,160,429)	-
Debt service: interest and fiscal charges	106,736	-	-	-	(106,736)	-	(106,736)	-
Total governmental activities	<u>34,895,510</u>	<u>9,540,776</u>	<u>2,036,314</u>	<u>1,544,690</u>	<u>(21,773,730)</u>	<u>-</u>	<u>(21,773,730)</u>	<u>-</u>
Business-type activities:								
Integrated solid waste and recycling	3,617,806	3,593,733	85,458	-	-	61,385	61,385	-
Teton County Building Corporation	81,086	-	-	-	-	(81,086)	(81,086)	-
Total business-type activities	<u>3,698,892</u>	<u>3,593,733</u>	<u>85,458</u>	<u>-</u>	<u>-</u>	<u>(19,701)</u>	<u>(19,701)</u>	<u>-</u>
Total primary government	<u>\$ 38,594,402</u>	<u>13,134,509</u>	<u>2,121,772</u>	<u>1,544,690</u>	<u>(21,773,730)</u>	<u>(19,701)</u>	<u>(21,793,431)</u>	<u>-</u>
Component units:								
Teton County Library	\$ 3,791,760	43,642	890,802	-	-	-	-	(2,857,316)
Teton County Weed and Pest Control	1,805,569	317,216	102,397	-	-	-	-	(1,385,956)
Teton County Housing Authority	813,106	274,763	-	156,000	-	-	-	(382,343)
Jackson Hole Travel and Tourism Board	2,326,997	-	-	-	-	-	-	(2,326,997)
Total component units	<u>\$ 8,737,432</u>	<u>635,621</u>	<u>993,199</u>	<u>156,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,952,612)</u>
General revenues:								
Sales and use taxes					\$ 13,784,721	-	13,784,721	5,939,381
Property taxes					9,724,828	-	9,724,828	4,216,897
Other taxes					2,481,951	-	2,481,951	-
County appropriations					-	-	-	50,000
Investment income					87,399	6,567	93,966	249,082
Gain (loss) on disposal of assets					2,587	-	2,587	(201,537)
Miscellaneous					441,253	39,020	480,273	8,685
Transfers					251,236	(251,236)	-	-
Special item - contribution from component unit					9,371,099	-	9,371,099	(9,371,099)
Special item - contribution from other government					5,142,099	-	5,142,099	-
Total general revenues and special items					<u>41,287,173</u>	<u>(205,649)</u>	<u>41,081,524</u>	<u>891,409</u>
Change in net position					19,513,443	(225,350)	19,288,093	(6,061,203)
Net position—beginning					74,239,537	4,068,536	78,308,073	30,979,870
Net position—ending					<u>\$ 93,752,980</u>	<u>3,843,186</u>	<u>97,596,166</u>	<u>24,918,667</u>

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

TETON COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	General	Parks and Recreation Special Revenue	Grants Special Revenue	Capital Projects	Non-major Funds	Total Governmental Funds
Assets:						
Pooled cash and cash equivalents	\$ 14,553,530	252,712	-	6,355,377	12,302,840	33,464,459
Cash and cash equivalents	801,130	1,400	-	-	4,914	807,444
Interfund receivable - pooled cash	215,185	-	-	-	-	215,185
Accounts receivable	-	50,876	-	-	207,064	257,940
Taxes receivable	6,000,756	-	-	-	1,011,529	7,012,285
Other receivables	898	421	-	-	-	1,319
Due from other governments	2,888,588	164,185	330,601	-	4,754,676	8,138,050
Due from other funds	23,506	23,409	-	-	13,704	60,619
Prepaid expenses	-	-	-	-	30,666	30,666
Other assets	506,500	-	-	-	-	506,500
Total assets	\$ 24,990,093	493,003	330,601	6,355,377	18,325,393	50,494,467
Liabilities:						
Interfund payable - pooled cash	\$ -	-	215,185	-	-	215,185
Accounts payable and accrued liabilities	1,307,048	228,408	53,541	-	1,462,091	3,051,088
Due to other funds	37,113	-	6,559	-	16,947	60,619
Unearned revenue	7,200	-	46,800	-	51,227	105,227
Funds held in trust	1,996,192	-	-	-	-	1,996,192
Total liabilities	3,347,553	228,408	322,085	-	1,530,265	5,428,311
Deferred inflows of resources:						
Unavailable revenues	506,500	-	-	-	-	506,500
Revenues for future periods	5,949,082	-	-	-	1,005,452	6,954,534
Total deferred inflows of resources	6,455,582	-	-	-	1,005,452	7,461,034
Fund balances:						
Nonspendable:						
Prepaid expenses	-	-	-	-	30,666	30,666
Restricted for:						
Capital projects	1,821,879	-	-	-	8,744,738	10,566,617
Infrastructure	-	-	-	-	2,106,925	2,106,925
Public safety	-	-	-	-	2,907,501	2,907,501
Community development	-	-	-	-	802,609	802,609
Other purposes	19,723	-	8,516	-	-	28,239
Committed for:						
Capital projects	-	-	-	6,355,377	193,074	6,548,451
Operations stabilization	5,254,365	-	-	-	-	5,254,365
Public safety	-	-	-	-	783,958	783,958
Parks and recreation	-	264,595	-	-	220,205	484,800
Assigned for:						
Capital projects	2,429,863	-	-	-	-	2,429,863
Unassigned	5,661,128	-	-	-	-	5,661,128
Total fund balances	15,186,958	264,595	8,516	6,355,377	15,789,676	37,605,122
Total liabilities, deferred inflows of resources and fund balances	\$ 24,990,093	493,003	330,601	6,355,377	18,325,393	50,494,467

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

TETON COUNTY
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2013

Total fund balances of governmental funds \$ 37,605,122

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

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

Capital assets	\$ 124,065,172	
Accumulated depreciation	<u>(49,559,016)</u>	
		74,506,156

Other long-term assets are not available to pay for current period expenditures and are therefore deferred in the funds. 506,500

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

Long-term liabilities, due within one year	\$ (1,350,108)	
Long-term liabilities, due in more than one year	(17,473,849)	
Accrued interest payable	<u>(40,841)</u>	
		<u>(18,864,798)</u>

Net position of governmental activities \$ 93,752,980

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, 2013

	General	Parks and Recreation Special Revenue	Grants Special Revenue	Capital Projects	Non-major Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 23,111,735	-	-	-	2,879,763	25,991,498
Intergovernmental	777,768	100,049	1,337,678	-	312,668	2,528,163
Charges for services	1,565,725	2,470,032	-	-	3,470,167	7,505,924
Licenses and permits	2,035,852	-	-	-	-	2,035,852
Contributions	-	39,264	-	-	80,862	120,126
Miscellaneous	204,744	12,256	-	13,125	301,693	531,818
Total revenues	<u>27,695,824</u>	<u>2,621,601</u>	<u>1,337,678</u>	<u>13,125</u>	<u>7,045,153</u>	<u>38,713,381</u>
Expenditures:						
Administration	8,087,026	-	254,762	-	-	8,341,788
Community development	2,127,025	-	174,546	-	50,000	2,351,571
Health and human services	2,282,684	-	199,769	-	-	2,482,453
Justice	1,622,634	-	-	-	-	1,622,634
Infrastructure	2,115,873	-	-	-	2,447,314	4,563,187
Parks and recreation	-	4,127,785	-	-	966,822	5,094,607
Public safety	6,199,482	-	354,433	-	3,306,102	9,860,017
Debt service:						
Principal	486,506	-	-	-	-	486,506
Interest and fiscal charges	64,730	-	-	-	-	64,730
Total expenditures	<u>22,985,960</u>	<u>4,127,785</u>	<u>983,510</u>	<u>-</u>	<u>6,770,238</u>	<u>34,867,493</u>
Excess (deficiency) of revenues over expenditures	<u>4,709,864</u>	<u>(1,506,184)</u>	<u>354,168</u>	<u>13,125</u>	<u>274,915</u>	<u>3,845,888</u>
Other financing sources (uses):						
Special item - contribution from other government	-	-	-	-	4,096,422	4,096,422
Transfers in (out)	(1,603,296)	1,458,171	(352,721)	1,399,243	(650,161)	251,236
Total other financing sources (uses)	<u>(1,603,296)</u>	<u>1,458,171</u>	<u>(352,721)</u>	<u>1,399,243</u>	<u>3,446,261</u>	<u>4,347,658</u>
Change in fund balance	3,106,568	(48,013)	1,447	1,412,368	3,721,176	8,193,546
Fund balance - July 1	12,080,390	312,608	7,069	4,943,009	12,068,500	29,411,576
Fund balance - June 30	<u>\$ 15,186,958</u>	<u>264,595</u>	<u>8,516</u>	<u>6,355,377</u>	<u>15,789,676</u>	<u>37,605,122</u>

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, 2013

Net change in fund balances - governmental funds \$ 8,193,546

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

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

Capital outlays and asset contributions received	\$ 13,764,693	
Depreciation expense	<u>(3,975,985)</u>	
		9,788,708

Certain capital assets were disposed during the course of the year. The amount of net book value of these assets at the time of disposal is recorded in the Statement of Activities as a reduction of net assets. (16,863)

The Statement of Activities reports revenues on the accrual basis that do not provide current financial resources and are therefore deferred in the funds. 1,000

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

Reductions of principal on long-term liabilities	\$ 1,294,583	
Change in accrued interest payable	14,464	
Change in landfill closure liability	167,567	
Change in compensated absences liability	<u>70,438</u>	
		<u>1,547,052</u>

Change in net position of governmental activities \$ 19,513,443

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

TETON COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013

	Integrated Solid Waste and Recycling Fund	Teton County Building Corporation	Total Proprietary Funds
Assets:			
Current assets:			
Pooled cash and cash equivalents	\$ 1,525,087	-	1,525,087
Cash and cash equivalents	-	439,692	439,692
Investments	-	479,818	479,818
Accounts receivable	312,386	-	312,386
Prepaid expenses	-	3,451	3,451
Total current assets	<u>1,837,473</u>	<u>922,961</u>	<u>2,760,434</u>
Non-current assets:			
Capital assets	1,969,512	-	1,969,512
Accumulated depreciation	<u>(585,771)</u>	<u>-</u>	<u>(585,771)</u>
Total non-current assets	<u>1,383,741</u>	<u>-</u>	<u>1,383,741</u>
Total assets	<u>\$ 3,221,214</u>	<u>922,961</u>	<u>4,144,175</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 271,705	-	271,705
Long-term liabilities, due within one year	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total current liabilities	296,705	-	296,705
Long-term liabilities, due in more than one year	<u>4,284</u>	<u>-</u>	<u>4,284</u>
Total liabilities	<u>300,989</u>	<u>-</u>	<u>300,989</u>
Net position:			
Invested in capital assets, net of related debt	1,383,741	-	1,383,741
Restricted for capital projects	201,710	-	201,710
Unrestricted	<u>1,334,774</u>	<u>922,961</u>	<u>2,257,735</u>
Total net position	<u>\$ 2,920,225</u>	<u>922,961</u>	<u>3,843,186</u>

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

TETON COUNTY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2013

	<u>Integrated Solid Waste and Recycling Fund</u>	<u>Teton County Building Corporation</u>	<u>Total Proprietary Funds</u>
Operating revenues:			
Charges for services	\$ 3,186,174	-	3,186,174
Materials sales	407,559	-	407,559
Miscellaneous	39,020	-	39,020
Total operating revenues	<u>3,632,753</u>	<u>-</u>	<u>3,632,753</u>
Operating expenses:			
Salaries and benefits	710,350	-	710,350
Current expenses	2,756,462	81,086	2,837,548
Depreciation	150,994	-	150,994
Total operating expenses	<u>3,617,806</u>	<u>81,086</u>	<u>3,698,892</u>
Operating income (loss)	<u>14,947</u>	<u>(81,086)</u>	<u>(66,139)</u>
Non-operating income (loss):			
Grants and contributions	85,458	-	85,458
Investment income (loss)	15,895	(9,328)	6,567
Total non-operating income (loss)	<u>101,353</u>	<u>(9,328)</u>	<u>92,025</u>
Income (loss) before transfers	116,300	(90,414)	25,886
Transfers in	-	108,764	108,764
Transfers out	<u>(360,000)</u>	<u>-</u>	<u>(360,000)</u>
Change in net position	(243,700)	18,350	(225,350)
Net position - beginning	<u>3,163,925</u>	<u>904,611</u>	<u>4,068,536</u>
Net position - ending	<u>\$ 2,920,225</u>	<u>922,961</u>	<u>3,843,186</u>

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

TETON COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2013

	<u>Integrated Solid Waste and Recycling Fund</u>	<u>Teton County Building Corporation</u>	<u>Total Proprietary Funds</u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 3,584,080	-	3,584,080
Payments to suppliers	(2,587,792)	(77,609)	(2,665,401)
Payments to employees	(686,184)	-	(686,184)
Net cash provided by (used in) operating activities	<u>310,104</u>	<u>(77,609)</u>	<u>232,495</u>
Cash flows from non-capital financing activities:			
Settlement of contingency	848,681	-	848,681
Transfers from (to) other funds	(360,000)	108,764	(251,236)
Receipts from operating grants and contributions	85,458	-	85,458
Net cash provided by non-capital financing activities	<u>574,139</u>	<u>108,764</u>	<u>682,903</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(78,874)	-	(78,874)
Net cash used in capital and related financing activities	<u>(78,874)</u>	<u>-</u>	<u>(78,874)</u>
Cash flows from investing activities:			
Proceeds from sale of investments	-	495,000	495,000
Purchases of investments	-	(494,960)	(494,960)
Interest income received	15,895	7,537	23,432
Net cash provided by investing activities	<u>15,895</u>	<u>7,577</u>	<u>23,472</u>
Net increase in cash and cash equivalents	821,264	38,732	859,996
Cash and cash equivalents - beginning	<u>703,823</u>	<u>400,960</u>	<u>1,104,783</u>
Cash and cash equivalents - ending	<u>\$ 1,525,087</u>	<u>439,692</u>	<u>1,964,779</u>

(continued)

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

(continued)

TETON COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2013

	<u>Integrated Solid Waste and Recycling Fund</u>	<u>Teton County Building Corporation</u>	<u>Total Proprietary Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ <u>14,947</u>	<u>(81,086)</u>	<u>(66,139)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	150,994	-	150,994
Non-cash compensation expense	361	-	361
Net change in assets and liabilities:			
Accounts receivable	(48,673)	-	(48,673)
Prepaid expenses	-	3,477	3,477
Accounts payable and accrued liabilities	<u>192,475</u>	<u>-</u>	<u>192,475</u>
Total adjustments	<u>295,157</u>	<u>3,477</u>	<u>298,634</u>
Net cash provided by (used in) operating activities	\$ <u><u>310,104</u></u>	<u><u>(77,609)</u></u>	<u><u>232,495</u></u>

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

TETON COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2013

	<u>Treasurer's Tax Agency Fund</u>
Assets:	
Pooled cash and cash equivalents	\$ 2,224,729
Cash and cash equivalents	<u>2,606,481</u>
Total assets	<u>\$ 4,831,210</u>
Liabilities:	
Due to other taxing units	\$ <u>4,831,210</u>
Total liabilities	<u>\$ 4,831,210</u>

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

TETON COUNTY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2013

	<u>Teton County Library</u>	<u>Teton County Weed and Pest Control</u>	<u>Teton County Housing Authority</u>	<u>Jackson Hole Travel and Tourism Board</u>	<u>Total</u>
Assets:					
Cash and cash equivalents	\$ 2,267,570	314,964	1,216,429	852,010	4,650,973
Investments	2,463,925	-	-	-	2,463,925
Accounts receivable	12,194	30,685	5,915	-	48,794
Taxes receivable	3,301,177	10,198	-	-	3,311,375
Other receivables	40,108	-	-	-	40,108
Due from other governments	587	60,000	-	407,670	468,257
Prepaid expenses	-	-	-	438	438
Inventory	624	214,018	-	-	214,642
Other assets	-	-	500,000	-	500,000
Capital assets	1,034,689	5,563,382	13,872,436	-	20,470,507
Accumulated depreciation	(353,534)	(1,036,995)	(195,958)	-	(1,586,487)
Total assets	\$ 8,767,340	5,156,252	15,398,822	1,260,118	30,582,532
Liabilities:					
Accounts payable and accrued liabilities	\$ 117,140	11,312	83,431	151,049	362,932
Long-term liabilities:					
Due within one year	87,000	285,273	7,501	-	379,774
Due in more than one year	-	1,958,159	-	-	1,958,159
Total liabilities	204,140	2,254,744	90,932	151,049	2,700,865
Deferred inflows of resources:					
Revenues for future periods	2,963,000	-	-	-	2,963,000
Total deferred inflows of resources	2,963,000	-	-	-	2,963,000
Net position:					
Invested in capital assets, net of related debt	681,155	2,334,995	13,676,478	-	16,692,628
Restricted for capital projects	583,569	-	-	-	583,569
Restricted for permanent endowment - non expendable	2,469,472	-	-	-	2,469,472
Unrestricted	1,866,004	566,513	1,631,412	1,109,069	5,172,998
Total net position	\$ 5,600,200	2,901,508	15,307,890	1,109,069	24,918,667

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

TETON COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
Year Ended June 30, 2013

	<u>Teton County Library</u>	<u>Teton County Weed and Pest Control</u>	<u>Teton County Housing Authority</u>	<u>Jackson Hole Travel and Tourism Board</u>	<u>Total</u>
Expenses	\$ 3,791,760	1,805,569	813,106	2,326,997	8,737,432
Program revenues:					
Charges for services	43,642	317,216	274,763	-	635,621
Operating grants and contributions	890,802	102,397	-	-	993,199
Capital grants and contributions	-	-	156,000	-	156,000
Total program revenues	934,444	419,613	430,763	-	1,784,820
Net expenses	(2,857,316)	(1,385,956)	(382,343)	(2,326,997)	(6,952,612)
General revenues:					
Sales and use taxes	3,371,219	-	-	2,568,162	5,939,381
Property taxes	2,991,650	1,225,247	-	-	4,216,897
County appropriations	-	-	50,000	-	50,000
Investment income	238,746	1,705	7,491	1,140	249,082
Loss on disposal of assets	-	(625)	(200,912)	-	(201,537)
Miscellaneous	1,572	7,113	-	-	8,685
Special item - contribution to primary government	(9,371,099)	-	-	-	(9,371,099)
Total general revenues and special item	(2,767,912)	1,233,440	(143,421)	2,569,302	891,409
Change in net position	(5,625,228)	(152,516)	(525,764)	242,305	(6,061,203)
Net position – beginning	11,225,428	3,054,024	15,833,654	866,764	30,979,870
Net position – ending	\$ 5,600,200	2,901,508	15,307,890	1,109,069	24,918,667

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies

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

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

Implementation of New Accounting Standards

In 2012, the County implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. The County also early implemented GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. As a result, debt issuance costs will no longer be reported as an asset, but rather expensed at the time they are incurred. There are also numerous changes in terminology throughout the financial statements. Certain amounts previously reported as deferred revenue are now reported as deferred inflows of resources. Equity balances in the entity-wide financial statements previously reported as net assets have been renamed as net position. The above described changes to the County's financial statements do not require a restatement of prior periods.

Financial Reporting Entity

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

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Blended Component Units

The Jackson / Teton County Public Facilities Joint Powers Board (the Joint Powers Board) serves all citizens of the County and is governed by a board comprised of three County Commissioners and three members appointed by the Town of Jackson. The Joint Powers Board was established to provide an efficient, orderly and economically feasible method of jointly financing the acquisition, construction, and renovation of various projects, all of which will enhance the general civic welfare of the County and Town and their residents and will be of service to and be for the benefit of the County and Town and their residents. To date, the only involvement of the Town of Jackson has been to establish the Joint Powers Board. Consequently, the Joint Powers Board financial activity is reported in the debt service fund of the County because it has been determined to be fiscally dependent on the County. The Joint Powers Board had no activity during the year ended June 30, 2013.

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

Discretely Presented Component Units

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

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

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 has been determined to be a component unit of the Library Board. The Library Board does not issue separate financial statements.

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

Jackson Hole Travel and Tourism Joint Powers Board (the Tourism Board) has been established to facilitate County-wide tourism promotion efforts. Seven board members, jointly appointed by the County Commissioners and the Jackson Town Council, govern the Tourism Board, with the Town and County holding joint approval authority over the Board's budget. The Tourism Board is fiscally dependent on the County as the County approves the Tourism Board's budget and imposes and collects the lodging sales 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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Basic Financial Statements - Government-Wide Statements

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

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

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

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

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

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Basic Financial Statements – Fund Statements

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

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

The following fund types are used by the County:

Governmental Funds:

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

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

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

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Proprietary Funds:

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

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

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

Basis of Accounting

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

Accrual

The governmental activities and the business-type activities in the government-wide financial statements, the proprietary fund financial statements, 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 intended to finance.

Modified Accrual

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Amounts

Pooled Cash and Cash Equivalents

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

Cash and Cash Equivalents

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

Investments

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

Receivables and Due from Other Governments

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

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

Prepaid Expenses

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Inventory

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

Capital Assets

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

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

<u>Asset Category</u>	<u>Years</u>
Buildings and improvements	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.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County has no items that qualify for reporting in this category.

In addition to the liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items which qualify for reporting in this category. The first item, revenues in the funds which are unavailable, is reported only in the governmental funds balance sheet. The second item, revenues which are intended to finance operations of a future period, is reported in both the governmental funds balance sheet and the entity-wide statement of net position.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

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

Unearned Revenues

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

Long-term Liabilities

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

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

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation leave accumulates for all full-time permanent employees, depending 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.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Balances and Transactions

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

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

Equity Classifications

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

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

Fund Balance Classifications

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

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

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

Revenues

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

Expenses/Expenditures

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

Accounting Estimates

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 1 - Summary of Significant Accounting Policies (continued)

Property Tax Calendar

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

Note 2 - Deposits and Investments

Governmental activities:

Deposits and investments consist of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
Pooled cash and cash equivalents:				
Demand deposits	\$ 13,415,776	-	-	13,415,776
WYO-STAR	-	5,076,975	-	5,076,975
Government bonds	-	4,927,253	-	4,927,253
Certificates of deposit	10,044,455	-	-	10,044,455
Total pooled cash and cash equivalents	<u>23,460,231</u>	<u>10,004,228</u>	<u>-</u>	<u>33,464,459</u>
Cash and cash equivalents:				
Cash-on-hand	-	-	3,500	3,500
Demand deposits	517,815	-	-	517,815
WYO-STAR	-	285,129	-	285,129
Certificates of deposit	1,000	-	-	1,000
Total cash and cash equivalents	<u>518,815</u>	<u>285,129</u>	<u>3,500</u>	<u>807,444</u>
Total governmental activities	<u>\$ 23,979,046</u>	<u>10,289,357</u>	<u>3,500</u>	<u>34,271,903</u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 2 - Deposits and Investments (continued)

Business-type activities:

Deposits and investments consist of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
Pooled cash and cash equivalents:				
Demand deposits	\$ 1,525,087	-	-	1,525,087
Total pooled cash and cash equivalents	1,525,087	-	-	1,525,087
Cash and cash equivalents:				
Demand deposits	439,692	-	-	439,692
Total cash and cash equivalents	439,692	-	-	439,692
Investments:				
Government bonds	-	479,818	-	479,818
Total investments	-	479,818	-	479,818
Total business-type activities	\$ 1,964,779	479,818	-	2,444,597

Fiduciary funds:

Deposits and investments consist of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
Pooled cash and cash equivalents:				
Demand deposits	\$ 2,224,729	-	-	2,224,729
Total pooled cash and cash equivalents	2,224,729	-	-	2,224,729
Cash and cash equivalents:				
Demand deposits	2,606,481	-	-	2,606,481
Total cash and cash equivalents	2,606,481	-	-	2,606,481
Total fiduciary funds	\$ 4,831,210	-	-	4,831,210

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, 2013

Note 2 - Deposits and Investments (continued)

Deposits

State law specifies the types of financial institutions in which the County can deposit monies. In addition, State law requires that all deposits in financial institutions be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of collateral or the furnishing of a surety bond. At June 30, 2013, all deposits of the County were fully collateralized or insured.

Investments

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

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

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 2 - Deposits and Investments (continued)

At June 30, 2013, the County had investments in US treasury bonds 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>
<i>Governmental activities:</i>					
Government bonds \$	4,927,253	-	4,927,253	-	-
WYO-STAR	5,362,104	5,362,104	-	-	-
Total	\$ 10,289,357	5,362,104	4,927,253	-	-
<i>Business-type activities:</i>					
Government bonds	479,818	-	479,818	-	-
Total	\$ 479,818	-	479,818	-	-

Interest Rate Risk

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 2 - Deposits and Investments (continued)

Credit Risk

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rate</u>	<u>Rating</u>
<i>Governmental activities:</i>				
WYO-STAR	5,362,104	Variable	Variable	Unrated
FNMA Bonds	991,400	10/17/2017	0.60%	AAA
FNMA Bonds	497,998	11/7/2017	0.65%	AAA
FNMA Bonds	492,905	11/15/2017	0.60%	AAA
FNMA Bonds	490,790	11/15/2017	0.50%	AAA
FNMA Bonds	490,225	11/29/2017	1.03%	AA+
FHLMC Bonds	492,415	1/30/2018	0.55%	AAA
FNMA Bonds	986,110	1/30/2018	0.50%	AAA
FNMA Bonds	485,410	5/15/2018	0.75%	AAA
<i>Business-type activities:</i>				
FHLMC Bonds	\$ 479,818	6/19/2018	1.00%	AAA

Concentration of Credit Risk

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

Custodial Credit Risk

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 2 - Deposits and Investments (continued)

Component units:

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

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
Cash and cash equivalents:				
Cash-on-hand	\$ -	-	254	254
Demand deposits	4,524,202	-	-	4,524,202
Certificates of deposit	126,517	-	-	126,517
Total cash and cash equivalents	<u>4,650,719</u>	<u>-</u>	<u>254</u>	<u>4,650,973</u>
Investments:				
Endowment investment pool	-	2,463,925	-	2,463,925
Total investments	<u>-</u>	<u>2,463,925</u>	<u>-</u>	<u>2,463,925</u>
Total component units	<u>\$ 4,650,719</u>	<u>2,463,925</u>	<u>254</u>	<u>7,114,898</u>

Deposits

State law specifies the types of financial institutions in which the component units can deposit monies. In addition, State law requires that all deposits in financial institutions be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of collateral or the furnishing of a surety bond. At June 30, 2013, all deposits of component units were fully collateralized or insured.

Investments

Component units manage their investment risk as follows:

Interest Rate Risk

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 2 - Deposits and Investments (continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The component units' policies for reducing exposure to credit risk are to comply with the Wyoming State statutes. At June 30, 2013, 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, 2013, 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, 2013

Note 3 - Capital Assets

Governmental activities:

Changes to capital assets are as follows:

	Balance 6/30/12	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/13
Capital assets not being depreciated:					
Land	\$ 8,014,527	-	-	-	8,014,527
Rights of way	280,440	26,400	-	-	306,840
Construction in progress	1,303,319	2,507,453	-	(1,299,405)	2,511,367
Total capital assets not being depreciated	9,598,286	2,533,853	-	(1,299,405)	10,832,734
Capital assets being depreciated:					
Buildings and improvements	42,828,776	9,651,679	-	-	52,480,455
Infrastructure	44,737,519	613,141	-	1,299,405	46,650,065
Equipment and vehicles	13,293,136	966,020	(157,238)	-	14,101,918
Total capital assets being depreciated	100,859,431	11,230,840	(157,238)	1,299,405	113,232,438
Accumulated depreciation:					
Buildings and improvements	(17,148,295)	(1,433,599)	-	-	(18,581,894)
Infrastructure	(21,598,952)	(1,615,186)	-	-	(23,214,138)
Equipment and vehicles	(6,976,159)	(927,200)	140,375	-	(7,762,984)
Total accumulated depreciation	(45,723,406)	(3,975,985)	140,375	-	(49,559,016)
Total capital assets being depreciated, net	55,136,025	7,254,855	(16,863)	1,299,405	63,673,422
Total capital assets, net	\$ 64,734,311	9,788,708	(16,863)	-	74,506,156

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 3 - Capital Assets (continued)

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

Infrastructure	\$ 2,702,120
Public safety	662,006
Community development	290,285
Parks and recreation	227,064
Administration	72,949
Health and human services	15,661
Justice	<u>5,900</u>
 Total depreciation expense	 <u>\$ 3,975,985</u>

Additions of capital assets in fiscal year 2013 include \$9,371,099 and \$1,045,677 in capital assets contributed by the Teton County Library Board (a component unit), and the Town of Jackson, respectively. See Note 14 for additional disclosures regarding these contributions.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 3 - Capital Assets (continued)

Business-type activities:

Changes to capital assets are as follows:

	Balance 6/30/12	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/13
Capital assets not being depreciated:					
Land	\$ 126,320	-	-	-	126,320
Total capital assets not being depreciated	126,320	-	-	-	126,320
Capital assets being depreciated:					
Buildings and improvements	1,018,911	13,386	-	-	1,032,297
Equipment and vehicles	745,407	65,488	-	-	810,895
Total capital assets being depreciated	1,764,318	78,874	-	-	1,843,192
Accumulated depreciation:					
Buildings and improvements	(209,118)	(78,561)	-	-	(287,679)
Equipment and vehicles	(225,659)	(72,433)	-	-	(298,092)
Total accumulated depreciation	(434,777)	(150,994)	-	-	(585,771)
Total capital assets being depreciated, net	1,329,541	(72,120)	-	-	1,257,421
Total capital assets, net	\$ 1,455,861	(72,120)	-	-	1,383,741

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 3 - Capital Assets (continued)

Component Units:

Changes to capital assets are as follows:

	Balance 6/30/12	Additions	Disposals	Transfers/ Adjustments	Balance 6/30/13
<u>County Library</u>					
Construction in progress	\$ 7,742,179	1,628,920	(9,371,099)	-	-
Buildings and improvements	649,138	-	-	-	649,138
Equipment	259,363	147,479	(21,291)	-	385,551
Accumulated depreciation	(321,131)	(53,694)	21,291	-	(353,534)
Capital assets, net	\$ <u>8,329,549</u>	<u>1,722,705</u>	<u>(9,371,099)</u>	-	<u>681,155</u>
<u>Weed and Pest</u>					
Land	\$ 702,409	-	-	-	702,409
Buildings and improvements	4,312,532	-	-	-	4,312,532
Equipment	473,910	77,031	(2,500)	-	548,441
Accumulated depreciation	(836,708)	(202,162)	1,875	-	(1,036,995)
Capital assets, net	\$ <u>4,652,143</u>	<u>(125,131)</u>	<u>(625)</u>	-	<u>4,526,387</u>
<u>Housing Authority</u>					
Land	\$ 12,556,325	81,529	(2,865)	-	12,634,989
Buildings and improvements	1,745,730	-	(513,479)	-	1,232,251
Equipment	5,196	-	-	-	5,196
Accumulated depreciation	(165,089)	(30,869)	-	-	(195,958)
Capital assets, net	\$ <u>14,142,162</u>	<u>50,660</u>	<u>(516,344)</u>	-	<u>13,676,478</u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 3 - Capital Assets (continued)

Depreciation expense was charged to the component units as follows:

Weed and Pest	\$ 202,162
County Library	53,694
Housing Authority	<u>30,869</u>
 Total depreciation expense	 <u>\$ 286,725</u>

Note 4 – Accounts Payable and Accrued Liabilities

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

Governmental activities:

Payables to contractors	\$ 1,110,922
Payroll-related liabilities	646,893
Payables to vendors	596,622
Self-insured health insurance liabilities	497,993
Retainage payable	107,009
Due to other governments	91,649
Accrued interest payable	<u>40,841</u>
 Total accounts payable and accrued liabilities	 <u>\$ 3,091,929</u>

Business-type activities:

Payables to vendors	\$ 247,900
Payroll-related liabilities	<u>23,805</u>
 Total accounts payable and accrued liabilities	 <u>\$ 271,705</u>

The County operates a self-insured employee health and dental benefit plan accounted for within the general fund. The plan provides health benefits to eligible employees and their dependents which include employees of the primary government and component units. The County has entered into reinsurance contracts (stop-loss) for this plan at \$85,000/individual. At June 30, 2013, the plan had incurred claims payable and estimated claims incurred but not reported (IBNR) of \$497,993.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 4 – Accounts Payable and Accrued Liabilities (continued)

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

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

For the year ended June 30, 2012, changes to aggregate claims liabilities were as follows:

Claims Liabilities 6/30/11	Claims Incurred and Changes in Estimates	Claims Paid	Claims Liabilities 6/30/12
\$ 327,000	3,329,000	(3,290,000)	366,000

Component units:

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

Payables to vendors	\$	267,916
Payroll-related liabilities		54,292
Payables to contractors		31,624
Security deposits		9,100
 Total accounts payable and accrued liabilities	 \$	 <u>362,932</u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 5 – Funds Held in Trust

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

Funds held by Planning and Development department	\$	1,355,216
Bonds held by County Clerk of District Court		330,976
Funds held for Snake River Sporting Club development		285,129
Funds held by County Sheriff for jail inmates		<u>24,871</u>
 Total funds held in trust	 \$	 <u><u>1,996,192</u></u>

Note 6 - Long-Term Liabilities

Governmental activities:

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

		Balance 6/30/12	Additions	Reductions	Balance 6/30/13	Due Within One Year
Bonds	\$	4,850,413	-	(453,763)	4,396,650	560,000
Notes payable		2,066,398	-	(840,820)	1,225,578	146,118
Compensated absences		739,734	384,662	(455,100)	669,296	294,490
Landfill closure liability		<u>12,700,000</u>	<u>-</u>	<u>(167,567)</u>	<u>12,532,433</u>	<u>349,500</u>
 Total long-term liabilities	 \$	 <u><u>20,356,545</u></u>	 <u><u>384,662</u></u>	 <u><u>(1,917,250)</u></u>	 <u><u>18,823,957</u></u>	 <u><u>1,350,108</u></u>

Bonds payable consist of the following:

\$4,995,000 Teton County Building Corporation Revenue Bonds dated October 2011. Payable in semi-annual installments ranging from \$185,000 to \$1,425,000 plus interest ranging from 0.75% to 2.40%, maturing July 2018. \$ 4,396,650

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 6 - Long-Term Liabilities (continued)

In October 2011, the County, as facilitated through the Teton County Building Corporation, refinanced the revenue bonds issued in 2003 with \$4,995,000 of revenue refunding bonds. The bond proceeds of the Series 2011 Bonds were applied towards refinancing the Series 2003 bonds. The bonds are secured by the assets leased to the County by the TCBC, and repayment of the bonds will be made through the lease payments made by the County to the TCBC. The difference in cash flow between the remaining cash requirements of the 2003 bonds and the 2011 bonds is approximately \$306,000. The economic gain on the refunding is approximately \$232,000.

The individual 2003 bonds were subject to call, under specified conditions, at a 1% premium for a one-year period between 2011 and 2012. The bonds were called and a premium of \$53,250 was paid. The Series 2011 Bonds may be called on July 1, 2017 or on any date thereafter at par plus accrued interest through the date of redemption.

Debt service requirements for bonds payable are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 560,000	80,023	640,023
2015	600,000	73,800	673,800
2016	625,000	65,794	690,794
2017	625,000	56,044	681,044
2018	675,000	44,387	719,387
2019	<u>1,311,650</u>	<u>17,100</u>	<u>1,328,750</u>
Total	<u>\$ 4,396,650</u>	<u>337,148</u>	<u>4,733,798</u>

All of the TCBC lease revenues are pledged as the repayment source for the bonds. The original bonds were issued for the purpose of financing the construction of multiple County buildings. Principal and interest on these bonds during 2013 amounted to approximately \$583,979 or 88% of the pledged revenue source.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 6 - Long-Term Liabilities (continued)

Notes payable consist of the following:

\$1,500,000 loan from the Wyoming Business Council with interest at 1% due in annual installments of approximately \$159,000, matures December 2020. The loan was obtained for the construction of a parking lot and restrooms at Teton Village. \$ 1,225,578

Debt service requirements for notes payable are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 146,118	12,256	158,374
2015	147,579	10,795	158,374
2016	149,055	9,319	158,374
2017	150,546	7,828	158,374
2018	152,051	6,323	158,374
2019-2022	<u>480,229</u>	<u>9,785</u>	<u>490,014</u>
Total	<u>\$ 1,225,578</u>	<u>56,306</u>	<u>1,281,884</u>

Landfill Post-closure Liability

In previous years, the County operated a landfill. This landfill was closed and replaced with a solid waste transfer station where waste is consolidated into high-volume vehicles and transported to a landfill in a neighboring county. State and federal laws and regulations require that the County place and maintain a final cover on its closed landfill and perform ongoing maintenance and monitoring functions at the landfill site for 30 years after closure. In the Statement of Net Position, a liability is recorded based on the estimated future closure and post-closure costs that will be incurred under the current maintenance and monitoring requirements as established by the state and federal governments. Expense or gain is recorded based on changes in the estimated future closure, maintenance and monitoring liability. As of June 30, 2013, the estimated remaining closure and post-closure care liability is \$12,532,433.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 6 - Long-Term Liabilities (continued)

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

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

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 6 - Long-Term Liabilities (continued)

Conduit debt:

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

\$4,308,743 loan from the Wyoming State Loan and Investment Board with interest at 2.5%, due April 2025. The loan was obtained to finance the construction of the Wilson sewer project.	\$ 2,833,308
\$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.	1,601,736
\$1,600,000 Development Revenue Bonds Series 2011 with interest at 4.03%, due August 2031. The bonds were issued to finance the construction of a building for Community Entry Services, Inc.	1,523,191
\$2,000,000 Development Revenue Bonds Series 2010 with interest at 2.92%, due November 2027. The bonds were issued to finance the construction of the Jackson Hole Community Counseling Center.	1,403,334
\$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.	384,807
\$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>118,883</u>
Total conduit debt	\$ <u><u>7,865,259</u></u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 6 - Long-Term Liabilities (continued)

Business type activities:

Changes to long-term liabilities are as follows:

	Balance 6/30/12	Additions	Reductions	Balance 6/30/13	Due Within One Year
Compensated absences	\$ 28,923	34,707	(34,346)	29,284	25,000
Total long-term liabilities	\$ 28,923	34,707	(34,346)	29,284	25,000

Component units:

Changes to long-term liabilities are as follows:

	Balance 6/30/12	Additions	Reductions	Balance 6/30/13	Due Within One Year
<u>County Library</u>					
Compensated absences	\$ 95,000	45,000	(53,000)	87,000	87,000
Total County Library	95,000	45,000	(53,000)	87,000	87,000
<u>Weed and Pest</u>					
Notes payable	2,528,735	2,358,424	(2,695,767)	2,191,392	233,233
Compensated absences	44,904	7,136	-	52,040	52,040
Total Weed and Pest	2,573,639	2,365,560	(2,695,767)	2,243,432	285,273
<u>Housing Authority</u>					
Compensated absences	7,501	10,000	(10,000)	7,501	7,501
Total Housing Authority	7,501	10,000	(10,000)	7,501	7,501
Total long-term liabilities	\$ 2,676,140	2,420,560	(2,758,767)	2,337,933	379,774

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 6 - Long-Term Liabilities (continued)

Notes payable consist of the following:

\$2,000,000 Teton County Weed and Pest Control District note dated April 2013. Interest only payments during year one, at 4.875%. Years two and three payable in monthly installments of principal and interest, interest at 4.375%. Thereafter, monthly installments of principal and interest at prime rate, with a floor interest rate of 4.875%, maturing April 2023. \$ 1,973,838

\$260,000 Teton County Weed and Pest Control District note dated April 2013. Payable in monthly installments, interest at 4.875%, maturing April 2014. 217,554

\$ 2,191,392

Debt service requirements for notes payable are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 233,233	89,167	322,400
2015	96,779	84,876	181,655
2016	100,267	81,977	182,244
2017	101,932	81,173	183,105
2018	107,086	70,040	177,126
2019-2023	<u>1,552,095</u>	<u>162,886</u>	<u>1,714,981</u>
Total	<u>\$ 2,191,392</u>	<u>570,119</u>	<u>2,761,511</u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 7 - Net Position and Fund Equities

Net position of governmental activities includes certain amounts restricted by enabling legislation. As of June 30, 2013 net position restricted by enabling legislation totaled \$1,740,925, 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 only upon authorization of the County Commissioners through a budgetary amendment in which expenditure appropriations are increased and the stabilization balance is decreased.

Note 8 – Operating Leases

The County leases office equipment under operating leases. Lease rental expenses under operating leases for the year ended June 30, 2013 was approximately \$54,000. Future minimum non-cancelable operating lease payments are approximately as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2014	\$ 54,000
2015	45,000
2016	32,000
2017	16,000
2018	<u>5,000</u>
	<u>\$ 152,000</u>

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 9 - Interfund Transfers

The County made the following interfund transfers:

<u>Purpose</u>	<u>Amount</u>	<u>Transfer in</u>	<u>Transfer out</u>
Operations	\$ 360,000	Non-Major Funds	Solid Waste Fund
Operations and capital purchases	50,000	Non-Major Funds	General Fund
Operations and capital purchases	282,420	General Fund	Non-Major Funds
Operations and capital purchases	1,258,969	Parks and Rec Fund	General Fund
Operations	108,764	Building Corporation	General Fund
Operations and capital purchases	820,704	Non-Major Funds	General Fund
Program-specific funding	352,721	General Fund	Grants Fund
Operations and capital purchases	199,202	Parks and Rec Fund	Non-Major Funds
Capital purchases	1,399,243	Capital Projects Fund	Non-Major Funds

Note 10 – Related Party Transactions

During the year, the primary government contributed general appropriations of approximately \$50,000 to the Teton County Housing Authority. The primary government also paid for contract services of approximately \$10,000 to the Teton County Weed and Pest Control District.

Additionally, certain of the County's component units pay monthly premiums to the County to participate in the County's self-insured health insurance plan. During the year, the general fund received the following approximate amounts in health insurance premiums: \$443,000 from the Teton County Library Board, \$120,000 from the Teton County Weed and Pest Control District, and \$80,000 from the Teton County Housing Authority. The County also received a contribution of capital assets of approximately \$9,371,099 from the Teton County Library, which is further described in Note 14.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

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 25th Street, Cheyenne, Wyoming 82002 or by calling 1-307-777-7691.

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

The required contribution to the Public Employees' Pension Plan (PEPP) within the System is statutorily set at 14.12% 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) within the System is statutorily set at 17.2%. County employees participating in the WLERP are required to contribute 8.6% of their annual covered salary to the System. The County contributes the remaining 8.6% of the participant's annual covered salary.

Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The County currently pays 80% of the required employees' contribution to the PEPP and 31% of the required employees' contribution to the WLERP.

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 11 - Retirement Commitments (continued)

Contributions to the System for the years ended June 30, 2013, 2012, and 2011 were as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<i>Primary Government</i>			
Employee contributions	\$ 877,425	880,888	793,078
Employer contributions	869,522	890,952	802,289
<i>County Library - Component Unit</i>			
Employee contributions	\$ 123,131	121,000	90,353
Employer contributions	125,242	123,074	91,949
<i>Weed and Pest - Component Unit</i>			
Employee contributions	\$ 34,669	29,356	26,151
Employer contributions	35,264	29,860	26,615
<i>County Fair - Component Unit</i>			
Employee contributions	\$ -	-	6,864
Employer contributions	-	-	6,987
<i>Housing Authority - Component Unit</i>			
Employee contributions	\$ 17,339	15,321	14,359
Employer contributions	17,636	15,584	14,613

Note 12 - Risk Management

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

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 13 – Commitments and Contingencies

Governmental activities:

The County has executed multiple contracts for the completion of the Highway 22 / West Broadway Pathways Project. The remaining expenditure commitment for services yet to be performed as of June 30, 2013 is approximately \$2,528,000. The total commitment amount is subject to adjustment for change orders and additional costs incurred by the contractors.

Business-type Activities:

The Integrated Solid Waste and Recycling Fund has executed a multi-year contract for the provision of solid waste handling and transportation operations. The remaining expenditure commitment for services yet to be performed as of June 30, 2013 is approximately \$2,544,000 to be incurred over fiscal years 2014 through 2016. The total commitment amount is subject to adjustment for actual transport mileage incurred by the contractor.

Component Units:

Teton County Housing Authority has entered in to a contract for architectural design services for a future affordable housing project. The remaining expenditures commitment for services yet to be performed as of June 30, 2013 is approximately \$260,000

Note 14 – Special Items

In accordance with generally accepted accounting principles, certain transactions are reported special items. These are significant transactions that are within the control of management that are either unusual in nature, or infrequent in occurrence. During 2013, the County reported the following transactions as special items:

- Capital assets of the Teton County Library Board were contributed to the County. A building addition and renovations were performed on the Jackson library branch, which is owned by the County. Upon completion, the constructed assets were contributed to the County. The effect of the transaction was recorded in the government-wide statement of activities as a \$9,371,099 contribution from component unit.

TETON COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 14 – Special Items (continued)

- The Town of Jackson contributed cash of \$4,096,422, and capital assets of \$1,045,677, for a combined total of \$5,142,099, to the County for the completion of the Highway 22 / West Broadway Pathways Project. The County established a new capital projects fund, the 2008 Pathways Specific Tax Fund, to account for the voter-approved project financed by an allocation of the special purpose excise tax. The effect of the transaction was recorded in the government-wide statement of activities as a \$5,142,099 contribution from other government.

