

**CITY OF GREEN RIVER,
WYOMING**

**Audited Financial Statements
For the Year Ended June 30, 2007**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council Members
City of Green River, Wyoming

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Green River Futures, Inc., component unit of City of Green River, Wyoming, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Green River, Wyoming's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Green River Futures, Inc., component unit of City of Green River, Wyoming, as of June 30, 2007, and the respective changes in financial position, and, where applicable, cash flows thereof 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 our report dated January 29, 2008, on our consideration of the City of Green River, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 13 and 19, 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 City of Green River, Wyoming's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of City of Green River, Wyoming. The combining and individual nonmajor fund financial 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. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Karren, Hendrix, Stagg, Allen & Company
January 29, 2008

Management's Discussion and Analysis

This section of the City of Green River's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2007. Please read it in conjunction with the City's financial statements which follow this section.

Financial Highlights

The City's combined net assets grew to \$82.7 million during fiscal year 2007. This represents a 19.2% increase over fiscal year 2006. The increase is attributable to governmental activities increasing by \$12 million or 22.8% and business activities decreasing by \$1.9 million or 9.5% for the fiscal year.

The business type activities reduced in size with net assets ending balance to just over \$18 million. Even though the business type activities lost a cumulative \$113,852 as a result of operations they maintained a \$9.6 million in unrestricted fund balance.

The solid waste fund posted a \$277,000 profit for fiscal year 2007, increasing the fund balance to just over \$2.0 million. Looking to the future the fund will expend approximately 25% of its fund balance purchasing a few large pieces of equipment. Overall the fund is positioned in fairly well with its current rate structure and future expectations.

The wastewater fund recorded a \$469,000 loss for fiscal year 2007. This loss represents approximately 5.0% of its net assets. Even with the loss the fund is very financially strong with approximately \$3.1 million in unrestricted net assets. Given the current rate structure and the future of the wastewater system the Governing Body should start looking at stabilizing the fund by slightly increasing fees to a break even point.

The water fund recorded a \$379,000 profit in for fiscal year 2007, increasing the fund balance to \$5.2 million. The fund has maintained solvency very well over the last few years with small annual rate increases. With unrestricted net assets of approximately \$2.9 million the fund is positioned well for the future as long as the Governing Body maintains the position of small periodic increases.

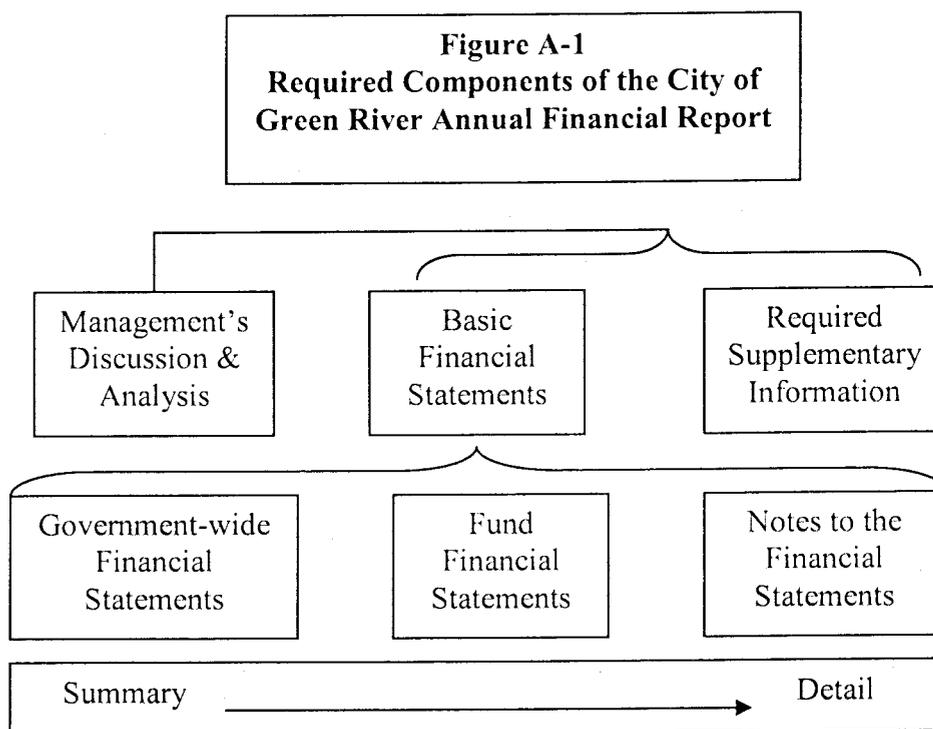
Overview of the Financial Statements

This annual report consists of three parts: 1) Management's Discussion and Analysis (this section) 2) The basic financial statements and 3) Required supplementary information. The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status similar to a private-sector company.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements do.
 - *Governmental fund* statements tell how general governmental services like public safety were financed in the short term as well as what remains for future spending.

- **Proprietary fund** statements offer short and long term financial information about the activities the government operates like businesses, such as the water and sewer systems.
- **Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Green River’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows graphically how the required parts of the annual report are arranged and related to one another.



Below, figure A-2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of the management’s discussion and analysis explains the structure and contents of each of the statements.

Figure A-2

Major Features of the City of Green River's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City Government	The activities of the City that are not proprietary such as police, fire, and parks & recreation.	Activities the City operates similar to private businesses such as the water, sewer and solid waste program.
Required financial statements	Statement of Net Assets Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balances.	Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets. Statement of Cash Flows.
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.
Type of Asset/ Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included.	All assets and liabilities both financial and capital, and short-term and long-term.
Type of inflow/ outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due.	All revenues and expenses during the year, regardless of when cash is received or paid.

Government-wide Statements

The government-wide statements, report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets (the difference between the City's assets and liabilities) is one way to measure the City's financial health, or position.

- Over time increases or decreases in the City's net assets are indicators of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City the reader of the financial statements needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads. The property tax base accounts for roughly 4% of the City's total general fund revenue.

The government-wide financial statements for the City are divided into two categories:

- Governmental activities – Most of the City's basic services are included here. Services such as police, public works, parks and recreation and general administration of the City. Property and sales taxes, charges for services, mineral royalties, severance taxes, and state and federal grants fund these activities. The one cent sales tax funds capital projects.
- