

CARBON COUNTY, WYOMING
FINANCIAL AND COMPLIANCE REPORT
June 30, 2007

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Mader Tschacher Peterson & Co., LLC

Certified Public Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
Carbon County, Wyoming
Rawlins, Wyoming

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carbon County, Wyoming, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Carbon County, Wyoming's management. Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2007, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 29, 2008, on our consideration of Carbon County's internal control over financial reporting and 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 15 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carbon County, Wyoming basic financial statements. The supplementary information statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Federal Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Carbon County. The supplementary information statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mader Ischachen Peterson & Co., LLC

Laramie, Wyoming
January 29, 2008

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2007

Carbon County Government has adopted a revised reporting model required by Governmental Accounting Standards Board for the fiscal year ended June 30, 2007. The government-wide financial statements include a statement of net assets and statement of activities. They are broken down by governmental activities. These statements are presented on the accrual basis of accounting.

The external auditors examine county fiscal documents to obtain reasonable assurance that our financial statements are free of material misstatement. The external auditors also perform tests to ascertain Carbon County's internal control over financial reporting.

Carbon County's governmental financial statements include the general fund, special revenue funds: Library Fund, Weed and Pest Control Fund, Fair Board Fund, Museum Fund, and Charles W. Jeffrey, M.D. Memorial Center Fund, and Fiduciary Funds. All financial statement definitions are defined in the auditor's notes to the financial statements. The modified accrual basis of accounting is used for the governmental fund financial statements.

Department Reports:

Summaries of each County Elected Officer and Department reports for the fiscal year 2006-2007 are incorporated with this management analysis. Such is provided for a more comprehensive report as to the "State of the County".

ASSESSOR

Projects, goals, plans, cases and/or other accomplishments pertaining to county departments, or cite unusual circumstance(s), which provided a challenge and came to a successful conclusion.

Projects: GIS – Updated Maps – County Property Information available on CD for fee. 25% Annual County Review

Goals – Assessor's information to be on the internet encourage open communication between property owners and the Assessor's office complete county review within 4 years

Coordination with non-county community agencies, outreach programs, and numbers of citizens served or affected; cite difference this made.

Sheryl Snider – member of and 1st Vice Chair of Prison Community Partnership committee to help promote open and effective communication.
Was elected 2nd Vice Chair of the Wyoming County Assessor's Association also a guest speaker for the Rawlins Lions Club – help promote a better understanding of taxpayer as to the responsibilities and duties of the County Assessor's Office.

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

Awards, official recognition, and/or other achievements bestowed upon the department by outside sources.

At present / permanent certification as property tax appraisers: Pam Fulkerson, Cheryl Ross, and Sheryl Snider

COUNTY ATTORNEY

Projects, goals, plans, cases and/or other accomplishments pertaining to county departments, or cite unusual circumstance(s), which provided a challenge and came to a successful conclusion.

As the new County Attorney, I will address only from January 2007 to the present date. There are many goals our office intends to implement and has already begun. The primary goal is to create a first rate County Attorney's Office that will be recognized across the state as an example of excellence. This goal has already been put into motion. First, our office has created a workplace policy manual along with workplace exceptions. Those expectations are as follows:

Delivery of legal services is a vitally important function – particularly in the County Attorney's Office. This is a public office; public funds are used to operate the office; the public's opinion of the office is based on its observations of what transpires both in this office as well as with the outside interactions with the public.

It is necessary the business of the County Attorney's Office be conducted on a highly professional basis and in the most efficient manner possible. It is incumbent upon each employee and contracted person to see that the trust and confidence of the public and the clients of the County Attorney's Office be treated with the proper respect, concern and confidentiality.

The Office should also be a friendly and desirable place to work. Each employee's/contracted person's constructive criticism and suggestions for improvement are invited to help achieve that objective.

I am proud to report that our office, each day strives to meet these expectations, and successfully does so.

Other goals that have been implemented during my tenure as County Attorney have been to bring the civil representation of the County back within the County Attorney's Office. In doing so, as the elected official, I am personally undertaking the role of the Carbon County Civil Attorney.

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

Additionally, I have strived to recruit talented and respected professionals to the County. Cal Rerucha has joined our office as the Chief Criminal Deputy County Attorney.

Since 1979, Cal Rerucha has been prosecuting criminal cases in City, State, and Federal Courts. He has prosecuted many high profile murder cases; including the murder of Matthew Shepard and the Clint Haskins vehicular homicide case where eight(8) University of Wyoming Athletes were killed.

Cal has appeared on a variety of news and information television programs including; American Justice, Court TV, and 20/20. He has taught continued education classes for lawyers, law enforcement personnel, and coroners in the State of Wyoming and Colorado.

Cal has received many local, state, and national awards for his lifetime of prosecution, including the prestigious Nation Minister of Justice Award given the American BAR Association. Cal has brought a new dimension of knowledge and experience to Carbon County.

Coordination with non-county community agencies, outreach programs, and numbers of citizens served or affected; cite difference this made.

The Carbon County Attorney's Office works closely and on a daily basis with other agencies throughout the County as well as the State. With the increase in Juvenile matters, it is important we maintain a positive working relationship with the Department of Family Services on a local basis as well as with the State Agency. By maintaining a positive professional relationship we integrate success in the families as well as the juveniles in our County. The area of law which governs Juvenile matters is one I hold near and dear as I truly believe our children are our future. I have also implemented programs to assist our counties schools with an open door policy to the schools administration. When I came into office there was a large stack of letters from School Administrators addressed to parents regarding their child's excessive absences. I have met with personally and over the phone with many of the school's administrators. We have discussed the concerns and possible solutions to the problems each school has involving attendance as well as updating the schools with Juvenile matters seen through our court systems. I have received a very positive response from those administrators.

As stated above taking on the responsibility as the Civil Attorney for the County, I believe I have provided legal counsel for, met with, or attended functions for most of our County Agencies. I have had the pleasure and opportunity to assist with a variety, and extremely diversified matters, which the County Department Heads and elected officials have brought to me for consultation. This has been a wonderful and fulfilling experience for my office and one of the responsibilities I personally look most forward to, as I see the great potential our county holds at its feet.

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

Another area of Law which has a significant impact on the county as well as the Office of the County Attorney is Involuntary Commitments/Emergency Detentions. I am working with the Glenn Biggs, Memorial Hospital of Carbon County, the Department of Health and the Wyoming State Hospital to better address the sensitive and important issues surrounding these cases.

Awards, official recognition, and/or other achievements bestowed upon the department by outside sources.

I hope I do not appear to be bragging about the Office of the Carbon County Attorney, but I have attached some of the recognition, cases and other matters the County Attorney's Office has been involved in since January of 2007. In addition to those presented, I was featured in the February 2007 issue of the Wyoming Lawyer. Cal Rerucha serves on the Governor's Conference for Impaired Drivers. Dawnessa Snyder is an instructor through Western Wyoming Community College.

Effective use of funds; grants, non-county sources attracted to projects, or partnerships forged to accomplish a given task, or technique developed by department to save funds.

The Office of the County Attorney has re-evaluated the State's responsibility for reimbursement and discovered a substantial increase in the prospective responsibility, which will provide the county with a significant reimbursement.

I have also met with the accounts coordinator from the Memorial Hospital of Carbon County to address the restructuring of the State Statutes and the Hospital's role in first seeking payment from State or Government benefits, private insurance and personal attempts to collect from the patient after the initial 72 hour period of an Involuntary/Emergency Detention, then submit to the County for payment. I have developed a tracking spreadsheet to cooperatively assist both the County Attorney's Office as well as the Hospital to relieve the financial burden for both agencies.

On a smaller note, the County Attorney's Office now uses copy paper for legal filings versus bond paper, which provides a reduction in expense from \$28.00 per 500 sheets to \$14.00 per 500 sheets. We have restructured the over-time pay submitted by employees. I personally approve any and all over-time pay submitted. I have renegotiated the contract for our copier. Our previous copier was very inefficient and cost the office time as well as money with miss-prints, paper jams, and non-received faxes. Although this may not save the Office of the Carbon County Attorney money, I have implemented the use of email to outlying agencies to email their Affidavits and/or reports, saving these agencies time and expense from coming into the office to revise or provide information to assist in filing charging documents.

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

CLERK'S OFFICE

Projects, goals, plans, cases and/or other accomplishments pertaining to county departments, or unusual circumstance(s), which provided a challenge and came to a successful conclusion.

All departments of the Clerk's Office continue to be extremely busy including the Title Department, Land Department, Elections, Accounts Payable, Grants, Commissioners Secretary, Records Management, and Human Resources. The change in administration in January 2007 obviously created challenges to the office, but these have been successfully worked through and we are now moving on to complete other goals.

The Title Department has seen an enormous increase in the issuance of motor vehicle titles. We have issued approximately 1,700 more titles than the previous fiscal year. This Department has instituted new title software this year and is scheduled to "go live" with a new version of the recording / filing software in November 2007.

The Land Department will also be "going live" with the new recording software in November. This will allow approximately forty years of land records to be available to the public online. This has been a major goal of the Clerk's Office as Carbon County, and Wyoming in general, is so spread out we feel this will greatly assist title companies, realtors, and researchers with their daily functions.

Again, in November, the Elections Department will be implementing a new state-wide voter registration system. This has been a goal for several years now, and with the Secretary of State signing a contract with Accenture, this will finally be implemented. The new software creates challenges and demands new processes but the transition has been smooth. This department will be conducting the Primary and General Elections in 2008 and we have already begun preparing by clearing old files, purchasing equipment, scheduling additional training, and searching for election judges. We will be visiting with high schools in Carbon County trying to get 16-18 year olds involved by being election judges and / or runners.

One of the challenges of the Clerk's Office continues to be maintaining grants that the county applies for or sponsors on other entities behalf. These grants create large dollars and complete many worth while projects in Carbon County. A future goal of this department is to hire a grant administrator to assist with the management of these grants as well as to identify additional funding streams for projects.

A Building Committee was formed consisting of county elected officials and judges of the Circuit and District Courts to solve problems and discuss various issues pertaining to county government and out buildings. As a result of these discussions, the Building Committee recommended to the Board of Carbon

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

County Commissioners (BOCC) that we hire an Information Technology (IT) employee as well as a Building Manager. Subsequently, the Board took our recommendation and hired both individuals who are now permanent, full-time employees of Carbon County. Both of these individuals have taken a great load off of the Clerk's Office with their services, including custodial staffing, building issues, the phone system, and the computer network. A priority of the committee was to have one countywide website for all offices and a site is now up and running at www.carbonwy.com and is being improved weekly.

The Building Committee also discussed the lack of office space in the Courthouse and therefore recommended to the BOCC that the County Attorney's Office move to the Carbon Building where there is 4,180 square feet of office space previously being used to store records. The Clerk's Office staff was very involved with arranging this move by assisting with transfer of computers and phone equipment. This move created a chain reaction as it freed up much needed office space in the Courthouse that the Building Committee recommended be filled by the Clerk of District Court. Once the Clerk of District Court moves, her space will be used for a much more secure jury room.

Effective use of funds; grants, non-county sources attracted to projects, or partnerships forged to accomplish a given task, or technique developed by department to save funds.

New ADA accessible voting booths and wheelchair mats for parking lots were purchased with grant funds from the State of Wyoming. This grant award totaled \$12,474.20.

CLERK OF DISTRICT COURT

Projects, goals, plans, cases and/or other accomplishments pertaining to county departments, or cite unusual circumstance(s), which provided a challenge and came to a successful conclusion.

My plan for the new year is to update our computer system. It is 10 years old and needs to be done for the security of the system and the records.

Coordination with non-county community agencies, outreach programs, and numbers of citizens served or affected; cite difference this made.

I am going to have jury appreciation projects this year to let jurors know how important they are to the judicial system.

Awards, official recognition, and/or other achievements bestowed upon the department by outside sources.

The Wyoming Association of County Commissioners appointed me to a National Association of County Officers steering committee. I attended the Legislative

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

Conference in March in Washington D.C. I am honored to serve on a NACo Committee, and will do my best to represent Carbon County and the State of Wyoming, nationally.

Effective use of funds; grants, non-county sources attracted to projects, or partnerships forged to accomplish a given task, or technique developed by department to save funds.

As usual, I am frugal with our money.

CORONER

Projects, goals, plans, cases and/or other accomplishments pertaining to county departments, or cite unusual circumstance(s), which provided a challenge and came to a successful conclusion.

Remodel of new Coroner Office appears to be going as planned. Rebuilding year for Coroner office after year's of being housed in the funeral home. – Now stand alone office & goal to continue building office from ground up and provide increased service to county.

Effective use of funds; grants, non-county sources attracted to projects, or partnerships forged to accomplish a given task, or technique developed by department to save funds.

Used Homeland Grants to purchase needed computer equipment and equipment to set up Coroner Office. After election, grant funds will continue to provide much needed equipment to lower liability to our county.

EMERGENCY MANAGEMENT

Projects, goals, plans, cases and/or other accomplishments pertaining to county departments, or cite unusual circumstance(s), which provided a challenge and came to a successful conclusion.

With the Red Cross not being up to speed in the county, Emergency Management has filled in some of the gaps for some needs, ie sheltering, assistance and referrals for fire victims.

Coordination with non-county community agencies, outreach programs, and numbers of citizens served or affected; cite difference this made.

Carbon County EMA set the record in the state for the most stranded motorists to be sheltered during the March 29-30 snow storm – We sheltered 161 motorists at the old Armory.

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

Effective use of funds; grants, non-county sources attracted to projects, or partnerships forged to accomplish a given task, or technique developed by department to save funds.

Homeland Security Funding was used to develop an inter op communications system for the county.

PLANNING AND DEVELOPMENT

Projects, goals, plans, cases and/or other accomplishments pertaining to county departments, or cite unusual circumstance(s), which provided a challenge and came to a successful conclusion.

The Planning Dept. has engaged the Planning and Zoning commission concerning Building codes. Public hearings will be held in May concerning the adoption of the codes. This coming fiscal year the county will be hiring a code enforcement officer for the first year.

Awards, official recognition, and/or other achievements bestowed upon the department by outside sources.

Kristy Rowan received United Way Volunteer of the Year Award. She was awarded the Volunteer of the Year in February, 2007.

PUBLIC HEALTH

Projects, goals, plans, cases and/or other accomplishments pertaining to county departments, or cite unusual circumstance(s), which provided a challenge and came to a successful conclusion.

Public Health manages the Emergency Health Program for the 14th year, under the CBSG grant, providing vouchers for emergency medical, dental, eye and medication assistance for low income people in the community that are not covered by insurance. Through this same grant Parenting Classes are provided several times a year in Rawlins, Hanna and Saratoga. The PH Emergency Response Coordinator has provided CERT trainings in Saratoga and Rawlins this year. We have provided information and teachings to prepare the local communities for Pandemic type emergencies.

Coordination with non-county community agencies, outreach programs, and numbers of citizens served or affected; cite difference this made.

Public Health provides physicals and lunch time health seminars for the city employees under their Wellness Program. We do physicals for the Child Development Center staff and do yearly physicals on their preschool students; these are considered in kind services to them in their federal grant application.

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

We do Adult and Student Immunizations for the School District 1 & 2, City and County employees, private companies, ie. Sinclair, BP, Anadarko, Western Wyoming Community College students. All of these and other services are provided to the county above our regular mandated programs recommended by the state.

Awards, official recognition, and/or other achievements bestowed upon the department by outside sources.

Public Health has been recognized by the State Dept. of Health as one of the most productive counties in the Nurse Family Partnership, which is a nationally recognized home visitation program for teen mothers. Our office has 5 trained nurses in the program. Sue Bartlett from the Saratoga office was presented with a 25 year award for her role as a Public Health Nurse for the state.

Effective use of funds; grants, non-county sources attracted to projects, or partnerships forged to accomplish a given task, or technique developed by department to save funds.

Public Health in conjunction with Project Reach, the Library has started a mother's support group that meets weekly. This program has become very successful with a steady group of young mothers that provides a weekly learning session. The PH response coordinator works closely with the state Homeland Security in preparation for community disasters.

CARBON COUNTY SENIOR SERVICES, INC.

Projects, goals, plans, cases and/or other accomplishments pertaining to county departments, or cite unusual circumstance(s), which provided a challenge and came to a successful conclusion.

Goal: Raise our employees pay, we have offered our workers a great health plan and a great place to work, have been trying to bring their standard of living up a little to give them the incentive to be proud of where they work. Our senior centers are well maintained and our food is the best quality, just need to help our employees with a better standard of living for themselves.

Plan: With raises for all our employees and offering more training for all our employees, we will have the best employees any business could ask for.

Projects: Rawlins is finishing up with the proper air circulation for their center, Medicine Bows furnace is finally running properly, same with Encampment and Saratoga, they now have proper heating and cooling at each of these centers. Dishwashers were replaced in half of our centers and we have been able to give our Managers proper equipment to work with in there centers too.

None of these could have been done without the help of Carbon County and our

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

Commissioners. In 2005 when I started as the Director, our kitchen equipment was in terrible shape, with the help of the County Commissioners we were able to upgrade all the tools needed to provide meals for our seniors. No one ever talked to our Managers about there needs and checked out the buildings for leaks or hazards that needed to be repaired. For instance Hanna, they were owned by the town and the senior center was not up to the standards needed to run a good clean center, after working with the town and the commissioners we were able to replace a leaky roof and help turn the building back to where it should be. That building in Hanna was one of my biggest challenges and working with the County turned a challenge to a successful conclusion. Still need work but, looking better all the time.

Coordination with non-county community agencies, outreach programs, and numbers of citizens served or affected; cite difference this made.

We served last fiscal period 84,689 meals in which 74,233 were senior Congregate and home delivery meals. We continue to work with all the County agencies such as the hospital, public health and I go to the new interagency meeting monthly to help with county problem and stay on top of items that need to be done in the county. We have our menus in the newspaper for all to see what is to be served any given day, we post our bus schedule in Sinclair, the Recreation Center and offer rides to seniors who other wise would not get out of there homes. We serve the whole county; we offer different things in our towns, things that will help the seniors at each specific site. Rawlins/ Sinclair offer things that you may not need in Hanna, Elk Mt., or Medicine Bow same as Saratoga and Encampment offers things their seniors would need that would be different that Baggs and Dixon.

Awards, official recognition, and/or other achievements bestowed upon the department by outside sources.

No official recognition, and/or achievements bestowed upon the departments by out side sources at this time. We did receive \$5,000.00 from Wyoming Senior Citizens Inc. to upgrade our computers. We had five (5) Manager's complete in depth training on Medicare and Medicare plan D this year.

Effective use of funds; grants, non-county sources attracted to projects, or partnerships forged to accomplish a given task, or technique developed by department to save funds.

We were successful in receiving additional funds from the WSSB grant. This helps us pay for things our Title III funds doesn't pay. Received additional funds from WYDOT to cover the high cost of fuel and repairs on the van and buses we use. We have been lucky enough to receive additional funds called NSIP (it is cash in lieu) we received money instead of food to buy the food we need to provide a nutritional meal for our seniors. Our managers have been able to do more training both in house and away. We have a rotating program so all our

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

managers are always receiving training and no one is ever outdated on the information they have to run an efficient center. We will soon have the opportunity to apply for emergency funds; this will help to purchase an extra cooler for the Rawlins warehouse so as to be able to take advantage of the deals from our vendors. Or replace a large piece of equipment that otherwise the County would have to try to help pay for.

SHERIFF'S OFFICE

Projects, goals, plans, cases and/or other accomplishments pertaining to county departments, or cite unusual circumstance(s), which provided a challenge and came to a successful conclusion.

Carbon County was one of the last counties in Wyoming to become involved in the juvenile justice program and the first county to take over the program as the grant funds were running out. The Juvenile Probation Agent has supervised 87 juveniles during the past year from circuit and the different municipal courts. (53 new cases and 34 that carried over from 2006).

We have an increased level of training, and example is firearms training. This training for deputies is twice a month which provides better proficiency and reduces liability to the county. Dispatchers are E.M.D. (Emergency medical dispatch) trained in Carbon County.

We have created and instituted a new 'Mini-Basic' for the new Detention Deputies. This Mini-Basic is a three week course with instruction in the Jail policies and procedures, law enforcement computer program and all other aspects of the Jail. Carbon County has the only jail in the state which provides this Mini-Basic.

Coordination with non-county community agencies, outreach programs, and numbers of citizens served or affected; cite difference this made.

Outreach Programs – D.A.R.E., Kid Care, Home Alone, Mounted Patrol, K-9 Unit, 8 Separate Search and Rescue Units. These programs serve children, parents and senior citizens. Coordination with schools, civil organizations and health care professionals for public service, education and public relations. Adopt-a-Highway since 1991, the Sheriff's Office has collected 548 bags of trash on I-80.

Awards, official recognition, and/or other achievements bestowed upon the department by outside sources.

Thank you card and letters from citizens receiving direct law enforcement assistance and from many other individuals and organizations from outreach programs listed in #2. We also receive many thank you cards from individuals who are assisted by Deputies and Search and Rescue unit members.

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

Effective use of funds; grants, non-county sources attracted to projects, or partnerships forged to accomplish a given task, or technique developed by department to save funds.

- Deputy assigned to drug task force, salary paid through grant.
- Participation in the inmate extradition shuttle program – saves extradition costs.
- D.A.R.E. and Home Alone programs are funded by fund raisers and donations.
- Participation in health fairs by photographing and fingerprinting children with KidCare.
- Search and Rescue reimbursement by state of Wyoming in the sum of \$6,207.38.
- Contract with the Forest Service for Forest Road Patrols by the federal government was billed in 2006 for the sum of \$3,966.34.
- We received portable breath tests from Wyoming Surplus and Project Prevention at no cost. This saved the county the sum of \$3,200.00
- Continued electronic monitoring program for juvenile and adult inmates. Inmates pay \$5.00 per day to be on the monitor. The County charges various municipalities \$15.00 per day per inmate. Cost to the County for each monitor is \$3.85 per day. As of 4-1-07, the Treasurer has received \$6,255.00 in fees.
- Vin inspections brought \$4,040.00 into the County for fiscal period prior to 4-1-07
- The county received \$28,275.00 in fees for civil process as of 4-1-07.
- We have received \$114,660.52 from billing for inmate housing for other agencies. The commissioners approved a rate increase for prisoner housing from \$40.00 to \$60.00 per day effective July 1, 2006.
- Homeland Security monies were used to upgrade radio towers and radio repeater equipment around the county.
- We currently have 2 part-time receptionist, Norma Vance who is paid through Experience Works, which is a federal program, and Jack Lowrance, who is donating his time.
- We received \$5,400.00 yearly for 911 dispatch and terminal user agreement fees from other agencies who use our dispatch services.
- We purchased 15 refurbished radar units at \$325.00 each, approximately one-half the cost of new ones. Also Anadarko bought three of these, saving the county \$975.00.
- We received \$5,000.00 from the Wyoming Department of Transportation Safety grant for a new intoximeter.

TREASURER

Projects, goals, plans, cases and/or other accomplishments pertaining to county departments, or cite unusual circumstance(s), which provided a challenge and came to a successful conclusion.

Have implemented internet access for the public to view tax records. This has been very successful and the realtors not only locally, but around the state have been really happy with and very supportive of this access.

Carbon County, Wyoming
MANAGEMENT DISCUSSION AND ANALYSIS - CONTINUED

Upgraded the County's financial, tax billing and motor vehicle software to make the processes more up to date and more user friendly.

Coordination with non-county community agencies, outreach programs, and numbers of citizens served or affected.

Work with the Department of Family Services, Senior Services in helping County residents apply for property tax relief program. We had 33 people qualify and receive funds.

Awards, official recognition, and/or other achievements bestowed upon the department by outside sources.

Member of the Intergovernmental Mineral Policy Advisory Committee, to help in the task of education and valuation mineral valuation. Chairman of the revenue committee representing the Wyoming County Treasurers' Association, Joint Revenue Committee. Member of the WCTA Legislative Committee to represent Treasurer's issues at the Legislature.

Effective use of funds; grants, non-county sources attracted to projects, or partnerships forged to accomplish a given task, or technique developed by department to save funds.

Have worked closely with the Tripartite Board to assist local entities with funding for their businesses. Have used Homeland Security funds to help offset the cost of upgrading Sheriff office, Emergency Management, Coroner, County Fire Department and other municipalities for fire, emergency, and police.

TREASURER

This financial report is designed to provide the County's citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information contact Carbon County Clerk Gwynn G. Rothenberger or Carbon County Treasurer Cindy Baldwin, 415 West Pine Street, Rawlins, Wyoming 82301.

CARBON COUNTY, WYOMING

STATEMENT OF NET ASSETS

June 30, 2007

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	3,857,046
Investments		12,690,882
Receivables:		
Taxes		70,229
Accounts		2,231
Other		111,717
Due from other governments		661,703
Prepaid expenses		43,737
Inventories		151,333

NONCURRENT ASSETS

Land		2,099,347
Infrastructure		48,413,438
Buildings and improvements		36,136,903
Equipment		10,181,198
Less: accumulated depreciation		<u>(38,258,576)</u>
Net capital assets		<u>58,572,310</u>

Total assets	\$	<u>76,161,188</u>
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LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$	763,959
Accrued compensated absences		352,011
Accrued interest payable		36,163
Deferred revenues		614,520

NONCURRENT LIABILITIES

Due within one year		1,882,408
Due in more than one year		<u>5,806,134</u>
Total liabilities		<u>9,455,195</u>

NET ASSETS

Invested in capital assets, net of related debt		50,883,768
Unrestricted		<u>15,822,225</u>
Total net assets	\$	<u>66,705,993</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Functions/Programs				
Governmental activities				
General government	\$ 7,746,927	\$ 797,157	\$ 671,865	\$ (6,277,905)
Public safety	3,310,697	166,903	1,499,164	(1,644,630)
Highways and streets	3,665,445	1,460	384,852	(3,279,133)
Health and welfare	1,371,034	84,497	48,013	(1,238,524)
Culture and recreation	1,226,089	-	313,873	(912,216)
Capital outlay	1,167,317	-	-	(1,167,317)
Interest	239,267	-	-	(239,267)
Depreciation - unallocated	1,730,845	-	-	(1,730,845)
Total governmental activities	<u>20,457,621</u>	<u>1,050,017</u>	<u>2,917,767</u>	<u>(16,489,837)</u>
General Revenues				
Property taxes				12,681,714
Sales taxes				6,167,406
Other taxes				965,956
Interest and investment revenue				329,953
Other				316,055
Payment in lieu of taxes				684,030
Total general revenues				<u>21,145,114</u>
Change in net assets				4,655,277
Net assets - beginning of year				<u>62,050,716</u>
Net assets - end of year				<u>\$ 66,705,993</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2007

	General Fund	Nonmajor - Special Revenue Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and temporary investments	\$ 2,141,924	\$ 1,715,122	\$ 3,857,046
Investments	12,549,743	141,139	12,690,882
Receivables:			
Accounts receivable	-	2,231	2,231
Taxes	38,425	8,368	46,793
Interest	111,717	-	111,717
Due from other governments	661,703	-	661,703
Prepaid expenses	43,737	-	43,737
Inventory	-	151,333	151,333
Total Assets	<u>\$ 15,547,249</u>	<u>\$ 2,018,193</u>	<u>\$ 17,565,442</u>
LIABILITIES			
Accounts payable	\$ 648,293	\$ 115,666	\$ 763,959
Accrued compensated absences	131,031	5,595	136,626
Deferred revenue	614,520	-	614,520
Total Liabilities	<u>1,393,844</u>	<u>121,261</u>	<u>1,515,105</u>
FUND BALANCES			
Fund balances			
Restricted for road projects	1,703,436	-	1,703,436
Reserved for prepaid expenses	43,737	-	43,737
Reserved for inventory	-	151,333	151,333
Reserved for detention center operating	875,610	-	875,610
Reserved for special projects	635,125	-	635,125
Reserved for museum	500,102	-	500,102
Designated for cash reserve	2,145,000	-	2,145,000
Unreserved - undesignated	8,250,395	1,745,599	9,995,994
Total Fund Balances	<u>14,153,405</u>	<u>1,896,932</u>	<u>16,050,337</u>
Total Liabilities and Fund Balances	<u>\$ 15,547,249</u>	<u>\$ 2,018,193</u>	<u>\$ 17,565,442</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

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

June 30, 2007

Total fund balances - governmental funds \$ 16,050,337

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

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

Cost of capital assets	96,830,886	
Less accumulated depreciation	<u>(38,258,576)</u>	58,572,310

Long-term liabilities are not due and payable on the current period and therefore are not reported in the governmental funds.

Governmental leases payable	(7,688,542)	
Compensated absences	(215,385)	
Accrued interest on long-term debt	<u>(36,163)</u>	(7,940,090)

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

Taxes receivable		<u>23,436</u>
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Total net assets - statement of net assets (governmental activities) **\$ 66,705,993**

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, 2007

	Governmental Funds		Total Governmental Funds
	General Fund	Nonmajor - Special Revenue Funds	
REVENUES			
Taxes	\$ 17,764,663	\$ 2,160,673	\$ 19,925,336
Licenses and permits	408,452	-	408,452
Intergovernmental	3,428,982	35,960	3,464,942
Program revenue	-	267,269	267,269
Interest	301,759	28,194	329,953
Miscellaneous	378,869	34,596	413,465
Total revenue	<u>22,282,725</u>	<u>2,526,692</u>	<u>24,809,417</u>
EXPENDITURES			
Current:			
General government	6,766,034	-	6,766,034
Public safety	3,974,768	-	3,974,768
Highways and streets	3,983,337	807,193	4,790,530
Health and welfare	1,427,356	-	1,427,356
Culture and recreation	216,570	1,031,395	1,247,965
Capital outlay	1,193,469	399,883	1,593,352
Debt service:			
Principal retirement	2,018,672	-	2,018,672
Interest	404,240	-	404,240
Total expenditures	<u>19,984,446</u>	<u>2,238,471</u>	<u>22,222,917</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,298,279</u>	<u>288,221</u>	<u>2,586,500</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital lease obligations	<u>308,222</u>	-	<u>308,222</u>
Total other financing sources	<u>308,222</u>	-	<u>308,222</u>
Net change in fund balance	2,606,501	288,221	2,894,722
Fund balance, beginning	11,546,904	1,608,711	13,155,615
Fund balance, ending	<u>\$ 14,153,405</u>	<u>\$ 1,896,932</u>	<u>\$ 16,050,337</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

June 30, 2007

Total net change in fund balances - governmental funds **\$ 2,894,722**

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	2,013,109	
Less current year depreciation	<u>(1,730,845)</u>	282,264

Capital lease proceeds provide current resources to governmental funds, but issuing debt increases long-term debt liabilities in the statement of net assets. Repayment of loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceed repayments. The construction period interest expense for construction projects in progress is an expenditure in the governmental funds but the interest is capitalized as construction in progress in the statement of net assets.

Capital lease proceeds	(308,222)	
Capital lease principal payments	<u>2,018,671</u>	1,710,449

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 accrued interest payable	15,922	
Change in long-term compensated absences	22,627	
Loss on sale of assets	<u>(265,966)</u>	(227,417)

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

Change in property taxes receivable		<u>(4,741)</u>
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Change in net assets on statement of activities (governmental activities) **\$ 4,655,277**

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

June 30, 2007

	<u>Deferred Compensation</u>	<u>Agency Funds</u>	<u>Total</u>
ASSETS			
Cash	\$ -	\$ 4,173,708	\$ 4,173,708
Investments	593,806	-	593,806
Taxes receivable	<u>-</u>	<u>157,010</u>	<u>157,010</u>
 Total assets	 <u>\$ 593,806</u>	 <u>\$ 4,330,718</u>	 <u>\$ 4,924,524</u>
LIABILITIES			
Due to other tax units	<u>\$ -</u>	<u>\$ 4,330,718</u>	<u>\$ 4,330,718</u>
 NET ASSETS HELD IN TRUST	 <u>593,806</u>	 <u>-</u>	 <u>593,806</u>
 Total liabilities and net assets held in trust	 <u>\$ 593,806</u>	 <u>\$ 4,330,718</u>	 <u>\$ 4,924,524</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

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

For the Year Ended June 30, 2007

	<u>Deferred Compensation</u>
ADDITIONS	
Employee Contributions	\$ 51,083
Investment Income	
Interest and Dividends	16,669
Net Appreciation (Depreciation) in Fair Value of Investments	<u>51,544</u>
Total Investment Income	<u>68,213</u>
Total Additions	<u>119,296</u>
DEDUCTIONS	
Administrative Expenses and Fees	1,975
Participant Withdrawals	<u>109,759</u>
Total Deductions	<u>111,734</u>
Net Increase in Plan Assets	7,562
Net Assets Held in Trust, Beginning of Year	<u>586,244</u>
Net Assets Held in Trust, End of Year	<u><u>\$ 593,806</u></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, 2007:

- Carbon County Public Library
- Carbon County Fair Board
- Carbon County Weed and Pest Control District
- Carbon County Museum
- Charles W. Jeffrey, M.D. – Carbon County Memorial Center

NOTES TO FINANCIAL STATEMENTS

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.

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.

Weed and Pest Control District Fund – Accounts for services related to weed and pest control in the County.

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.

Charles W. Jeffrey, M.D. – Carbon County Memorial Center Fund – Accounts for the County's general purpose convention center.

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
Weed and Pest Control District	Nonmajor
Jeffrey Center	Nonmajor

NOTES TO FINANCIAL STATEMENTS

Significant Accounting Policies Followed By The County Are As Follows:

a) Basis of Presentation

Government-wide financial statements – The statement of net assets 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.

Fund financial statements are also provided in the report for all of the governmental funds, special revenue funds, and the 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 assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

NOTES TO FINANCIAL STATEMENTS

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.

b) Investments

Investments are reported at fair value. Fair value is based on quoted market prices.

c) 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.

d) 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 2006 tax levy, which was collectible during the year ended June 30, 2007.

NOTES TO FINANCIAL STATEMENTS

e) Compensated Absences

All regular, full-time employees of the General Fund, Fair Board Fund, Weed and Pest Control District 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 General Fund, Fair Board Fund and Weed and the Pest Control District 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 and the Weed and Pest Control District Fund accrue 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 and Weed and Pest Control District 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. The contingent liability for the unvested portions of sick leave as of June 30, 2007, totaled \$352,011.

f) 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.

g) Encumbrance Accounting

Encumbrances are not liabilities and, therefore are not recorded as expenditures until receipt of materials or services. A reservation of fund balance equal to outstanding encumbrances at year-end is provided for at June 30, 2007.

NOTES TO FINANCIAL STATEMENTS

h) 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 of business-type activities 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

i) 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

j) Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist 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 assets are 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 assets are available.

k) 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.

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	\$ 17,764,663	\$ (3,705,519)	\$ 14,059,144
Licenses and permits	408,452	(18)	408,434
Intergovernmental	3,428,982	2,079,005	5,507,987
Interest	301,759	(88,487)	213,272
Miscellaneous	378,869	(11,453)	367,416
Total revenues	\$ 22,282,725	\$ (1,726,472)	\$ 20,556,253
Expenditures:			
General government	\$ 6,766,034	\$ 1,235,075	\$ 8,001,109
Public safety	3,974,768	(22,249)	3,952,519
Highways and streets	3,983,337	(70,493)	3,912,844
Health and welfare	1,427,356	1,306	1,428,662
Cultural and recreation	216,570	747	217,317
Capital outlay	1,193,469	(2,697)	1,190,772
Principal retirement	2,018,672	(2,018,672)	-
Interest	404,240	(404,240)	-
Total expenditures	\$ 19,984,446	\$ (1,281,223)	\$ 18,703,223
Special Revenue Fund	Actual	Adjustment to Budget Basis	Budget Basis
Revenues:			
Taxes	\$ 2,160,673	\$ 19,045	\$ 2,179,718
Intergovernmental	35,960	(35,960)	-
Program revenue	267,269	28,761	296,030
Interest	28,194	(8,670)	19,524
Miscellaneous	34,596	-	34,596
Total revenues	\$ 2,526,692	\$ 3,176	\$ 2,529,868
Expenditures:			
Highways and streets	\$ 807,193	\$ 25,674	\$ 832,867
Cultural and recreation	1,031,395	4,997	1,036,392
Capital outlay	399,883	(57,243)	342,640
Total expenditures	\$ 2,238,471	\$ (26,572)	\$ 2,211,899

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, 2007, no budgets were exceeded.

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, 2007, the carrying amount of the County's deposits in financial institutions was \$10,534,468. The demand 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, 2007, the County had \$7,665,049 on deposit with the State Treasurer. Detailed information on the State Treasurer's pooled cash and investments is available from that office.

NOTES TO FINANCIAL STATEMENTS

Investments

As of June 30, 2007, the County had investments with weighted average maturities as shown in the following table:

Investment Type	Carrying Amount	Fair Value	Weighted Average Maturity in Years
Federal National Mortgage Association	902,634	902,634	9.29
Government National Mortgage Association	69,060	69,060	6.16
Federal Home Loan Bank Federal Home Loan Mortgage Corporation	563,200	563,200	2.73
Certificates of Deposit	1,672,139	1,672,139	15.53
State of Wyoming Investment Pool	1,818,800	1,818,800	0.67
	<u>7,665,049</u>	<u>7,665,049</u>	
Total	<u>\$ 12,690,882</u>	<u>\$ 12,690,882</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 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 the portfolio ongoing basis for changes in effective yields amounts.

NOTES TO FINANCIAL STATEMENTS

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:

<u>Investment Type</u>	<u>Fair Value</u>	<u>AAA</u>	<u>Insured</u>	<u>Unrated</u>
Federal National Mortgage Association	902,634	-	902,634	-
Government National Mortgage Association	69,060	-	69,060	-
Federal Home Loan Bank	563,200	-	1,231,181	-
Federal Home Loan Mortgage Corporation	1,672,139			
Certificates of Deposit	1,818,800	-	1,818,800	-
State of Wyoming Investment Pool	7,665,049	-	-	7,665,049
Total	<u>\$ 12,690,882</u>	<u>\$ -</u>	<u>\$ 4,021,675</u>	<u>\$ 7,665,049</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.

NOTES TO FINANCIAL STATEMENTS

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, 2007, the County held securities from the following issuers in excess of 5% of the total portfolio:

Federal National Mortgage Association	\$	902,634
Federal Home Loan Mortgage Corporation		1,672,139
Bank of Commerce		1,126,300
Rawlins National Bank		691,500
State of Wyoming Investment Pool		<u>7,665,049</u>
 Total		 <u>\$ 12,057,622</u>

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 this mitigates their exposure to foreign currency risk.

Note 4. Changes in Fixed Assets

During the year ended June 30, 2007 changes in fixed assets were as follows:

	Governmental Activities			Balance June 30, 2007
	Balance June 30, 2006	Additions	Deletions	
Land	\$ 2,099,347	\$ -	\$ -	\$ 2,099,347
Infrastructure	48,413,438	-	-	48,413,438
Buildings and improvements	36,136,903	-	-	36,136,903
Equipment	8,610,555	2,013,109	442,466	10,181,198
Total	<u>\$ 95,260,243</u>	<u>\$ 2,013,109</u>	<u>\$ 442,466</u>	<u>\$ 96,830,886</u>

NOTES TO FINANCIAL STATEMENTS

	Accumulated Depreciation Governmental Activities			Balance June 30, 2007
	Balance June 30, 2006	Additions	Deletions	
Infrastructure	\$ 22,001,880	\$ 968,269	\$ -	\$ 22,970,149
Buildings and improvements	9,602,201	487,273	-	10,089,474
Equipment	<u>5,100,150</u>	<u>275,303</u>	<u>176,500</u>	<u>5,198,953</u>
Total	<u>\$ 36,704,231</u>	<u>\$ 1,730,845</u>	<u>\$ 176,500</u>	<u>\$ 38,258,576</u>

Note 5. Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2007:

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Accrued compensated absences	\$ 335,898	\$ 16,113	\$ -	\$ 352,011
Capital lease obligations	<u>9,398,992</u>	<u>308,222</u>	<u>2,018,672</u>	<u>7,688,542</u>
Total	<u>\$ 9,734,890</u>	<u>\$ 324,335</u>	<u>\$ 2,018,672</u>	<u>\$ 8,040,553</u>

As of June 30, 2007, the governmental long-term debt of the financial reporting entity consisted of the following:

CAPITAL LEASES:

Capital lease payable to the Carbon County Detention Facility Joint Powers Board, due in semi-annual installments ranging from \$708,454 to \$721,534 including interest at 4.18% through June 2011, secured by real estate and detention center. \$ 5,215,000

Capital lease payable to Community First Leasing Services, due in semi-annual installments of \$88,063, including interest at 4.755% through June 2014, secured by real estate. 1,038,337

NOTES TO FINANCIAL STATEMENTS

Capital lease payable to Caterpillar Financial Services Corporation, due in annual installments of \$149,478, including interest at 4.75% through February 2010, secured by equipment.	142,325
Capital lease payable to Kinetic Leasing, due in semi-annual payments of \$35,844, including interest at 4.60% through June 2010, secured by equipment.	198,760
Capital lease payable to Bank of the West, due in semi-annual installments of \$72,354, including interest at 4.625% through December 2010, secured by equipment.	462,773
Capital lease payable to Caterpillar Financial Services Corporation, due in annual installments of \$64,826, including interest at 4.75% through November 2010, secured by equipment.	229,872
Capital lease payable to Caterpillar Financial Services Corporation, due in annual installments of \$52,108, including interest at 4.80% through December 2009, secured by equipment.	142,437
Capital lease payable to Bank of Commerce, due in semi-annual installments of \$55,292, including interest at 4.41% through December 2009, secured by equipment.	<u>259,038</u>
Total Governmental activity debt	<u>\$ 7,688,542</u>

Annual Debt Service Requirements

The annual requirements to amortize all outstanding debt as of June 30, 2007 are as follows:

	Governmental Activities		
	Principal	Interest	Total
2008	\$ 1,882,408	\$ 316,834	\$ 2,199,242
2009	1,819,370	234,181	2,053,551
2010	1,834,483	154,856	1,989,339
2011	1,665,219	76,746	1,741,965
2012	154,786	21,340	176,126
Thereafter	332,276	19,980	352,256
	<u>\$ 7,688,542</u>	<u>\$ 823,937</u>	<u>\$ 8,512,479</u>

NOTES TO FINANCIAL STATEMENTS

The June 30, 2007 debt issued by the County did not exceed its legal debt margin which is computed as follows:

Assessed valuation	<u>\$ 898,683,428</u>
Debt Limit – 2% of total assessed valuation	\$ 17,973,668
Amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	<u>\$ 17,973,668</u>

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 assets (entity wide reporting) for the vested amount owed as of June 30, 2007.

Note 6. Retirement Commitments

All County full-time or regular part-time employees participate in the Wyoming Retirement System ("System"), a multiple-employer public employee retirement system. The payroll for employees covered by the System for the year ended June 30, 2007 was \$4,943,657 and the County's total payroll was \$5,280,052.

All County full-time or regular part-time employees are eligible to participate in the System. 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. The System also provides death and disability benefits. Benefits are established by State statute.

The System statutorily requires 11.25% of the covered employees' salary to be contributed to the plan, of which 5.57% is paid by the employee and the remaining 5.68% is paid by the County. However, due to special benefits for law enforcement officers, the actual contribution rates are as follows. For miscellaneous employees, 11.22% of the covered employees' salary was contributed to the plan, of which 5.57% was paid by the employee and 5.65% was paid by the County. For law enforcement officers, 14.52% was contributed

NOTES TO FINANCIAL STATEMENTS

to the plan, of which 8.77% was paid by the employee and 5.75% was paid by the County. When these two groups are combined together, 12.09% of the covered employees' salary was contributed to the plan, of which 6.41% was paid by the employee and 5.68% was paid by the County. The contribution requirement for the year ended June 30, 2007, was \$671,500 which consisted of \$334,097 from employees and \$337,403 from the County.

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 2005 annual financial report for the periods for which the information is available.

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 \$593,806 as of June 30, 2007. This amount is included in the fiduciary funds as investments.

Note 7. 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. These funds are to be used, as necessary, for the cost of the pending litigations.

Note 8. Risk Management – Claims and judgments

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

NOTES TO FINANCIAL STATEMENTS

insured programs, there have been no significant reductions in insurance the County. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

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, 2005 to June 30, 2007:

Liability balance, June 30, 2005	\$	187,349
Claims and changes in estimates		1,750,370
Claims payments		<u>(1,788,456)</u>
Liability balance, June 30, 2006		149,263
Claims and changes in estimates		1,871,650
Claims payments		<u>(1,568,831)</u>
Liability balance, June 30, 2007	\$	<u><u>452,082</u></u>
Assets available to pay claims, June 30, 2007	\$	<u><u>110,768</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.

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, 2007

	General Fund		Variance Positive (Negative)
	Budget - Original & Final	Actual (Budgetary Basis)	
Revenue			
Taxes	\$ 4,082,550	\$ 14,059,144	\$ 9,976,594
Licenses and permits	526,010	408,434	(117,576)
Intergovernmental	21,435,577	5,507,987	(15,927,590)
Interest	134,075	213,272	79,197
Miscellaneous	767,975	367,416	(400,559)
Total revenue	<u>26,946,187</u>	<u>20,556,253</u>	<u>(6,389,934)</u>
Expenditures			
Current:			
General government	13,622,715	8,001,109	5,621,606
Public safety	4,457,291	3,952,519	504,772
Highways and streets	5,830,442	3,912,844	1,917,598
Health and welfare	1,724,752	1,428,662	296,090
Culture and recreation	229,621	217,317	12,304
Capital outlay	13,917,097	1,190,772	12,726,325
Total expenditures	<u>39,781,918</u>	<u>18,703,223</u>	<u>21,078,695</u>
Excess (deficiency) of revenues over (under) expenditures	(12,835,731)	1,853,030	14,688,761
Fund balance, beginning	<u>11,546,904</u>	<u>11,546,904</u>	<u>-</u>
Fund balance, ending	<u>\$ (1,288,827)</u>	<u>\$ 13,399,934</u>	<u>\$ 14,688,761</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, 2007
(Continued)

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

Revenue:

Actual total revenue budgetary basis	\$ 20,556,253
Differences- budget to GAAP	
Property taxes accrual difference	364,604
Grants receivable and deferred revenue differences	160,086
Accounts receivable and other accrual differences	1,116,004
Interest receivable difference	<u>85,778</u>

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance- governmental basis	<u>\$ 22,282,725</u>
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Expenditures:

Actual total expenditures budgetary basis	18,703,223
Differences- budget to GAAP	
Inventory difference	28,161
Vacation accrual difference	40,125
Accounts payable and other accrual differences	910,118
Unpaid claims liabilities accrual difference	<u>302,819</u>

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance- governmental basis	<u>\$ 19,984,446</u>
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CARBON COUNTY, WYOMING

**NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL**

June 30, 2007

A. Budgetary Basis

Annual budgets are adopted on a basis consistent with U.S. generally accepted accounting principles for all the General Fund. 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, 2007, there were no instances of excess of expenditures over appropriations in the General Fund.