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Required Supplementary Information

TETON COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
<u>Taxes</u>				
Sales and use taxes	\$ 11,748,732	11,748,732	12,928,453	1,179,721
Property taxes	6,113,141	6,135,579	6,234,841	99,262
Payments in lieu of property tax	1,767,740	1,767,740	2,075,947	308,207
Gasoline tax	677,000	677,000	751,320	74,320
Lodging tax	236,000	236,000	282,616	46,616
Severance tax	200,000	200,000	212,798	12,798
Motor vehicle fees	610,000	610,000	615,485	5,485
Other taxes	9,500	9,500	10,275	775
Total taxes	21,362,113	21,384,551	23,111,735	1,727,184
<u>Other Revenues</u>				
Intergovernmental	799,184	805,009	777,768	(27,241)
Charges for services	1,657,416	1,687,318	1,565,725	(121,593)
Licenses and permits	1,315,830	1,621,807	2,035,852	414,045
Miscellaneous	176,000	283,909	204,744	(79,165)
Total revenues	25,310,543	25,782,594	27,695,824	1,913,230
Expenditures:				
<u>Administration</u>				
General administration	3,573,012	3,545,102	3,271,852	273,250
County commissioners	735,152	751,728	713,380	38,348
County clerk	880,019	957,270	938,157	19,113
County treasurer	533,451	551,416	540,115	11,301
County assessor	490,967	490,967	461,850	29,117
Information systems	464,977	473,052	469,684	3,368
Facilities maintenance	910,069	920,255	865,717	54,538
Special projects	751,318	877,909	826,271	51,638
Total administration	8,338,965	8,567,699	8,087,026	480,673
<u>Community development</u>				
County planner	1,210,290	1,341,245	1,251,599	89,646
Community development	609,590	853,380	875,426	(22,046)
Total community development	1,819,880	2,194,625	2,127,025	67,600

(continued)

TETON COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Health and human services</u>				
Public and environmental health	952,551	958,992	828,696	130,296
Human services	1,056,657	1,059,686	1,038,526	21,160
County coroner	127,139	127,139	126,687	452
Agricultural extension	162,347	164,011	142,402	21,609
WIC program	44,501	45,678	41,144	4,534
Health officer	7,230	7,230	6,930	300
Special projects	108,555	108,555	98,299	10,256
Total health and human services	<u>2,458,980</u>	<u>2,471,291</u>	<u>2,282,684</u>	<u>188,607</u>
<u>Justice</u>				
County attorney	986,111	990,661	917,389	73,272
Clerk of district court	594,509	625,358	597,527	27,831
Justice court	192,338	194,842	107,718	87,124
Total justice	<u>1,772,958</u>	<u>1,810,861</u>	<u>1,622,634</u>	<u>188,227</u>
<u>Infrastructure</u>				
Road and bridge	1,528,028	1,592,539	1,466,335	126,204
County engineer	411,173	413,020	327,485	85,535
Pathways	479,624	379,624	282,014	97,610
Contributions to other governments	-	-	500	(500)
Special projects	13,000	38,047	39,539	(1,492)
Total infrastructure	<u>2,431,825</u>	<u>2,423,230</u>	<u>2,115,873</u>	<u>307,357</u>
<u>Public safety</u>				
County sheriff	4,583,068	4,711,490	4,417,772	293,718
Board of prisoners and jail	1,458,385	1,458,385	1,283,318	175,067
Emergency management	198,779	200,633	197,131	3,502
Special projects	491,600	496,708	301,261	195,447
Total public safety	<u>6,731,832</u>	<u>6,867,216</u>	<u>6,199,482</u>	<u>667,734</u>
<u>Debt Service</u>				
Principal	486,506	486,506	486,506	-
Interest and fiscal charges	64,730	64,730	64,730	-
Total debt service	<u>551,236</u>	<u>551,236</u>	<u>551,236</u>	<u>-</u>
Total expenditures	<u>24,105,676</u>	<u>24,886,158</u>	<u>22,985,960</u>	<u>1,900,198</u>
Excess of revenues over expenditures	<u>1,204,867</u>	<u>896,436</u>	<u>4,709,864</u>	<u>3,813,428</u>

(continued)

TETON COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other financing sources (uses):				
Transfer from grants fund	621,529	625,623	352,721	(272,902)
Transfer from fire / EMS fund	205,929	205,929	141,596	(64,333)
Transfer from E911 fund	140,824	140,824	140,824	-
Transfer to fire / EMS fund	(942,867)	(942,867)	(820,704)	122,163
Transfer to parks and recreation fund	(1,485,422)	(1,485,422)	(1,258,969)	226,453
Transfer to building corporation	(108,764)	(108,764)	(108,764)	-
Transfer to housing authority fund	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	<u>(1,618,771)</u>	<u>(1,614,677)</u>	<u>(1,603,296)</u>	<u>11,381</u>
Change in fund balance	\$ <u>(413,904)</u>	<u>(718,241)</u>	3,106,568	<u>3,824,809</u>
Fund balance - July 1			<u>12,080,390</u>	
Fund balance - June 30	\$		<u>15,186,958</u>	

TETON COUNTY
BUDGETARY COMPARISON SCHEDULE
PARKS AND RECREATION FUND
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 2,622,964	2,622,964	2,470,032	(152,932)
Intergovernmental	37,391	37,391	100,049	62,658
Contributions	53,615	53,615	39,264	(14,351)
Miscellaneous	1,502	1,502	12,256	10,754
	<u>2,715,472</u>	<u>2,715,472</u>	<u>2,621,601</u>	<u>(93,871)</u>
Expenditures:				
Parks and recreation	4,454,894	4,524,085	4,127,785	396,300
	<u>4,454,894</u>	<u>4,524,085</u>	<u>4,127,785</u>	<u>396,300</u>
Deficiency of revenues over expenditures	<u>(1,739,422)</u>	<u>(1,808,613)</u>	<u>(1,506,184)</u>	<u>302,429</u>
Other financing sources:				
Transfer from lodging tax fund	254,000	254,000	199,202	(54,798)
Transfer from general fund	1,485,422	1,485,422	1,258,969	(226,453)
	<u>1,739,422</u>	<u>1,739,422</u>	<u>1,458,171</u>	<u>(281,251)</u>
Change in fund balance	<u>\$ -</u>	<u>(69,191)</u>	<u>(48,013)</u>	<u>21,178</u>
Fund balance - July 1			<u>312,608</u>	
Fund balance - June 30			<u>\$ 264,595</u>	

TETON COUNTY
BUDGETARY COMPARISON SCHEDULE
GRANTS FUND
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 1,164,007	2,566,335	1,337,678	(1,228,657)
Total revenues	<u>1,164,007</u>	<u>2,566,335</u>	<u>1,337,678</u>	<u>(1,228,657)</u>
Expenditures:				
Infrastructure	-	235,000	-	235,000
Community development	78,618	259,528	174,546	84,982
Public safety	267,015	707,440	354,433	353,007
Health and human services	82,490	283,544	199,769	83,775
Parks and recreation	-	175,000	-	175,000
Administration	315,876	373,875	254,762	119,113
Total expenditures	<u>743,999</u>	<u>2,034,387</u>	<u>983,510</u>	<u>1,050,877</u>
Excess of revenues over expenditures	<u>420,008</u>	<u>531,948</u>	<u>354,168</u>	<u>(177,780)</u>
Other financing uses:				
Transfer to general fund	<u>(520,008)</u>	<u>(531,948)</u>	<u>(352,721)</u>	<u>179,227</u>
Total other financing uses	<u>(520,008)</u>	<u>(531,948)</u>	<u>(352,721)</u>	<u>179,227</u>
Change in fund balance	<u>\$ (100,000)</u>	<u>-</u>	1,447	<u>1,447</u>
Fund balance - July 1			<u>7,069</u>	
Fund balance - June 30			<u>\$ 8,516</u>	

TETON COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2013

Budget Presentation

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

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

Budget Adoption and Monitoring

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

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

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

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

Budgetary Compliance

For the year ended June 30, 2013, the County was compliant with all budgets, with no departments or funds exceeding budgeted expenditures.

