



Carbon County, Wyoming

Financial Statements
and Supplemental Information

For the Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND
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ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

54-55



INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
Carbon County, Wyoming
Rawlins, Wyoming

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carbon County, Wyoming, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Carbon County, Wyoming, as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 16 to the financial statements, the County recorded prior period adjustments to record fixed assets and to remove the Weed & Pest Control District from the County's financial statements. The results of these restatements are described in Note 16.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information on pages 4 through 9 and 41 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carbon County, Wyoming's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the



auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2017, on our consideration of Carbon County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carbon County, Wyoming's internal control over financial reporting and compliance.

Anton Collins Mitchell LLP

Laramie, Wyoming
December 13, 2017

CARBON COUNTY, WYOMING

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2017

As management of Carbon County, we offer readers of the Carbon County financial statements this narrative overview and analysis of the financial activities of Carbon County for the fiscal year ended June 30, 2017.

Financial Highlights

- \$ The assets of Carbon County exceeded its liabilities at the close of the most recent fiscal year by \$56,931,972 (*net position*). Of this amount, \$7,487,127 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- \$ At the end of the current fiscal year, the Carbon County general fund reported \$8,174,492 *available for spending* at the government's discretion (*unassigned fund balance*) and \$7,178,704 reserved for future funding requirements.
- \$ Last fiscal year (FY 2015-2016) the County received \$11,936,113 in property taxes. For the fiscal year ending on June 30, 2017 the County received \$7,985,446 in property taxes noting a decrease of \$3,950,667. Overall, total revenues decreased by \$3,625,980.
- \$ The County's valuation for the fiscal year ending June 30, 2017 decreased to \$591,549,575 from the fiscal year ending June 30, 2016 of \$834,521,908, a decrease of \$242,972,333. The decrease is mainly due to the decrease in oil and gas production.

Overview of the Financial Statements

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

This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the Carbon County assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Carbon County is improving or deteriorating.

CARBON COUNTY, WYOMING

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2017

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and grants. The government activities of the County include general government, public safety, highways and streets (county roads), health and welfare, and culture and recreation.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Government Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term *inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund. Data from other nonmajor funds are combined into a single, aggregated presentation.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

CARBON COUNTY, WYOMING

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2017

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Carbon County’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary funds financial statements can be found on pages 16 and 17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 40 of this report.

Other information. Due to the County’s implementation of Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments*, comparative analysis of government-wide data for the preceding fiscal year and current fiscal year is included in this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the County, net position reflects its investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Carbon County’s Net Position

	Governmental Activities		Fiduciary-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other assets	\$ 17,634,946	\$ 17,849,685	\$ 12,975,730	\$ 11,813,613	\$ 30,610,676	\$ 29,663,298
Capital assets	49,441,388	50,836,692	-	-	49,441,388	50,836,692
Deferred outflows	2,067,564	2,705,160	-	-	2,067,564	2,705,160
Total assets and deferred outflows	69,143,898	71,391,537	12,975,730	11,813,613	82,119,628	83,205,150
Long-term liabilities outstanding	10,615,500	11,766,093	-	-	10,615,500	11,766,093
Other liabilities	1,087,559	995,431	11,448,449	10,549,025	12,536,008	11,544,456
Total liabilities	11,703,059	12,761,524	11,448,449	10,549,025	23,151,508	23,310,549
Deferred inflows	508,867	192,817	-	-	508,867	192,817
Net position:						
Invested in capital assets, net of related debt	45,480,906	46,178,402	-	-	45,480,906	46,178,402
Restricted	3,963,939	4,081,085	1,527,281	1,264,588	5,491,220	5,345,673
Unrestricted	7,487,127	8,177,709	-	-	7,487,127	8,177,709
Total net position	\$ 56,931,972	\$ 58,437,196	\$ 1,527,281	\$ 1,264,588	\$ 58,459,253	\$ 59,701,784

CARBON COUNTY, WYOMING

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2017

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$56,931,972 at the close of the most recent fiscal year. By far the largest portion of the County's net position reflects its net investment of \$45,480,906 in capital assets (for example, land, buildings, infrastructure, machinery and equipment), net of related debt used to acquire those assets and that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The remaining balance of unrestricted net position in all County funds of \$7,487,127 may be used to meet the government's ongoing obligations to citizens and creditors. Specific expenditure restrictions apply to specific revenue funds and to the capital project funds.

At June 30, 2017, the County is able to report positive balances in both categories of net position for the government as a whole and for fiduciary-type activities.

Carbon County Changes in Net Income

	Governmental Activities		Fiduciary-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,039,797	\$ 1,468,417	\$ -	\$ -	\$ 2,039,797	\$ 1,468,417
Operating Grants and Contributions	2,842,974	3,140,254	114,869	114,743	2,957,843	3,254,997
General Revenues:						
Property Taxes	7,985,446	11,936,113	-	-	7,985,446	11,936,113
Sales Taxes	1,728,303	2,129,992	-	-	1,728,303	2,129,992
Other Taxes	2,206,676	1,871,469	-	-	2,206,676	1,871,469
Payment in Lieu of Taxes	1,411,472	1,470,127	-	-	1,411,472	1,470,127
Other Revenues	682,135	506,411	214,767	7,363	896,902	513,774
Total Revenues	\$ 18,896,803	\$ 22,522,783	\$ 329,636	\$ 122,106	\$ 19,226,439	\$ 22,644,889

CARBON COUNTY, WYOMING

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2017

	Governmental Activities		Fiduciary-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Expenses:						
General Government	\$ 8,986,928	\$ 8,071,882	\$ -	\$ -	\$ 8,986,928	\$ 8,071,882
Public Safety	4,610,965	4,903,929	-	-	4,610,965	4,903,929
Public Works	1,588,004	2,913,779	-	-	1,588,004	2,913,779
Health, Welfare and Recreation	428,498	972,963	-	-	428,498	972,963
	1,468,261	1,962,765	-	-	1,468,261	1,962,765
Non-departmental	2,395,085	2,380,113			2,395,085	2,380,113
Interest on Long Term Debt	72,730	153,310	-	-	72,730	153,310
Admin Fees	-	-	3,180	2,813	3,180	2,813
Participant Withdrawal	-	-	63,763	69,109	63,763	69,109
Total Expenses	19,550,471	21,358,741	66,943	71,922	19,617,414	21,430,663
Total General Revenues:	18,896,803	22,522,783	329,636	122,106	19,226,439	22,644,889
Changes in Net Position	(653,668)	1,164,042	262,693	50,184	(390,975)	1,214,226
Net Position - beginning , as restated	57,585,640	57,273,154	1,264,588	1,214,404	58,850,228	58,487,558
Net Position - ending	\$ 56,931,972	\$ 58,437,196	\$ 1,527,281	\$ 1,264,588	\$ 58,459,253	\$ 59,701,784

Analysis of Changes in Net Position

The County's net position decreased by \$653,668 during the current fiscal year. The County also recorded an adjustment to beginning net position during the current fiscal year, as described in Note 16. The FY 2015-2016 amount was \$58,437,196 as compared to our current year-end amount of \$56,931,972.

Budgetary Highlights

The significant highlight of the fiscal year 2016-2017 was the decrease in assessed valuation explained above which resulted in a decrease in property tax collections.

Capital Assets and Debt Administration

Capital assets and debt administration are discussed in Notes 4 and 5 to financial statements in detail. A summary follows:

<u>Capital Assets</u>	<u>Governmental Activities</u>
Land & construction in progress	\$ 2,141,854
Capital assets being depreciated	110,433,765
Accumulated depreciation	<u>(63,134,231)</u>
Net capital assets	<u>\$ 49,441,388</u>
Long-term debt	<u>\$ 3,960,482</u>

CARBON COUNTY, WYOMING

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2017

Economic Factors and Next Year's Budget

The continuing lack of gas and oil production as well as numerous additional oil and gas company bankruptcies has greatly affected the County's budget and fiscal outlook. There are other wind projects on the horizon as well as likely transmission lines which could bring additional revenue to the County in future years. As infrastructure, equipment and vehicles continue to age and employees continue not to receive raises it is becoming increasingly difficult to prioritize needs of the county.

Payment in Lieu of Taxes (PILT) funding was approved for two years. However, it is a reduced amount from past years and there is still no guarantee of payment in the future.

The county continues to wonder whether or not the legislature will decide not to reimburse the County for salaries paid in the County Attorney's Office. The law was changed and the legislature could decide to cease this reimbursement at any time.

The WY Department of Transportation alerted counties to an increase in required matching funds for road projects which will continue hinder the County's ability to fund the match on future projects.

Requests for Information

The financial report is designed to provide a general overview of Carbon County finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Carbon County, Office of the County Clerk, P.O. Box 6, Rawlins, WY 82301 or Carbon County, Office of the Treasurer, P.O. Box 7, Rawlins, WY 82301.

CARBON COUNTY, WYOMING

STATEMENT OF NET POSITION

June 30, 2017

ASSETS

Cash and cash equivalents (Note 3)	\$	5,442,111
Investments (Note 3)		11,043,634
Receivables:		
Taxes		739,735
Accounts		370
Other		40,836
Due from other governments		172,672
Prepaid expenses		195,368
Inventory		220
Capital assets (Note 4)		
Land		2,099,347
Infrastructure		49,268,491
Buildings and improvements		45,525,885
Equipment		15,639,389
Construction in progress		42,507
Accumulated depreciation		(63,134,231)
Total Assets		<u>67,076,334</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources related to pensions (Note 6)		<u>2,067,564</u>
Total Assets and Deferred Outflows of Resources	\$	<u><u>69,143,898</u></u>

LIABILITIES

Accounts payable	\$	410,799
Claims payable		290,000
Accrued payroll		7,454
Accrued compensated absences (Note 5)		373,396
Accrued interest payable		5,910
Capital lease payable - current (Note 5)		775,233
Non-current liabilities		
Capital lease payable - long-term (Note 5)		3,185,249
Aggregate net pension liability (Note 6)		6,655,018
Total Liabilities		<u>11,703,059</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources related to pensions (Note 6)		<u>508,867</u>
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NET POSITION

Invested in capital assets, net of related debt		45,480,906
Restricted		3,963,939
Unrestricted		7,487,127
Total Net Position	\$	<u><u>56,931,972</u></u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Functions/Programs				
Governmental activities				
General government	\$ 8,986,928	\$ 1,632,551	\$ 1,117,518	\$ (6,236,859)
Public safety	4,610,965	243,991	520,789	(3,846,185)
Highways and streets	1,588,004	2,690	301,119	(1,284,195)
Health and welfare	428,498	65,660	360,933	(1,905)
Culture and recreation	1,468,261	94,905	542,615	(830,741)
Interest	72,730	-	-	(72,730)
Depreciation - unallocated	2,395,085	-	-	(2,395,085)
Total governmental activities	\$ 19,550,471	\$ 2,039,797	\$ 2,842,974	\$ (14,667,700)
General Revenues				
Property taxes				\$ 7,985,446
Sales taxes				1,728,303
Other taxes				2,206,676
Interest and investment revenue				226,354
Other				455,781
Payment in lieu of taxes				1,411,472
Total general revenues				14,014,032
Change in net position				(653,668)
Net position, beginning, as restated (Note 16)				57,585,640
Net position - end of year				\$ 56,931,972

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2017

	<u>General Fund</u>	<u>Nonmajor - Special Revenue Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and temporary investments	\$ 4,533,977	\$ 908,134	\$ 5,442,111
Investments	10,916,475	127,159	11,043,634
Receivables:			
Accounts receivable	-	370	370
Taxes	185,662	15,313	200,975
Interest	40,836	-	40,836
Due from other governments	172,672	-	172,672
Prepaid expenses	195,368	-	195,368
Inventory	-	220	220
Total Assets	<u>\$ 16,044,990</u>	<u>\$ 1,051,196</u>	<u>\$ 17,096,186</u>
LIABILITIES			
Accounts payable	\$ 401,794	\$ 9,005	\$ 410,799
Claims payable	290,000	-	290,000
Accrued payroll	-	7,454	7,454
Total Liabilities	<u>691,794</u>	<u>16,459</u>	<u>708,253</u>
FUND BALANCES			
Fund balances			
Nonspendable	594,538	15,903	610,441
Restricted	3,963,939	-	3,963,939
Committed	638,632	-	638,632
Assigned	1,981,595	1,018,834	3,000,429
Unassigned - undesignated	8,174,492	-	8,174,492
Total Fund Balances	<u>15,353,196</u>	<u>1,034,737</u>	<u>16,387,933</u>
Total Liabilities and Fund Balances	<u>\$ 16,044,990</u>	<u>\$ 1,051,196</u>	<u>\$ 17,096,186</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

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

June 30, 2017

Total fund balances - governmental funds \$ 16,387,933

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 as assets in governmental funds.

Cost of capital assets	112,575,619	
Less accumulated depreciation	<u>(63,134,231)</u>	49,441,388

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

Aggregate deferred outflows and inflows related to pensions		1,558,697
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Governmental leases payable	(3,960,482)	
Compensated absences	(373,396)	
Accrued interest on long-term debt	(5,910)	
Aggregate net pension liability	<u>(6,655,018)</u>	(10,994,806)

Long-term receivables applicable to governmental activities are not due and collectible in the current period and therefore are not reported in fund balance in the governmental funds.

Taxes and other receivables		<u>538,760</u>
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Total net position - statement of net position (governmental activities) \$ 56,931,972

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2017

	Governmental Funds		Total Governmental Funds
	General Fund	Nonmajor - Special Revenue Funds	
REVENUES			
Taxes	\$ 11,653,266	\$ 335,033	\$ 11,988,299
Licenses and permits	673,859	-	673,859
Intergovernmental	3,152,203	-	3,152,203
Charges for services	1,080,793	-	1,080,793
Program revenue	1,242,132	299,629	1,541,761
Interest	218,949	7,405	226,354
Miscellaneous	292,915	51,406	344,321
Total revenues	<u>18,314,117</u>	<u>693,473</u>	<u>19,007,590</u>
EXPENDITURES			
Current:			
General government	10,123,424	-	10,123,424
Public safety	4,654,661	-	4,654,661
Highways and streets	1,601,489	-	1,601,489
Health and welfare	427,189	-	427,189
Culture and recreation	94,367	881,519	975,886
Total expenditures	<u>16,901,130</u>	<u>881,519</u>	<u>17,782,649</u>
Excess (deficiency) of revenues over expenditures	1,412,987	(188,046)	1,224,941
Fund balance, beginning, as restated	<u>13,940,209</u>	<u>1,222,783</u>	<u>15,162,992</u>
Fund balance, ending	<u>\$ 15,353,196</u>	<u>\$ 1,034,737</u>	<u>\$ 16,387,933</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

Total net change in fund balances - governmental funds \$ 1,224,941

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	467,744	
Current year depreciation	<u>(2,395,085)</u>	(1,927,341)

The repayment of the principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments exceeded proceeds.

Capital lease principal payments		696,962
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Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in governmental funds.

Change in long-term compensated absences	(76,575)	
Change in pension expense	<u>(500,860)</u>	(577,435)

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds.

Change in receivables		<u>(70,795)</u>
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Change in net position on statement of activities (governmental activities) **\$ (653,668)**

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

June 30, 2017

	<u>Deferred Compensation</u>	<u>Agency Funds</u>	<u>Total</u>
ASSETS			
Cash	\$ -	\$ 6,410,681	\$ 6,410,681
Investments	1,527,281	4,200,365	5,727,646
Taxes receivable	<u>-</u>	<u>837,403</u>	<u>837,403</u>
 Total Assets	 <u>\$ 1,527,281</u>	 <u>\$ 11,448,449</u>	 <u>\$ 12,975,730</u>
LIABILITIES			
Due to other tax units	<u>\$ -</u>	<u>\$ 11,448,449</u>	<u>\$ 11,448,449</u>
 NET POSITION HELD IN TRUST	 <u>1,527,281</u>	 <u>-</u>	 <u>1,527,281</u>
 Total Liabilities and Net Position Held in Trust	 <u>\$ 1,527,281</u>	 <u>\$ 11,448,449</u>	 <u>\$ 12,975,730</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

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

For the Year Ended June 30, 2017

	<u>Deferred Compensation</u>
ADDITIONS	
Employee contributions	\$ 114,869
Investment income	
Interest and dividends	37,390
Net appreciation (depreciation) in fair value of investments	<u>177,377</u>
Total investment income	<u>214,767</u>
Total additions	<u>329,636</u>
DEDUCTIONS	
Administrative expenses and fees	3,180
Participant withdrawals	<u>63,763</u>
Total deductions	<u>66,943</u>
Net increase in plan net position	262,693
Net position held in trust, beginning of year	<u>1,264,588</u>
Net position held in trust, end of year	<u>\$ 1,527,281</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations, Reporting Entity, Description of Funds and Significant Accounting Policies

Nature of Operations

Carbon County provides a broad range of services to citizens, including general government, public safety, highways and streets, health, cultural, recreational, conservation, and social services.

The financial statements of Carbon County, Wyoming have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the County's accounting policies.

Reporting Entity

The general purpose financial statements of Carbon County include the accounts of all County operations and those of separately administered organizations that are controlled by or are dependent on the County. Control or dependency is determined by financial interdependency, selection of governing board, and ability to significantly influence operations.

Based on the foregoing criteria, the financial statements of the following entities have been combined with those of the County for the fiscal year ended June 30, 2017:

Carbon County Fair Board
Carbon County Public Library
Carbon County Museum

Description of Funds

The accounts of the County are organized on the basis of funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, equity, revenue and expenditures. The various funds are as follows in the financial statements.

Governmental Funds

General Fund – The General Fund is used to account for all financial transactions not properly includable in other funds. Property taxes, sales tax, license and permit fees, charges for services, fines and forfeitures, and reimbursements provide revenue to the General Fund.

NOTES TO FINANCIAL STATEMENTS

Special Revenue Funds – The Special Revenue Funds account for the proceeds of specific revenue sources used to finance specified activities as required by law or administrative regulation.

Public Library Fund – Accounts for services related to the operation of the County Library.

Fair Board Fund – Accounts for the operation and maintenance of the Carbon County Fairgrounds and the Carbon County Fair and Rodeo.

Museum Fund – Accounts for the County’s museum programs.

Major and Nonmajor Funds

The funds are further classified as major and nonmajor as follows:

<u>Fund</u>	<u>Major or Nonmajor</u>
General	Major
Public Library	Nonmajor
Fair Board	Nonmajor
Museum	Nonmajor

Significant Accounting Policies Followed By The County Are As Follows:

Basis of Presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTES TO FINANCIAL STATEMENTS

Fund financial statements are also provided in the report for all of the governmental funds, special revenue funds, and fiduciary funds of the County. The County's major individual governmental fund is reported as a separate column in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific County expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as deferred revenues until earned. Expenditures generally are recognized when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

Investments

The County uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. In accordance with the *Fair Value Measurements and Disclosures* topic of FASB ASC, the fair value of a financial instrument is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the County's various financial instruments. In cases where quoted market prices are not available, fair values are based on

NOTES TO FINANCIAL STATEMENTS

estimates using present value or other valuation techniques. These techniques are significantly affected by the assumptions used, including the discount rate and estimate of future cash flows. Accordingly the fair value estimates may not be realized in an immediate settlement of the instrument.

FASB ASC guidance establishes a fair value hierarchy which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment, the characteristics specific to the investment, and the state of the marketplace (including the existence and transparency of transactions between market participants). Investments with readily-available actively quoted prices or for which fair value can be measured from actively-quoted prices in an orderly market will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

- Level 1: Quoted prices available in active markets for indicated investments as of the reporting date. The type of investments which would generally be included in Level I include listed equity securities and listed derivatives.
- Level 2: Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in this category include publicly-traded securities with restrictions on disposition.
- Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation.

The County has valued its investments utilizing the Level 1 approach.

Inventories

Inventories are accounted for at the lower of cost (first-in, first-out method) or market. Inventories are equally offset by the fund balance reserve which indicates they do not constitute “available spendable resources” even though they are a component of net current assets.

NOTES TO FINANCIAL STATEMENTS

Property Taxes and Interest Receivable, Deferred Tax Revenue, and Allowance for Uncollectible Taxes and Interest

Property taxes are levied in the first week of August each year and are collectible in two installments. Installments are due on September 1 and March 1 and are collectible on November 10 and May 10. If the first installment payment is made after November 10, the entire amount is due by December 31. Property taxes attach as an enforceable lien on the property if payment is not made by November 10 and May 10.

The County bills and collects its own property taxes and also collects taxes for the County School District, City of Rawlins and other County districts. Collection of the City of Rawlins and District's taxes and remittance of these are accounted for in the Fiduciary Funds. Property tax revenue represents the 2016 tax levy, which was collectible during the year ended June 30, 2017.

Compensated Absences

All regular, full-time employees of the General Fund and Fair Board Fund are entitled to vacation leave. Employees accumulate vacation leave hours monthly based on number of years of service with the County. Employees paid by the General Fund and Fair Board Fund will be paid for the unused vacation leave at their salary rate in effect upon termination of employment at a maximum of 480 accumulated hours.

The entire vested compensated absences liability is reported in the government-wide financial statements. The liability on the governmental funds financial statements represents the amounts used within 60 days of the County's fiscal year end.

Regular employees of the General Fund accrue sick leave of one day per month. The Fair Board Fund accrues sick leave on the basis of the number of hours worked in a month. Sick leave may be accumulated to a total of sixty (60) working days. The Fair Board Fund employees will be paid for one-half (1/2) of their unused sick leave at their salary rate in effect upon termination of employment. General Fund employees will receive payment for one-half (1/2) the current balance of unused sick leave, up to a maximum of 30 days, at the rate of \$50 per day. The liability for the vested sick leave has been included in the government-wide financial statements.

Use of Estimates

Management uses estimates and assumptions in preparing the financial statements in accordance with statutory accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTES TO FINANCIAL STATEMENTS

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements but are not reported in the governmental funds financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$5,000 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	80
Buildings	60
Building improvements	10
Equipment	10-20

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

NOTES TO FINANCIAL STATEMENTS

Deferred Outflows/Inflows of Resources

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

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

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Governmental Fund Balance Reserves

The County reserves those portions of governmental fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Fund balance reserves have been established for road projects, prepaid expenses, inventory, and cash reserve.

The Government Accounting Standards Board (GASB) has issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

NOTES TO FINANCIAL STATEMENTS

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as a fund balance associated with inventories. This Statement also provides for additional classifications as *restricted*, *committed*, *assigned*, and *unassigned* based on the relative strength of the constraints that control how specific amounts can be spent.

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (1) not in spendable form; or (2) legally or contractually required to be maintained intact. The County does have fund balances that meet the criteria above.

Restricted – The restricted fund balance classification includes amounts that are (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. The County does have fund balances that meet the criteria above.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, i.e. State of Wyoming or Granting Federal Agency. The County does have fund balances that meet the criteria above.

Assigned – The assigned fund balance classification includes amounts constrained by the government's intent (Board of County Commissioners) to be used for specific purposes, but are neither restricted nor committed. The County does have fund balances that meet the criteria above.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

When restricted and other fund balance resources are available for use, it is the County's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

Subsequent Events

Management has evaluated subsequent events through December 13, 2017 the date the financial statements were available for use.

NOTES TO FINANCIAL STATEMENTS

Note 2. Budgets, Budgetary Basis of Accounting

The County annually adopts a budget and approves the related appropriations for all governmental fund types. The budgets and related appropriations are prepared on the modified accrual basis of accounting.

The adjustments necessary to convert from the modified accrual basis to the budgetary basis of accounting for the general fund and special revenue funds are presented in the following schedule:

General Fund	Actual	Adjustment to Budget Basis	Budget Basis
Revenues:			
Taxes	\$ 11,653,266	\$ 195,108	\$ 11,848,374
Licenses and permits	673,859	-	673,859
Intergovernmental	3,152,203	17,734	3,169,937
Charges for services	1,080,793	2,708,643	3,789,436
Program revenue	1,242,132	69,187	1,311,319
Interest	218,949	1,130,271	1,349,220
Miscellaneous	292,915	-	292,915
Total revenues	\$ 18,314,117	\$ 4,120,943	\$ 22,435,060
Expenditures:			
General government	\$ 10,123,424	\$ 2,772,139	\$ 12,895,563
Public safety	4,654,661	23,817	4,678,478
Highways and streets	1,601,489	(391,989)	1,209,500
Health and welfare	427,189	9,082	436,271
Culture and recreation	94,367	869	95,236
Total expenditures	\$ 16,901,130	\$ 2,413,918	\$ 19,315,048
Special Revenue Fund	Actual	Adjustment to Budget Basis	Budget Basis
Revenues:			
Taxes	\$ 335,033	\$ 24,284	\$ 359,317
Program revenue	299,629	2,583	302,212
Interest	7,405	-	7,405
Miscellaneous	51,406	(13,379)	38,027
Total revenues	\$ 693,473	\$ 13,488	\$ 706,961
Expenditures:			
Culture and recreation	\$ 881,519	\$ 2,193	\$ 883,712
Total expenditures	\$ 881,519	\$ 2,193	\$ 883,712

NOTES TO FINANCIAL STATEMENTS

Legal spending control is at the fund level; however, management control is exercised at the department level. All budget appropriations lapse at the end of the budget year to the extent they are not expended. Budgets may be amended by the County Commissioners through a public hearing process as required by State statute. During the year ended June 30, 2017, there were no budgets of Carbon County that had expenditures in excess of appropriations.

Note 3. Cash and Investments

Wyoming Statute 9-4-817 authorizes agencies of the State to deposit public funds in financial institutions authorized to do business in the State of Wyoming. These deposits must be fully insured by the Federal Deposit Insurance Corporation (FDIC) or secured by a pledge of assets including bonds, debentures and other securities in which the State Treasurer may by law invest in. Alternatively, a depository may pledge to deposits with conventional real estate mortgages and loans connected with mortgages at a ratio of one and one half (1 ½:1) of the value of public funds secured by the securities.

The County investment policy specifies that internally invested funds may be invested in a combination of fixed-income, minimal risk instruments and money market funds. Investment goals for internally invested funds are designed to achieve a return to provide income, protect assets from risk and maintain liquidity to meet spending requirements. Investments are limited to collateralized bank certificates of deposits, money market funds or federally guaranteed or insured securities. Custodial services are utilized to safeguard the assets and provide monthly reports.

Deposits

At June 30, 2017, the carrying amount of the County's deposits in financial institutions was \$12,969,925. The deposits were fully insured with a combination of FDIC insurance and pledged collateral held in the name of the County. All deposits qualified were held by a qualified depository as outlined in the State statutes.

At June 30, 2017, the County had \$10,835,005 on deposit with the State Treasurer. Detailed information on the State Treasurer's pooled cash and investments is available from that office.

Investments

As of June 30, 2017, the County had investments with weighted average maturities as shown in the following table:

NOTES TO FINANCIAL STATEMENTS

Investment Type	Carrying Amount	Fair Value	Weighted Average Maturity in Years
Federal National Mortgage Association	\$ 867,015	\$ 867,015	7.43
Government National Mortgage Association	8,669	8,669	6.16
Federal Home Loan Bank	422,770	422,770	7.22
Federal Home Loan Mortgage	202,564	202,564	6.00
Federal Farm Credit Bank	954,979	954,979	6.89
Certificates of Deposit	1,825,815	1,825,815	0.56
Morgan Stanley Govt Instl Fund	23	23	
State of Wyoming Investment Pool	<u>10,835,005</u>	<u>10,835,005</u>	
 Total	 <u>\$ 15,116,840</u>	 <u>\$ 15,116,840</u>	

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal policy for interest rate risk. However, the County does manage its exposure to fair value loss arising from interest rate changes on internally invested funds by reviewing the portfolio on an ongoing basis for changes in effective yields amounts.

Within the U.S. Government Agency Securities Discount Notes category are Federal Home Loan, Fannie Mae securities and GNMA securities that are highly sensitive to changes in interest rates. The County does not have a formal policy for interest rate risk. However, the risk is mitigated by the review of the portfolio on an ongoing basis for changes in effective yields amounts.

Credit Risk

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The table below shows quality ratings and insured status of investments that are not rated:

NOTES TO FINANCIAL STATEMENTS

<u>Investment Type</u>	<u>Fair Value</u>	<u>AAA</u>	<u>Insured</u>	<u>Unrated</u>
Federal National Mortgage Association	\$ 867,015	\$ -	\$ 867,015	\$ -
Government National Mortgage Association	8,669	-	8,669	-
Federal Home Loan Bank	422,770	-	422,770	-
Federal Home Loan Mortgage	202,564	-	202,564	-
Federal Farm Credit Bank	954,979	-	954,979	-
Certificates of Deposit	1,825,815	-	1,825,815	-
Morgan Stanley Govt Instl Fund	23	-	23	-
State of Wyoming Investment Pool	<u>10,835,005</u>	<u>-</u>	<u>-</u>	<u>10,835,005</u>
Total	<u><u>\$ 15,116,840</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,281,835</u></u>	<u><u>\$ 10,835,005</u></u>

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the County will not be able to recover the value of the investments or collateral securities that are in possession of an outside party. The County does not have a formal policy for custodial credit risk. Investments are held in safekeeping by external custodians in the County's name.

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment or deposit. The County's policy is not to invest in foreign currency and have no such investments, which mitigates its exposure to foreign currency risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. Concentration of risk is not addressed in the internal investment policy. At June 30, 2017, the County held securities from the following issuers in excess of 5% of the total portfolio:

Federal National Mortgage Association	\$ 867,015
Federal Farm Credit Bank	954,979
Certificates of Deposit	1,825,815
State of Wyoming Investment Pool	<u>10,835,005</u>
Total	<u><u>\$ 14,482,814</u></u>

NOTES TO FINANCIAL STATEMENTS

Note 4. Changes in Capital Assets

During the year ended June 30, 2017, changes in capital assets were as follows:

	Governmental Activities			
	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
Land	\$ 2,099,347	\$ -	\$ -	\$ 2,099,347
Infrastructure	49,268,491	-	-	49,268,491
Buildings and improvements	41,045,018	4,480,867	-	45,525,885
Equipment	15,779,523	21,969	162,103	15,639,389
Construction in progress	3,648,212	42,507	3,648,212	42,507
Total	\$ 111,840,591	\$ 4,545,343	\$ 3,810,315	\$ 112,575,619

	Accumulated Depreciation Governmental Activities			
	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
Infrastructure	\$ 32,204,281	\$ 1,029,620	\$ -	\$ 33,233,901
Buildings and improvements	19,027,164	999,375	-	20,026,539
Equipment	9,293,433	736,738	156,380	9,873,791
Total	\$ 60,524,878	\$ 2,765,733	\$ 156,380	\$ 63,134,231

Note 5. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2017:

	Balance			Balance
	June 30, 2016	Additions	Deletions	June 30, 2017
Accrued compensated absences	\$ 376,930	\$ -	\$ 3,534	\$ 373,396
Capital lease obligations	4,658,290	-	697,808	3,960,482
Total	\$ 5,035,220	\$ -	\$ 701,342	\$ 4,333,878

As of June 30, 2017, the governmental long-term debt of the financial reporting entity consisted of the following:

NOTES TO FINANCIAL STATEMENTS

Capital lease payable to Kinetic Leasing, Inc. due in semi-annual installments of \$52,594, including interest at 4.60% through December 2019, secured by equipment.	\$ 247,483
Capital lease payable to the U.S Bank National Association, due in annual principal installments and semi-annual interest installments of \$295,000, including interest at 3.53% through June 2018, secured by real estate and the hospital building.	295,000
Capital lease payable to Kinetic Leasing, Inc. due in semi-annual installments of \$8,822, including interest at 4.98% through December 2019, secured by equipment.	40,733
Capital lease payable to Kinetic Leasing, Inc. due in semi-annual installments of \$25,038, including interest at 3.32% through January 2020, secured by equipment.	118,941
Capital lease payable to Pinnacle Bank Public Finance, Inc. due in annual installments of \$26,351, including interest at 2.60% through December 2017, secured by equipment.	25,684
Capital lease payable to Pinnacle Bank Public Finance, Inc. due in semi-annual installments of \$158,741, including interest at 2.35% through June 2028, secured by equipment.	3,061,693
Capital lease payable to Kinetic Leasing, Inc. due in annual installments of \$34,432, including interest at 2.15% through June 2020, secured by equipment.	98,988
Capital lease payable to Kinetic Leasing, Inc. due in annual installments of \$19,117, including interest at 2.47% through December 2020, secured by equipment.	71,960
	\$ 3,960,482

Annual Debt Service Requirements

The annual requirements to amortize all outstanding debt as of June 30, 2017 are as follows:

	Governmental Activities		
	Principal	Interest	Total
2018	\$ 775,233	\$ 102,577	\$ 877,810
2019	468,313	76,346	544,659
2020	395,178	62,130	457,308
2021	283,546	53,036	336,582
2022	271,168	46,314	317,482
Thereafter	1,767,044	137,847	1,904,891
	\$ 3,960,482	\$ 478,250	\$ 4,438,732

NOTES TO FINANCIAL STATEMENTS

The June 30, 2017 debt issued by the County did not exceed its legal debt margin which is computed as follows:

Assessed valuation	\$ 591,549,575
Debt limit - 2% of total assessed valuation	\$ 11,830,992
Amount of debt applicable to debt limit	-
Legal debt margin	\$ 11,830,992

Compensated Absences

The County accrues a liability for future vacation benefits. This liability is attributable to employees' services already rendered. The liability for compensated absences is determined at the end of each fiscal year and the portion paid within 60 days of year-end is adjusted to current salary costs. The liability for the total remaining portion is recorded in the statement of net position (entity-wide reporting) for the vested amount owed as of June 30, 2017.

Note 6. Pension Plan

Description

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

Benefits

All County full-time or regular part-time employees are eligible to participate in WRS. Employees who retire at or after age 60 with four years of credited service are entitled to a retirement benefit according to predetermined formulas and allowed to select one of five optional methods for receiving benefits. Early retirement is allowed provided the employee has completed four years of service and attained age 50, but will result in a reduction of benefits based on the length of time remaining to normal retirement age. WRS also provides death and disability benefits. Benefits are established by State statutes.

Contribution Rates

WRS statutorily requires 16.62% of the covered employee's salary to be contributed to the plan. The County has elected to fund both the employer's and employees' share of the required contribution into the plan for its employees. The contribution requirement for the years ended June 30, 2017 and 2016 was \$1,023,206 and \$1,097,200, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Liabilities, Pension Expenses, and Deferred Outflows and Inflows of Resources Related to Pensions

Pension Liabilities

As of June 30, 2017, the pension liability recorded for the County represents its proportionate share of the excess of the total pension liability over the pension plan fiduciary net position for the Wyoming Retirement System plans of which the County is a participant. The County reported a pension liability as follows for the fiscal years ended June 30, 2017 and June 30, 2016:

	Proportionate Share of Net Pension Liability as of June 30, 2017	Proportionate Share of Net Pension Liability as of June 30, 2016
Public Employee Pension	\$ 5,607,851	\$ 6,047,017
Law Enforcement Pension	1,047,167	1,060,786
Aggregate Net Pension Liability	\$ 6,655,018	\$ 7,107,803

The measurement date of the Wyoming Retirement System pension plan fiduciary net position was December 31, 2016 and the actuarial determination of the total pension liability was January 1, 2017. The County's proportionate share of the net pension liability was determined per plan by calculating the percentage of the County's total contributions (employer and employee) to the total contributions received by Wyoming Retirement System during the plan measurement period (January 1, 2016 to December 31, 2016). The County's proportionate share of the net pension liability for each plan as of December 31, 2016 and December 31, 2015 is as follows:

	Proportionate Share as of December 31, 2016	Proportionate Share as of December 31, 2015
Public Employee Pension	0.231969%	0.259601%
Law Enforcement Pension	1.387124%	1.412124%

Pension Expense

The measurement of pension expense fundamentally changed with the implementation of GASB Statement 68. Pension expense is calculated for the pension plan measurement period and includes changes in the net pension liability and the amortization of specific deferred inflows and outflows of resources. For the fiscal year ended June 30, 2017, the County recognized a total pension expense of \$500,860.

NOTES TO FINANCIAL STATEMENTS

Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2017, the County reported the following deferred outflows and inflows of resources related to pensions:

Deferred Outflows of Resources

Proportionate share of differences between the projected and actual earnings on pension plan investments	\$ 1,550,831
Contributions subsequent to the measurement date	<u>516,733</u>
Total Deferred Outflows Related to Pensions	<u><u>\$ 2,067,564</u></u>

Deferred Inflows of Resources

Amounts related to the change in the County's proportionate share of the net pension liability	\$ 319,951
Difference between expected and actual experience	<u>188,916</u>
Total Deferred Inflows Related to Pensions	<u><u>\$ 508,867</u></u>

The \$516,733 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows for the years ended June 30:

2018	\$	214,676
2019		214,676
2020		237,250
2021		<u>375,362</u>
	\$	<u><u>1,041,964</u></u>

Actuarial Assumptions

Actuarial valuations are performed annually with the most recent valuation date of January 1, 2017. Actuarial methods and assumptions are disclosed below for the Wyoming Retirement System pension plans in which the County participates. Significant assumptions are based on an experience study that covered a five-year period ending December 31, 2011. More detail about the actuarial methods and assumptions or the experience study can be found on the Wyoming Retirement System website.

NOTES TO FINANCIAL STATEMENTS

	Public Employee Pension	Law Enforcement Pension
Valuation Date	01/01/2017	01/01/2017
Actuarial Cost Method	Individual entry age normal	Individual entry age normal
Amortization Method	Level percent open	Level percent open
Remaining Amortization Period	30	30
Asset Valuation Method	5-year	5-year
Actual Assumptions:		
Investment Rate of Return	7.75%	7.75%
Projected Salary Increases Includes Inflation	4.25% to 6.00%	4.25% to 8.00%
Assumed Inflation Rate	3.25%	3.25%
Mortality	*	*

*Mortality Assumptions: Pre-Retirement Mortality

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

Healthy Post-Retirement Mortality

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

Disabled Mortality

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

Wyoming Retirement System assumes a 7.75% long term investment rate of return for its pension plans. The long term rate of return is determined through a 4.25% net real rate of return and an inflation rate of 3.25%. For the fiscal year ended December 31, 2016, WRS pension plans saw an annual money-weighted real rate of return, net of expenses, of 7.6% compared to the 4.25% expected rate of return.

The assumed asset allocation of the WRS pension plan portfolio, the long term expected rate of return for each asset class, and the expected rate of return is presented arithmetically and geometrically below over a 20 year time frame.

NOTES TO FINANCIAL STATEMENTS

	Target Allocation	Arithmetic		Geometric	
		Arithmetic Real Return	Nominal Return	Geometric Real Return	Nominal Return
Tactical Cash	0.00%	-0.2%	2.3%	-0.2%	2.3%
Fixed Income	20.00%	2.0%	4.5%	1.4%	3.9%
Core Plus	7.50%	1.2%	3.7%	1.1%	3.6%
US Government	10.00%	1.9%	4.4%	1.1%	3.6%
Opportunistic Credit	2.50%	4.4%	6.9%	3.7%	6.2%
Equity	45.00%	7.7%	10.2%	5.7%	8.2%
US Equity	22.50%	7.0%	9.5%	5.3%	7.8%
Developed International	17.50%	7.6%	10.1%	5.6%	8.1%
Emerging Markets	5.00%	11.5%	14.0%	8.0%	10.5%
Marketable Alternatives	17.50%	3.7%	6.2%	3.0%	5.5%
Opportunistic/Directional	0.0-10.0%	4.6%	7.1%	4.0%	6.5%
Absolute Return	5.0-15.0%	3.7%	6.2%	3.1%	5.6%
Enhanced Fixed Income	0.0-10.0%	2.8%	5.3%	2.3%	4.8%
Global Asset Allocation	2.5-12.0%	3.3%	5.8%	2.5%	5.0%
Private Markets	17.50%	7.1%	9.6%	5.1%	7.6%
Private Real Assets	0.0-7.5%	7.0%	9.5%	5.1%	7.6%
Real Estate	2.5-7.5%	4.2%	6.7%	3.4%	5.9%
Private Debt	2.5-7.5%	7.7%	10.2%	4.8%	7.3%
Private Equity	2.5-12.5%	9.8%	12.3%	6.9%	9.4%
Total	100.00%	5.77%	8.27%	4.28%	6.78%

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate arithmetic expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These assumptions are converted into geometric forecasts by subtracting corresponding volatility drags which depend on forecasted standard deviation. Real returns are then generated by subtracting a constant inflation forecast, which in this case is 2.5%.

Discount Rate

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

Pension Plan	Single Discount Rate	Long-Term Expected Rate of Return	Long-Term Municipal Bond Rate	Last year ending December 31 in the 2016 to 2115 projection period for which projected benefit payments are fully funded
Public Employee Pension	7.75%	7.75%	3.78%	2115
Law Enforcement Pension	7.75%	7.75%	3.78%	2115

NOTES TO FINANCIAL STATEMENTS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

Pension Plan	1.0% Decrease 6.75%	Current Discount Rate 7.75%	1.0% Increase 8.75%
Public Employee Pension	\$ 8,054,747	\$ 5,607,851	\$ 3,552,692
Law Enforcement Pension	2,174,468	1,047,167	116,239

Note 8. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The total assets under this plan were \$1,527,281 as of June 30, 2017. This amount is included in the fiduciary funds as investments held by the Wyoming Retirement System.

Note 9. Contingencies

Carbon County is involved in numerous mineral industry, ad valorem and severance tax issues, including threatened litigation and claims for refunds and rebates. The extent of the possible liability is not known at this time. The tax monies received in protest have been placed in agency funds until such time that the claims have been settled at which time they will be distributed to the applicable taxing entity. In addition, Carbon County has transferred general fund monies together with funds received from other taxing entities to an agency fund until such time as the claims have been settled.

Note 10. Self-Funded Health Insurance

The County’s risk management activities are recorded in the General Fund. An excess coverage insurance policy covers individual’s claims in excess of \$5,000 for each insured during the policy year.

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the government carries commercial insurance. For insured programs, there have been no significant reductions in insurance of the County. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 11. Liability Risk

NOTES TO FINANCIAL STATEMENTS

Claims Liabilities

The County records an estimated liability for health care claims against the County. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which include estimates of both future payments of losses and related claim adjustment expenses. The following represents the changes in approximate aggregate liabilities for the County from July 1, 2015 to June 30, 2017:

Liability balance, June 30, 2015	\$	288,959
Claims and changes in estimates		2,350,486
Claims payments		<u>(2,380,782)</u>
Liability balance, June 30, 2016		258,663
Claims and changes in estimates		2,286,861
Claims payments		<u>(1,996,861)</u>
Liability balance, June 30, 2017	\$	<u><u>290,000</u></u>
Assets available to pay claims, June 30, 2017	\$	<u><u>601,729</u></u>

The County has implemented voluntary dependent care assistance, flexible benefits, and medical reimbursement plans for their employees whereby an employee may contribute to any of these plans with tax savings. The County does not share in the costs of these plans. All contributions and expenses related to these plans are funded by the employee. A separate cash account has been established where these funds are deposited and the County then administers this account. Any funds contributed to these plans during the year and not used within 30 days after the end of the fiscal year forfeit to the County.

Note 13. Other Postemployment Healthcare Benefits

The County's self-insured single-employer postemployment healthcare plan is available to retirees of the County who have attained the age of fifty (50) and have

NOTES TO FINANCIAL STATEMENTS

fifteen (15) or more years of service, or a retiree with twenty-five (25) years of service (with no age limit). This Plan is secondary to Medicare for all eligible retirees and/or dependents who are age sixty-five (65) or older.

Note 14. Fund Balance Classification

Classification of fund balances and descriptions as of June 30, 2017 are as follows:

General Fund	
Nonspendable for receivables	
Taxes	\$ 185,662
Interest	40,836
Due from other governments	172,672
Nonspendable for prepaid expenses	<u>195,368</u>
Total general fund nonspendable fund balances	<u>\$ 594,538</u>
Restricted for road projects	\$ 2,425,399
Restricted for detention center operating	919,981
Restricted for unclaimed property	262
Restricted for self funded insurance	601,729
Restricted for abandoned vehicles	<u>16,568</u>
Total general fund restricted fund balances	<u>\$ 3,963,939</u>
Committed for E911 surcharge	\$ 125,479
Committed for hospital	419,346
Committed for Dixon airport	6,796
Committed for forest reserve	<u>87,011</u>
Total general fund committed fund balances	<u>\$ 638,632</u>
Assigned for breast pumps	\$ 2,838
Assigned for special projects	246,498
Assigned for cash reserve	1,459,984
Assigned for crisis center	33,230
Assigned for wind energy	10,636
Assigned for museum funding	80,000
Assigned for health	13,848
Assigned for fire strike	<u>134,561</u>
Total general fund assigned fund balances	<u>\$ 1,981,595</u>
Special Revenue Funds	
Nonspendable for receivables	
Accounts receivable	\$ 370
Taxes	15,313
Nonspendable for inventory	<u>220</u>
Total special revenue fund nonspendable fund balances	<u>\$ 15,903</u>
Assigned for cash reserve	<u>\$ 1,018,834</u>

NOTES TO FINANCIAL STATEMENTS

Note 15. Related Party Transactions

The County purchased goods and services from four businesses during the fiscal year that are considered related parties. The total fees paid to these businesses for the year ended June 30, 2017 was \$44,846.

Note 16. Prior Period Adjustments

During the fiscal year ended June 30, 2017, the County identified five assets that were not included in the asset listing. The addition of these assets resulted in a prior period adjustment in the amount of \$691,254. This adjustment resulted in an increase in capital assets and net position in the Statement of Net Position.

Additionally, Weed & Pest Control District is no longer being reported in the County's financial statements. The removal of Weed & Pest resulted in a reduction of special revenue fund balance in the amount of \$1,370,751 in the Balance Sheet – Governmental Funds. In the Statement of Net Position, the removal of Weed & Pest Control District resulted in a reduction of net position in the amount of \$1,542,810.

The net effect of these adjustments on the Statement of Net Position was a reduction of net position in the amount of \$851,556.

REQUIRED SUPPLEMENTARY INFORMATION

CARBON COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND**

For the Year Ended June 30, 2017

	Budget Original	Budget Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues				
Taxes	\$ 4,358,113	\$ 4,358,113	\$ 11,848,374	\$ 7,490,261
Licenses and permits	420,911	420,911	673,859	252,948
Intergovernmental	5,167,022	5,167,022	3,169,937	(1,997,085)
Charges for services	604,900	604,900	3,789,436	3,184,536
Program revenue	2,514,275	2,514,275	1,311,319	(1,202,956)
Interest	106,211	106,211	1,349,220	1,243,009
Miscellaneous	77,050	77,050	292,915	215,865
Total revenues	<u>13,248,482</u>	<u>13,248,482</u>	<u>22,435,060</u>	<u>9,186,578</u>
Expenditures				
Current:				
General government	13,219,376	13,143,279	12,895,563	247,716
Public safety	4,844,179	4,910,276	4,678,478	231,798
Highways and streets	3,936,208	3,936,208	1,209,500	2,726,708
Health and welfare	734,301	744,301	436,271	308,030
Culture and recreation	108,902	108,902	95,236	13,666
Total expenditures	<u>22,842,966</u>	<u>22,842,966</u>	<u>19,315,048</u>	<u>3,527,918</u>
Excess (deficiency) of revenues over expenditures	(9,594,484)	(9,594,484)	3,120,012	12,714,496
Fund balance, beginning	<u>13,940,209</u>	<u>13,940,209</u>	<u>13,940,209</u>	<u>-</u>
Fund balance, ending	<u>\$ 4,345,725</u>	<u>\$ 4,345,725</u>	<u>\$ 17,060,221</u>	<u>\$ 12,714,496</u>

(Continued)

CARBON COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND**

For the Year Ended June 30, 2017

(Continued)

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

Revenue:

Actual total revenue budgetary basis	\$ 22,435,060
Differences- budget to GAAP	
Property taxes accrual difference	(195,108)
Grants receivable difference	(86,921)
Interest receivable difference	(23,441)
Inter-fund eliminating entries	<u>(3,815,473)</u>

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance- governmental basis	<u>\$ 18,314,117</u>
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Expenditures:

Actual total expenditures budgetary basis	\$ 19,315,048
Differences- budget to GAAP	
Vacation accrual difference	(80,266)
Prepaid expense difference	134,056
Accounts payable and other accrual differences	128,971
Unpaid claims liabilities accrual difference	31,337
Inter-fund eliminating entries	<u>(2,628,016)</u>

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance- governmental basis	<u>\$ 16,901,130</u>
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CARBON COUNTY, WYOMING

**NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND**

For the Year Ended June 30, 2017

A. Budgetary Basis

Annual budgets are adopted for all governmental fund types on a basis of accounting that demonstrates compliance with Wyoming Statutes. Since all accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of the resultant timing differences has been provided on page 42. All annual appropriations lapse at year end.

B. Budgetary Information

The appropriated budget is prepared by fund, function, and department. The government's department heads, with the County Commissioners' approval, may make transfers of appropriations within a department or division. Transfers of appropriations between departments and/or divisions require approval of the County Commissioners. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the department level.

C. Excess of Expenditures over Appropriations

For the year ended June 30, 2017, there were no instances of excess of expenditures over appropriations in the General Fund.

CARBON COUNTY, WYOMING

SCHEDULE OF THE COUNTY'S SHARE OF THE NET PENSION LIABILITY

**Public Employee Pension Plan
Last 10 Fiscal Years***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability*	0.23197%	0.25960%	0.26561%
County's proportionate share of the net pension liability*	\$ 5,607,851	\$ 6,047,017	\$ 4,687,189
County's covered-employee payroll	\$ 3,846,945	\$ 4,039,699	\$ 4,169,438
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	145.77%	149.69%	112.42%
Plan fiduciary net position as a percentage of the total pension liability*	73.42%	73.40%	79.08%

**Law Enforcement Pension Plan
Last 10 Fiscal Years***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability*	1.3871%	1.4121%	1.3524%
County's proportionate share of the net pension liability*	\$ 1,047,167	\$ 1,060,786	\$ 398,481
County's covered-employee payroll	\$ 2,361,149	\$ 2,316,847	\$ 2,386,939
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	44.350%	45.786%	16.694%
Plan fiduciary net position as a percentage of the total pension liability*	88.11%	87.49%	94.76%

*The amounts presented for each fiscal year correspond with the Wyoming Retirement System measurement period, not the County's fiscal year. Only three years of information is currently available.

CARBON COUNTY, WYOMING

SCHEDULE OF CONTRIBUTIONS

**Public Employee Pension Plan
Last 10 Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 635,043	\$ 667,030	\$ 683,524	\$ 608,517	\$ 578,218	\$ 571,880	\$ 537,276	\$ 436,225	\$ 417,733	\$ 377,215
Contributions in relation to the contractually required contribution	<u>635,043</u>	<u>667,030</u>	<u>683,524</u>	<u>608,517</u>	<u>578,218</u>	<u>571,880</u>	<u>537,276</u>	<u>436,225</u>	<u>417,733</u>	<u>377,215</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 3,846,945	\$ 4,039,699	\$ 4,169,438	\$ 3,950,181	\$ 4,095,031	\$ 4,050,143	\$ 3,938,133	\$ 3,877,550	\$ 3,713,175	\$ 3,353,014
Contributions as a percentage of covered-employee payroll	16.51%	16.51%	16.39%	15.40%	14.12%	14.12%	13.64%	11.25%	11.25%	11.25%

**Law Enforcement Pension Plan
Last 10 Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 388,163	\$ 377,322	\$ 410,554	\$ 413,144	\$ 387,575	\$ 373,341	\$ 402,568	\$ 395,533	\$ 388,924	\$ 362,992
Contributions in relation to the contractually required contribution	<u>388,163</u>	<u>377,322</u>	<u>410,554</u>	<u>413,144</u>	<u>387,575</u>	<u>373,341</u>	<u>402,568</u>	<u>395,533</u>	<u>388,924</u>	<u>362,992</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 2,361,149	\$ 2,316,847	\$ 2,386,939	\$ 2,403,332	\$ 2,253,326	\$ 2,169,812	\$ 2,340,507	\$ 2,299,604	\$ 2,261,187	\$ 2,110,419
Contributions as a percentage of covered-employee payroll	16.44%	16.29%	17.20%	17.19%	17.20%	17.21%	17.20%	17.20%	17.20%	17.20%

OTHER SUPPLEMENTARY INFORMATION

CARBON COUNTY, WYOMING

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP
BUDGETARY BASIS)**

SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2017

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Revenues				
Taxes	\$ 83,000	\$ 83,000	\$ 359,317	\$ 276,317
Program revenue	448,413	448,413	302,212	(146,201)
Interest	1,900	1,900	7,405	5,505
Miscellaneous	<u>-</u>	<u>-</u>	<u>38,027</u>	<u>38,027</u>
Total revenues	<u>533,313</u>	<u>533,313</u>	<u>706,961</u>	<u>173,648</u>
Expenditures				
Current:				
Culture and recreation	<u>1,161,835</u>	<u>1,210,580</u>	<u>883,712</u>	<u>326,868</u>
Total expenditures	<u>1,161,835</u>	<u>1,210,580</u>	<u>883,712</u>	<u>326,868</u>
Excess (deficiency) of revenues over expenditures	(628,522)	(677,267)	(176,751)	500,516
Fund balance, beginning	<u>1,222,783</u>	<u>1,222,783</u>	<u>1,222,783</u>	<u>-</u>
Fund balance, ending	<u>\$ 594,261</u>	<u>\$ 545,516</u>	<u>\$ 1,046,032</u>	<u>\$ 500,516</u>

CARBON COUNTY, WYOMING

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS**

June 30, 2017

	Fair	Library	Museum	Total
ASSETS				
Cash	\$ 476,761	\$ 250,384	\$ 180,989	\$ 908,134
Investments	-	127,159	-	127,159
Receivables				
Accounts	370	-	-	370
Taxes	836	10,013	4,464	15,313
Inventory	-	-	220	220
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 477,967</u>	<u>\$ 387,556</u>	<u>\$ 185,673</u>	<u>\$ 1,051,196</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 9,005	\$ -	\$ -	\$ 9,005
Accrued payroll	-	3,653	3,801	7,454
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>9,005</u>	<u>3,653</u>	<u>3,801</u>	<u>16,459</u>
FUND BALANCES				
Nonspendable	1,206	10,013	4,684	15,903
Assigned	467,756	373,890	177,188	1,018,834
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>468,962</u>	<u>383,903</u>	<u>181,872</u>	<u>1,034,737</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 477,967</u>	<u>\$ 387,556</u>	<u>\$ 185,673</u>	<u>\$ 1,051,196</u>

CARBON COUNTY, WYOMING

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

For the Year Ended June 30, 2017

	Fair	Library	Museum	Total
Revenues				
Taxes	\$ 2,004	\$ 182,577	\$ 150,452	\$ 335,033
Program revenue	68,282	170,839	60,508	299,629
Interest	796	6,145	464	7,405
Miscellaneous	51,406	-	-	51,406
Total revenues	<u>122,488</u>	<u>359,561</u>	<u>211,424</u>	<u>693,473</u>
Expenditures				
Culture and recreation	113,793	445,483	322,243	881,519
Total expenditures	<u>113,793</u>	<u>445,483</u>	<u>322,243</u>	<u>881,519</u>
Excess (deficiency) of revenues over expenditures	8,695	(85,922)	(110,819)	(188,046)
Fund balances, beginning	460,267	469,825	292,691	1,222,783
Fund balances, ending	<u>\$ 468,962</u>	<u>\$ 383,903</u>	<u>\$ 181,872</u>	<u>\$ 1,034,737</u>

CARBON COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FAIR BOARD SPECIAL REVENUE FUND**
For the Year Ended June 30, 2017

	Budget Original and Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ 5,000	\$ 1,501	\$ (3,499)
Program revenue	92,500	69,018	(23,482)
Interest	1,600	796	(804)
Miscellaneous	<u>-</u>	<u>38,027</u>	<u>38,027</u>
Total revenues	<u>99,100</u>	<u>109,342</u>	<u>10,242</u>
Expenditures			
Culture and recreation	<u>324,982</u>	<u>97,614</u>	<u>227,368</u>
Total expenditures	<u>324,982</u>	<u>97,614</u>	<u>227,368</u>
Excess (deficiency) of revenues over expenditures	(225,882)	11,728	237,610
Fund balance, beginning	<u>460,267</u>	<u>460,267</u>	<u>-</u>
Fund balance, ending	<u>\$ 234,385</u>	<u>\$ 471,995</u>	<u>\$ 237,610</u>

CARBON COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIBRARY SPECIAL REVENUE FUND**

For the Year Ended June 30, 2017

	<u>Budget Original</u>	<u>Budget Final</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Revenues				
Taxes	\$ 78,000	\$ 78,000	\$ 195,532	\$ 117,532
Program revenue	179,555	179,555	172,686	(6,869)
Interest	<u>300</u>	<u>300</u>	<u>6,145</u>	<u>5,845</u>
Total revenues	<u>257,855</u>	<u>257,855</u>	<u>374,363</u>	<u>116,508</u>
Expenditures				
Culture and recreation	<u>408,109</u>	<u>456,854</u>	<u>456,854</u>	<u>-</u>
Total expenditures	<u>408,109</u>	<u>456,854</u>	<u>456,854</u>	<u>-</u>
Excess of revenues over expenditures	(150,254)	(198,999)	(82,491)	116,508
Fund balance, beginning	<u>460,267</u>	<u>469,825</u>	<u>469,825</u>	<u>-</u>
Fund balance, ending	<u>\$ 310,013</u>	<u>\$ 270,826</u>	<u>\$ 387,334</u>	<u>\$ 116,508</u>

CARBON COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MUSEUM SPECIAL REVENUE FUND**

For the Year Ended June 30, 2017

	Budget Original and Final	Actual (Budgetary Basis)	Variance Positive (Negative)
Revenues			
Taxes	\$ -	\$ 162,284	\$ 162,284
Program revenue	176,358	60,508	(115,850)
Interest	-	464	464
Total revenues	<u>176,358</u>	<u>223,256</u>	<u>46,898</u>
Expenditures			
Culture and recreation	428,744	329,244	99,500
Total expenditures	<u>428,744</u>	<u>329,244</u>	<u>99,500</u>
Excess (deficiency) of revenues over expenditures	(252,386)	(105,988)	146,398
Fund balance, beginning	<u>292,691</u>	<u>292,691</u>	<u>-</u>
Fund balance, ending	<u>\$ 40,305</u>	<u>\$ 186,703</u>	<u>\$ 146,398</u>

CARBON COUNTY, WYOMING

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

June 30, 2017

	Governmental Units	Special Districts	Other	Total
ASSETS				
Cash	\$ 2,707,396	\$ 21,319	\$ 3,681,966	\$ 6,410,681
Investments	-	-	4,200,365	4,200,365
Taxes receivable	<u>769,525</u>	<u>67,878</u>	<u>-</u>	<u>837,403</u>
Total Assets	<u>\$ 3,476,921</u>	<u>\$ 89,197</u>	<u>\$ 7,882,331</u>	<u>\$ 11,448,449</u>
LIABILITIES				
Due to other taxing units	<u>\$ 3,476,921</u>	<u>\$ 89,197</u>	<u>\$ 7,882,331</u>	<u>\$ 11,448,449</u>
Total Liabilities and Net Position	<u>\$ 3,476,921</u>	<u>\$ 89,197</u>	<u>\$ 7,882,331</u>	<u>\$ 11,448,449</u>

CARBON COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2017

**FINDINGS RELATED TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED
TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

2017-001: Significant Deficiency in Internal Control – Financial Statement Preparation

Criteria

An integral part of the internal control system is the ability to prepare financial statements, including the necessary footnote disclosures.

Condition

Carbon County, Wyoming does not have an individual with the expertise to prepare the annual financial statements, including footnotes in accordance with generally accepted accounting principles.

Recommendation

As it is not economically feasible for Carbon County, Wyoming to hire a CPA in order to prepare their financial statements, it is recommended that management and the County Commissioners continue to be actively involved in the fiscal activities during the year and closely review the financial statements to verify that they are not materially misstated.

Response

Management will continue to review the financial statements that are prepared by the auditor and ensure that all information recorded in the report agrees to internal accounting records.



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

To the County Commissioners
Carbon County, Wyoming
Rawlins, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the business-type activities, and the aggregate remaining fund information of Carbon County, Wyoming as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Carbon County, Wyoming's basic financial statements, and have issued our report thereon dated December 13, 2017.

Internal Control Over Financial Reporting

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

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

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



did identify one deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency, reference 2017-001.

Compliance and Other Matters

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

Carbon County, Wyoming's Response to Findings

Carbon County, Wyoming's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Carbon County, Wyoming'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.

Anton Collins Mitchell LLP

Laramie, Wyoming

December 13, 2017