OTHER SUPPLEMENTARY INFORMATION

CARBON COUNTY, WYOMING

**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, 2007

	Special Revenue Funds		Variance Positive (Negative)
	Budget Original & Final	Actual (Budgetary Basis)	
Revenue			
Taxes	\$ 2,125,667	\$ 2,179,718	\$ 54,051
Intergovernmental	25,505	-	(25,505)
Program revenue	247,789	296,030	48,241
Interest	15,400	19,524	4,124
Miscellaneous	-	34,596	34,596
	<u>2,414,361</u>	<u>2,529,868</u>	<u>115,507</u>
Total revenue			
Expenditures			
Current:			
Highways and streets	1,121,241	832,867	288,374
Culture and recreation	1,158,638	1,036,392	122,246
Capital outlay	469,075	342,640	126,435
	<u>2,748,954</u>	<u>2,211,899</u>	<u>537,055</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(334,593)	317,969	652,562
Fund balance, beginning	<u>1,608,711</u>	<u>1,608,711</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,274,118</u>	<u>\$ 1,926,680</u>	<u>\$ 652,562</u>

See Notes to Financial Statements.

CARBON COUNTY, WYOMING

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS**

June 30, 2007

	Weed and Pest	Fair	Library	Museum
ASSETS				
Cash	\$ 807,845	\$ 382,200	\$ 114,678	\$ 322,879
Investments	-	-	141,139	-
Receivables				
Taxes	3,596	1,582	2,026	848
Accounts	2,231	-	-	-
Inventory	151,333	-	-	-
Prepaid expenses	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 965,005</u>	<u>\$ 383,782</u>	<u>\$ 257,843</u>	<u>\$ 323,727</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 33,111	\$ 77,310	\$ -	\$ 5,245
Accrued liabilities	1,095	-	4,500	-
Deferred revenue	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>34,206</u>	<u>77,310</u>	<u>4,500</u>	<u>5,245</u>
FUND BALANCES				
Reserved for inventory	151,333	-	-	-
Unreserved	779,466	306,472	253,343	318,482
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>930,799</u>	<u>306,472</u>	<u>253,343</u>	<u>318,482</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 965,005</u>	<u>\$ 383,782</u>	<u>\$ 257,843</u>	<u>\$ 323,727</u>

<u>Jeffrey Center</u>	<u>Total</u>
\$ 87,520	\$ 1,715,122
-	141,139
316	8,368
-	2,231
-	151,333
<u>-</u>	<u>-</u>
<u>\$ 87,836</u>	<u>\$ 2,018,193</u>

\$ -	\$ 115,666
-	5,595
<u>-</u>	<u>-</u>
<u>-</u>	<u>121,261</u>

-	151,333
<u>87,836</u>	<u>1,745,599</u>
<u>87,836</u>	<u>1,896,932</u>
<u>\$ 87,836</u>	<u>\$ 2,018,193</u>

CARBON COUNTY, WYOMING

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

For the Year Ended June 30, 2007

	Weed and Pest	Fair	Library	Museum
Revenues				
Taxes	\$ 949,272	\$ 342,290	\$ 546,910	\$ 231,649
Intergovernmental	-	-	35,960	-
Interest	11,006	3,136	1,574	11,142
Program revenue	198,346	37,987	26,349	4,587
Donations	-	33,998	-	-
	<u>1,158,624</u>	<u>417,411</u>	<u>610,793</u>	<u>247,378</u>
Expenditures				
Highways and streets	807,193	-	-	-
Culture and recreation	-	164,103	609,610	163,502
Capital outlay	-	330,996	439	64,739
	<u>807,193</u>	<u>495,099</u>	<u>610,049</u>	<u>228,241</u>
Excess (deficiency) of revenues over (under) expenditures	351,431	(77,688)	744	19,137
Fund balances, beginning	<u>579,368</u>	<u>384,160</u>	<u>252,599</u>	<u>299,345</u>
Fund balances, ending	<u>\$ 930,799</u>	<u>\$ 306,472</u>	<u>\$ 253,343</u>	<u>\$ 318,482</u>

<u>Jeffrey Center</u>	<u>Total</u>
\$ 90,552	\$ 2,160,673
-	35,960
1,336	28,194
-	267,269
<u>598</u>	<u>34,596</u>
<u>92,486</u>	<u>2,526,692</u>
-	807,193
94,180	1,031,395
<u>3,709</u>	<u>399,883</u>
<u>97,889</u>	<u>2,238,471</u>
(5,403)	288,221
<u>93,239</u>	<u>1,608,711</u>
<u>\$ 87,836</u>	<u>\$ 1,896,932</u>

CARBON COUNTY, WYOMING

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

For the Year Ended June 30, 2007

	Budget - Original and Final	Actual	Variance - Positive (Negative)
Revenues			
Taxes	\$ 898,579	\$ 961,346	\$ 62,767
Interest	8,500	9,048	548
Program revenue	<u>125,489</u>	<u>225,008</u>	<u>99,519</u>
Total revenues	<u>1,032,568</u>	<u>1,195,402</u>	<u>162,834</u>
Expenditures			
Highways and streets	1,121,241	832,867	288,374
Capital outlay	<u>60,000</u>	<u>-</u>	<u>60,000</u>
Total expenditures	<u>1,181,241</u>	<u>832,867</u>	<u>348,374</u>
Excess (deficiency) of revenues over (under) expenditures	(148,673)	362,535	511,208
Fund balance, beginning	<u>579,368</u>	<u>579,368</u>	<u>-</u>
Fund balance, ending	<u>\$ 430,695</u>	<u>\$ 941,903</u>	<u>\$ 511,208</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, 2007

	Budget - Original and Final	Actual	Variance - Positive (Negative)
Revenues			
Taxes	\$ 386,434	\$ 410,624	\$ 24,190
Interest	1,200	3,476	2,276
Program revenue	45,500	40,087	(5,413)
Donations	-	33,998	33,998
	<u>433,134</u>	<u>488,185</u>	<u>55,051</u>
Total revenues			
Expenditures			
Culture and recreation	167,933	169,102	(1,169)
Capital outlay	390,000	273,753	116,247
	<u>557,933</u>	<u>442,855</u>	<u>115,078</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(124,799)	45,330	170,129
Fund balance, beginning	<u>384,160</u>	<u>384,160</u>	<u>-</u>
Fund balance, ending	<u>\$ 259,361</u>	<u>\$ 429,490</u>	<u>\$ 170,129</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, 2007

	Budget - Original and Final	Actual	Variance - Positive (Negative)
Revenues			
Taxes	\$ 545,420	\$ 549,094	\$ 3,674
Intergovernmental	25,505	-	(25,505)
Interest	5,700	2,849	(2,851)
Program revenue	<u>11,500</u>	<u>26,349</u>	<u>14,849</u>
Total revenues	<u>588,125</u>	<u>578,292</u>	<u>(9,833)</u>
Expenditures			
Culture and recreation	611,045	609,610	1,435
Capital outlay	<u>-</u>	<u>439</u>	<u>(439)</u>
Total expenditures	<u>611,045</u>	<u>610,049</u>	<u>996</u>
Excess (deficiency) of revenues over (under) expenditures	(22,920)	(31,757)	(8,837)
Fund balance, beginning	<u>252,599</u>	<u>252,599</u>	<u>-</u>
Fund balance, ending	<u>\$ 229,679</u>	<u>\$ 220,842</u>	<u>\$ (8,837)</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, 2007