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Supplementary Information

TETON COUNTY
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2013

Special Revenue Funds							
	Special Fire	Fire/EMS	Enhanced 911	Housing Authority	Roads	Lodging Tax	County Fair
Assets:							
Pooled cash and cash equivalents	\$ 1,739,127	706,652	1,043,840	2,132,935	2,060,554	670,307	289,726
Cash and cash equivalents	-	-	-	-	-	-	4,914
Accounts receivable	-	156,658	50,406	-	-	-	-
Taxes receivable	381,719	-	-	-	-	-	629,810
Due from other governments	202,511	-	-	-	46,627	132,686	8,483
Due from other funds	-	13,704	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	30,666
Total assets	\$ 2,323,357	877,014	1,094,246	2,132,935	2,107,181	802,993	963,599
Liabilities:							
Accounts payable and accrued liabilities	\$ 128,946	76,109	2,909	-	256	384	34,296
Due to other funds	-	16,947	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	51,227
Total liabilities	128,946	93,056	2,909	-	256	384	85,523
Deferred inflows of resources:							
Revenues for future periods	378,247	-	-	-	-	-	627,205
Total deferred inflows of resources	378,247	-	-	-	-	-	627,205
Fund balances:							
Nonspendable:							
Prepaid expenses	-	-	-	-	-	-	30,666
Restricted for:							
Capital projects	-	-	-	2,132,935	-	-	-
Infrastructure	-	-	-	-	2,106,925	-	-
Public safety	1,816,164	-	1,091,337	-	-	-	-
Community development	-	-	-	-	-	802,609	-
Committed for:							
Capital projects	-	-	-	-	-	-	-
Public safety	-	783,958	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	220,205
Total fund balances	1,816,164	783,958	1,091,337	2,132,935	2,106,925	802,609	250,871
Total liabilities, deferred inflows of resources and fund balances	\$ 2,323,357	877,014	1,094,246	2,132,935	2,107,181	802,993	963,599

TETON COUNTY
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 June 30, 2013

Capital Projects Funds									Total Non-major Governmental Funds
2006 Pathways Specific Tax Fund	2006 Daycare Specific Tax Fund	2006 Trash Transfer Specific Tax Fund	2008 Pathways Specific Tax Fund	2010 Pathways Specific Tax Fund	2010 Wilson Specific Tax Fund	2010 Parks & Recreation Specific Tax Fund	2010 County Fair Specific Tax Fund	2012 Landfill Closure Specific Tax Fund	
-	1,234,024	1,370,196	-	127,003	139,380	232,529	344,575	211,992	12,302,840
-	-	-	-	-	-	-	-	-	4,914
-	-	-	-	-	-	-	-	-	207,064
-	-	-	-	-	-	-	-	-	1,011,529
-	-	-	4,096,422	-	-	26,753	241,194	-	4,754,676
-	-	-	-	-	-	-	-	-	13,704
-	-	-	-	-	-	-	-	-	30,666
<u>-</u>	<u>1,234,024</u>	<u>1,370,196</u>	<u>4,096,422</u>	<u>127,003</u>	<u>139,380</u>	<u>259,282</u>	<u>585,769</u>	<u>211,992</u>	<u>18,325,393</u>
-	-	-	1,198,101	-	2,172	-	-	18,918	1,462,091
-	-	-	-	-	-	-	-	-	16,947
-	-	-	-	-	-	-	-	-	51,227
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,198,101</u>	<u>-</u>	<u>2,172</u>	<u>-</u>	<u>-</u>	<u>18,918</u>	<u>1,530,265</u>
-	-	-	-	-	-	-	-	-	1,005,452
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,005,452</u>
-	-	-	-	-	-	-	-	-	30,666
-	1,234,024	1,370,196	2,898,321	127,003	137,208	259,282	585,769	-	8,744,738
-	-	-	-	-	-	-	-	-	2,106,925
-	-	-	-	-	-	-	-	-	2,907,501
-	-	-	-	-	-	-	-	-	802,609
-	-	-	-	-	-	-	-	193,074	193,074
-	-	-	-	-	-	-	-	-	783,958
-	-	-	-	-	-	-	-	-	220,205
<u>-</u>	<u>1,234,024</u>	<u>1,370,196</u>	<u>2,898,321</u>	<u>127,003</u>	<u>137,208</u>	<u>259,282</u>	<u>585,769</u>	<u>193,074</u>	<u>15,789,676</u>
<u>-</u>	<u>1,234,024</u>	<u>1,370,196</u>	<u>4,096,422</u>	<u>127,003</u>	<u>139,380</u>	<u>259,282</u>	<u>585,769</u>	<u>211,992</u>	<u>18,325,393</u>

TETON COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

Special Revenue Funds							
	Special Fire	Fire/EMS	Enhanced 911	Housing Authority	Roads	Lodging Tax	County Fair
Revenues:							
Taxes	\$ 437,932	-	-	-	377,094	847,848	360,621
Intergovernmental	104,811	-	-	-	207,857	-	-
Charges for services	253,875	1,010,275	280,728	1,431,503	67,000	-	426,786
Contributions	500	80,261	-	-	-	-	101
Miscellaneous	136,105	140,000	2,296	1,563	5,031	1,542	6,537
Total revenues	<u>933,223</u>	<u>1,230,536</u>	<u>283,024</u>	<u>1,433,066</u>	<u>656,982</u>	<u>849,390</u>	<u>794,045</u>
Expenditures:							
Community development	-	-	-	50,000	-	-	-
Infrastructure	-	-	-	-	698,865	339,000	-
Parks and recreation	-	-	-	-	-	9,893	787,784
Public safety	760,672	2,480,386	65,044	-	-	-	-
Total expenditures	<u>760,672</u>	<u>2,480,386</u>	<u>65,044</u>	<u>50,000</u>	<u>698,865</u>	<u>348,893</u>	<u>787,784</u>
Excess (deficiency) of revenues over expenditures	<u>172,551</u>	<u>(1,249,850)</u>	<u>217,980</u>	<u>1,383,066</u>	<u>(41,883)</u>	<u>500,497</u>	<u>6,261</u>
Other financing sources (uses):							
Special item - contribution from other government	-	-	-	-	-	-	-
Transfers in (out)	-	679,108	(140,824)	50,000	-	(199,202)	-
Total other financing sources (uses)	<u>-</u>	<u>679,108</u>	<u>(140,824)</u>	<u>50,000</u>	<u>-</u>	<u>(199,202)</u>	<u>-</u>
Change in fund balance	172,551	(570,742)	77,156	1,433,066	(41,883)	301,295	6,261
Fund balance - July 1	<u>1,643,613</u>	<u>1,354,700</u>	<u>1,014,181</u>	<u>699,869</u>	<u>2,148,808</u>	<u>501,314</u>	<u>244,610</u>
Fund balance - June 30	<u>\$ 1,816,164</u>	<u>783,958</u>	<u>1,091,337</u>	<u>2,132,935</u>	<u>2,106,925</u>	<u>802,609</u>	<u>250,871</u>

TETON COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013

Capital Projects Funds									
2006 Pathways Specific Tax Fund	2006 Daycare Specific Tax Fund	2006 Trash Transfer Specific Tax Fund	2008 Pathways Specific Tax Fund	2010 Pathways Specific Tax Fund	2010 Wilson Specific Tax Fund	2010 Parks & Recreation Specific Tax Fund	2010 County Fair Specific Tax Fund	2012 Landfill Closure Specific Tax Fund	Total Non-major Governmental Funds
-	-	-	-	-	149,140	126,552	580,576	-	2,879,763
-	-	-	-	-	-	-	-	-	312,668
-	-	-	-	-	-	-	-	-	3,470,167
-	-	-	-	-	-	-	-	-	80,862
4	4,150	3,149	-	145	101	429	-	641	301,693
4	4,150	3,149	-	145	149,241	126,981	580,576	641	7,045,153
-	-	-	-	-	-	-	-	-	50,000
31,540	-	10,400	1,198,101	1,841	-	-	-	167,567	2,447,314
-	-	-	-	-	51,760	80,971	36,414	-	966,822
-	-	-	-	-	-	-	-	-	3,306,102
31,540	-	10,400	1,198,101	1,841	51,760	80,971	36,414	167,567	6,770,238
(31,536)	4,150	(7,251)	(1,198,101)	(1,696)	97,481	46,010	544,162	(166,926)	274,915
-	-	-	4,096,422	-	-	-	-	-	4,096,422
-	(1,399,243)	-	-	-	-	-	-	360,000	(650,161)
-	(1,399,243)	-	4,096,422	-	-	-	-	360,000	3,446,261
(31,536)	(1,395,093)	(7,251)	2,898,321	(1,696)	97,481	46,010	544,162	193,074	3,721,176
31,536	2,629,117	1,377,447	-	128,699	39,727	213,272	41,607	-	12,068,500
-	1,234,024	1,370,196	2,898,321	127,003	137,208	259,282	585,769	193,074	15,789,676

TETON COUNTY
COMBINING STATEMENT OF NET POSITION
TETON COUNTY LIBRARY AND TETON COUNTY LIBRARY FOUNDATION
June 30, 2013

	Teton County Library	Teton County Library Foundation	Total Teton County Library
	<u>Library</u>	<u>Foundation</u>	<u>Library</u>
Assets:			
Cash and cash equivalents	\$ 1,815,057	452,513	2,267,570
Investments	-	2,463,925	2,463,925
Accounts receivable	-	12,194	12,194
Taxes receivable	3,301,177	-	3,301,177
Other receivables	83	40,025	40,108
Due from other governments	587	-	587
Inventory	624	-	624
Capital assets	1,034,689	-	1,034,689
Accumulated depreciation	(353,534)	-	(353,534)
Total assets	<u>\$ 5,798,683</u>	<u>2,968,657</u>	<u>8,767,340</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 95,483	21,657	117,140
Long-term liabilities:			
Due within one year	<u>87,000</u>	<u>-</u>	<u>87,000</u>
Total liabilities	<u>182,483</u>	<u>21,657</u>	<u>204,140</u>
Deferred inflows of resources:			
Revenues for future periods	<u>2,963,000</u>	<u>-</u>	<u>2,963,000</u>
Total deferred inflows of resources	<u>2,963,000</u>	<u>-</u>	<u>2,963,000</u>
Net position:			
Invested in capital assets, net of related debt	681,155	-	681,155
Restricted for capital projects	583,569	-	583,569
Restricted for permanent endowment - non expendable	-	2,469,472	2,469,472
Unrestricted	<u>1,388,476</u>	<u>477,528</u>	<u>1,866,004</u>
Total net position	<u>\$ 2,653,200</u>	<u>2,947,000</u>	<u>5,600,200</u>