	Budget - Original and Final	Actual	Variance - Positive (Negative)
Revenues			
Taxes	\$ 212,194	\$ 166,924	\$ (45,270)
Interest	-	2,815	2,815
Program revenue	65,300	4,586	(60,714)
Donations	-	-	-
	<u>277,494</u>	<u>174,325</u>	<u>(103,169)</u>
Total revenues			
Expenditures			
Culture and recreation	273,570	163,501	110,069
Capital outlay	19,075	64,739	(45,664)
	<u>292,645</u>	<u>228,240</u>	<u>64,405</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(15,151)	(53,915)	(38,764)
Fund balance, beginning	<u>299,345</u>	<u>299,345</u>	<u>-</u>
Fund balance, ending	<u>\$ 284,194</u>	<u>\$ 245,430</u>	<u>\$ (38,764)</u>

CARBON COUNTY, WYOMING

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

For the Year Ended June 30, 2007

	Budget - Original and Final	Actual	Variance - Positive (Negative)
Revenues			
Taxes	\$ 83,040	\$ 91,730	\$ 8,690
Interest	-	1,336	1,336
Donations	-	598	598
	<u>83,040</u>	<u>93,664</u>	<u>10,624</u>
Total revenues			
Expenditures			
Culture and recreation	106,090	94,179	11,911
Capital outlay	-	3,709	(3,709)
	<u>106,090</u>	<u>97,888</u>	<u>8,202</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(23,050)	(4,224)	18,826
Fund balance, beginning	<u>93,239</u>	<u>93,239</u>	<u>-</u>
Fund balance, ending	<u>\$ 70,189</u>	<u>\$ 89,015</u>	<u>\$ 18,826</u>

CARBON COUNTY, WYOMING

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

June 30, 2007

	<u>Governmental</u>	<u>Special</u>	<u>Other</u>	<u>Total</u>
ASSETS				
Cash	\$ 11,114	\$ 419,048	\$ 3,743,546	\$ 4,173,708
Investments	-	-	593,806	593,806
Taxes receivable	<u>9,222</u>	<u>147,788</u>	<u>-</u>	<u>157,010</u>
 Total Assets	 <u>\$ 20,336</u>	 <u>\$ 566,836</u>	 <u>\$ 4,337,352</u>	 <u>\$ 4,924,524</u>
 LIABILITIES				
Due to other taxing units	<u>\$ 20,336</u>	<u>\$ 566,836</u>	<u>\$ 3,743,546</u>	<u>\$ 4,330,718</u>
 NET ASSETS HELD IN TRUST	 <u>-</u>	 <u>-</u>	 <u>593,806</u>	 <u>593,806</u>
 Total Liabilities & Net Assets Held in Trust	 <u>\$ 20,336</u>	 <u>\$ 566,836</u>	 <u>\$ 4,337,352</u>	 <u>\$ 4,924,524</u>

CARBON COUNTY, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2007

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Expenditures
Department of Homeland Security		
Passed through State of Wyoming, Office of Homeland Security/ Emergency Management		
Law Enforcement Terrorism Prevention Program	97.074	\$ 29,560
Citizen Corps	97.053	40,022
Emergency Management Performance Grants	97.073	<u>136,196</u>
Total Expenditures of Department of Homeland Security Awards		<u>205,778</u>
Department of Health and Human Services Administration for Children and Families		
Passed through State of Wyoming, Department of Health		
Community Services Block Grant	93.569	82,685
Temporary Assistance for Needy Families	93.558	74,674
Substance Abuse and Mental Health Services Administration		
Passed through State of Wyoming, Department of Health		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	30,007
Centers for Disease Control and Prevention		
Passed through State of Wyoming, Department of Health		
CDC Bioterrorism Grant	93.283	<u>39,927</u>
Total Expenditures of Department of Health and Human Services Awards		<u>227,293</u>
Department of the Interior		
Bureau of Land Management		
Passed through State of Wyoming, Forestry Division		
Wildland Urban Interface Community and Rural Fire Assistance	15.228	<u>46,605</u>
Total Expenditures of Department of Interior Awards		<u>46,605</u>
Department of Transportation		
Federal Aviation Administration		
Passed through the State of Wyoming, Department of Transportation		
Airport Improvement Program	20.106	<u>1,230,429</u>
Total Expenditures of Department of Transportation Awards		<u>1,230,429</u>
Total Federal Assistance		<u>\$ 1,710,105</u>

CARBON COUNTY, WYOMING

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2007

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance and federal cost-reimbursement contracts of Carbon County, Wyoming. Carbon County, Wyoming receives federal awards both directly from federal agencies and indirectly through pass-through entities.

Federal program expenditures included in the accompanying schedule are presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Major Programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

CARBON COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

1. Summary of Auditor's results:

- An Unqualified opinion was issued on the financial statements.
- One material weakness in internal control over financial reporting was found.

- Financial statement preparation

Carbon County relies on Mader Tschacher Peterson to generate the annual financial statements including footnotes. SAS No. 112 emphasizes that the auditor can't be part of the client's system of internal control over financial reporting. In our judgment, the County's accounting personnel and those charged with governance, in the course of their assigned duties, lack the capable skills to prepare the financial statements and related footnotes in accordance with generally accepted accounting principles (GAAP) and to detect and correct a material misstatement, if present.

- No material weaknesses in internal control over compliance were found.
- No instances of noncompliance material to the financial statements were found.
- No reportable conditions in internal control over major programs were found.
- An Unqualified opinion was issued on the compliance for major programs.
- No audit findings were reported.
- The following federal programs were determined to be major programs:

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Federal Award Expenditures</u>
U.S. Department of Transportation – Federal Aviation Administration Passed through the State of Wyoming , Department of Transportation Airport Improvement Program	20.106	\$ <u>1,230,429</u>
Total		\$ <u><u>1,230,429</u></u>

- The dollar threshold used to distinguish between Type A and Type B programs is as follows: Type A programs are all programs with more than \$300,000 or more in federal awards. Type B programs are all programs with less than \$300,000 in federal awards.
- The auditee does qualify as a low-risk auditee.

CARBON COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

(CONTINUED)

- 2. Findings relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards (GAGAS):**
 - No such findings.

- 3. Findings and questioned costs for Federal Awards:**
 - No such findings

Mader Tschacher Peterson & Co., LLC

Certified Public Accountants & Consultants

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 the financial statements of the governmental activities and the aggregate remaining fund information of Carbon County, Wyoming as of and for the year ended June 30, 2007, and have issued our report thereon dated January 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Carbon County's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Carbon County's financial statements that is more than inconsequential will not be prevented or detected by Carbon County's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statement will not be prevented or detected by Carbon County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

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

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

Mader Ischachen Peterson & Co., LLC

January 29, 2008
Laramie, Wyoming

Mader Tschacher Peterson & Co., LLC

Certified Public Accountants & Consultants

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the County Commissioners
Carbon County, Wyoming
Rawlins, Wyoming

Compliance

We have audited the compliance of Carbon County, Wyoming, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. Carbon County, Wyoming's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Carbon County, Wyoming's management. Our responsibility is to express an opinion on Carbon County, Wyoming's compliance based on our audit.

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

In our opinion, Carbon County, Wyoming complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Carbon County, Wyoming is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Carbon County, Wyoming's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Carbon County, Wyoming's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

Mader Ischack Peterson & Co., LLC

January 29, 2008
Laramie, Wyoming