TETON COUNTY
COMBINING STATEMENT OF ACTIVITIES
TETON COUNTY LIBRARY AND TETON COUNTY LIBRARY FOUNDATION
Year Ended June 30, 2013

	<u>Teton County Library</u>	<u>Teton County Library Foundation</u>	<u>Total Teton County Library</u>
Expenses	\$ 3,280,994	510,766	3,791,760
Program revenues:			
Charges for services	43,642	-	43,642
Operating grants and contributions	3,455	887,347	890,802
Total program revenues	47,097	887,347	934,444
Net (expenses) revenues	(3,233,897)	376,581	(2,857,316)
General revenues:			
Sales and use taxes	3,371,219	-	3,371,219
Property taxes	2,991,650	-	2,991,650
Investment income	5,420	233,326	238,746
Miscellaneous	1,547	25	1,572
Special item - contribution to primary government	(9,371,099)	-	(9,371,099)
Inter-entity contributions	265,442	(265,442)	-
Total general revenues and special item	(2,735,821)	(32,091)	(2,767,912)
Change in net position	(5,969,718)	344,490	(5,625,228)
Net position – beginning	8,622,918	2,602,510	11,225,428
Net position – ending	\$ 2,653,200	2,947,000	5,600,200

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Teton County Court Supervised Treatment Program
Required Financial Reporting

TETON COUNTY COURT SUPERVISED TREATMENT PROGRAM
SCHEDULE OF FINANCIAL POSITION
June 30, 2013

Assets:		
Accounts receivable	\$	<u>7,748</u>
Total assets	\$	<u><u>7,748</u></u>
Liabilities:		
Payable to general fund pooled cash	\$	6,270
Accounts payable		<u>1,478</u>
Total liabilities		<u>7,748</u>
Fund balance		<u>-</u>
Total liabilities and fund balance	\$	<u><u>7,748</u></u>

TETON COUNTY COURT SUPERVISED TREATMENT PROGRAM
SCHEDULE OF ACTIVITIES AND FUNCTIONAL EXPENSES
Year Ended June 30, 2013

Revenues:

State grants	\$ 79,136
Contributions from Teton County	45,066
Contributions from Town of Jackson	<u>30,772</u>
 Total revenues	 <u>154,974</u>

Expenses:

Administrative	72,001
Treatment and supervision	56,712
Travel and training	<u>26,261</u>
 Total expenses	 <u>154,974</u>

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

TETON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Contract Number	Expenditures
<u>U.S. Department of Agriculture (USDA)</u>			
Direct Program:			
Schools and Roads Cluster:			
Secure Rural Schools - Title I	10.665	None	<u>798,577</u>
Total Schools and Roads Cluster			798,577
Passed through Wyoming Department of Health:			
Special Supplemental Nutrition Program For WIC	10.557	None	41,144
Passed through Wyoming State Forestry Division:			
Snake River Ranch Wildfire Reduction & Mitigation	10.664	11-DG-11046000-619	<u>92,250</u>
Total USDA			<u>931,971</u>
<u>U.S. Department of Interior (DOI)</u>			
Passed through Wyoming Department of State Parks:			
SHPO - Teton County Historic Preservation Website & Surveys	15.904	None	2,700
SHPO - Teton County Historic Motels/Hotels Context	15.904	None	6,650
LWCF - Alta Park Playground	15.916	None	<u>10,000</u>
Total DOI			<u>19,350</u>
<u>U.S. Department of Justice (DOJ)</u>			
Direct Program:			
DUI/Drug Court Program Enhancement	16.585	2009-DC-BX-0032	22,207
Drug Court - Mental Health Collaboration	16.585	2009-MO-BX-0029	24,522
Passed through Volunteers of America Northern Rockies:			
Juvenile Justice Delinquency Prevention	16.540	2009-JF-FX-K126	183
Passed through Wyoming Department of Family Services:			
Title V Community Prevention	16.548	None	18,753
Passed through Wyoming Sherriff's Association:			
Enforce Underage Drinking Laws 2012	16.727	None	8,653
Enforce Underage Drinking Laws 2013	16.727	None	<u>8,515</u>
Total DOJ			<u>82,833</u>
<u>U.S. Department of Transportation (DOT)</u>			
Passed through Wyoming Department of Transportation:			
Highway Safety Cluster:			
Bureau of Justice Assistance - DUI/Speed 2012	20.600	402 FY2012	6,479
Bureau of Justice Assistance - DUI/Speed 2013	20.600	402-410 FY2013	<u>8,099</u>
Total Highway Safety Cluster			14,578

TETON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA No.	Contract Number	Expenditures
Passed through Wyoming Department of State Parks: Trail Grooming Grant	20.219	NRT#1219	23,991
Total DOT			<u>38,569</u>
<u>U.S. Department of Health and Human Services (HHS)</u>			
Passed through Wyoming Department of Family Services: Temporary Assistance For Needy Families Cluster:			
Temporary Assistance for Needy Families - HS (Climb) 2012	93.558	None	9,554
Temporary Assistance for Needy Families - HS (Climb) 2013	93.558	None	74,761
Temporary Assistance for Needy Families - PH 2012	93.558	None	7,993
Temporary Assistance for Needy Families - PH 2013	93.558	None	21,281
Total Temporary Assistance for Needy Families Cluster			<u>113,589</u>
Passed through Wyoming Department of Health:			
All Hazards - 2012	93.069	None	28,721
All Hazards - 2013	93.069	None	50,878
All Hazards - CHO 2012	93.069	None	2,000
All Hazards - CHO 2013	93.069	None	10,000
Community Services Block Cluster:			
WY Rural & Frontier Health CSBG Tripartite	93.569	CSBG.TTN1316	43,533
WY Rural & Frontier Health CSBG Tripartite	93.569	CSBG.TTN1212	12,500
Total Community Services Block Cluster			<u>56,033</u>
Total HHS			<u>261,221</u>
<u>U.S. Department of Homeland Security (DHS)</u>			
Passed through Wyoming Office of Homeland Security: Homeland Security Cluster:			
FY2010 Law Enforcement (LETPA) - SO	97.067	10-GPD-TET-LS-HLE10	15,990
FY2010 Citizen Corps Program (CCP)	97.067	10-GPD-TET-CC-HCC10	1,909
FY2010 Homeland Security (HSGP)	97.067	10-GPD-TET-SC-HSG10	101,401
FY2011 Law Enforcement (LETPA) - SO	97.067	11-GPD-TET-LS-HLE11	7,493
FY2011 Homeland Security (HSGP)	97.067	11-GPD-TET-SC-HSG11	46,841
FY2011 Fire/EMS Regional Response Team	97.067	11-GPD-RR8-RR-HRT11	47,878
FY2011 Citizen Corps Program (CCP)	97.067	11-GPD-TET-CC-HCC11	42
FY2012 Fire/EMS Regional Response Team	97.067	12-GPD-RR8-RR-HRT12	68,595
Total Homeland Security Cluster			<u>290,149</u>
FY2010 Emergency Communications (IECGP)	97.055	10-GPD-TET-IE-CGP10	5,947
FY2012 EMPG	97.042	12-GPD-TET-EM-GCF12	30,000
Total DHS			<u>326,096</u>
Total Expenditures of Federal Awards			<u>\$ 1,660,040</u>

TETON COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2013

Note 1 – Purpose of the Schedule

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

Note 2 – Significant Accounting Policies

Basis of Accounting

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

CFDA Numbers

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

Major Programs

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

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

To the Board of County Commissioners
Teton County
Jackson, Wyoming

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Teton County, Wyoming (the County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 7, 2013. Our report includes a reference to other auditors who audited the financial statements of Teton County Weed and Pest Control District (a discretely presented component unit), and Teton County Building Corporation (a blended component unit), as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 13-01 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Teton County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JONES SIMKINS LLC
Logan, Utah
November 7, 2013



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

To the Board of County Commissioners
Teton County
Jackson, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Teton County, Wyoming's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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

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

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



JONES SIMKINS LLC
Logan, Utah
November 7, 2013

TETON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

A. Summary of Auditors' Results

1.	Type of Report issued:	Unmodified
2.	Internal control over financial reporting: Material weaknesses identified:	No
	Significant deficiencies identified that were not considered to be material weaknesses:	Yes-1
3.	Non-compliance material to financial statements noted:	No
4.	Internal control over major programs: Material weaknesses identified:	No
	Significant deficiencies identified that were not considered to be material weaknesses:	No
5.	Type of auditor's report issued on compliance for major programs:	Unmodified
6.	Any audit findings disclosed that are required to be reported in accordance with section 510(d) of Circular A-133:	None
7.	Federal programs tested as major programs:	Schools and Roads Cluster CFDA # 10.665 Cooperative Forestry Assistance CFDA # 10.664
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, 2013

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

Finding 13-01

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

Criteria: Internal control standards adopted by the GAO expect that the individuals charged with governance of an organization 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 absence of certain expected elements of the internal control system did not result in any identified fraud or material misstatement of the financial statements. However, the County is subject to a certain level risk of material misstatement in the financial statements due to the lack of certain elements of internal control.

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

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

TETON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2013

- 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, 2013

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, 2013

Teton County respectfully submits the following corrective action plan for the year ended June 30, 2013:

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

Findings – Financial Statement Audit

Response to finding 13-01

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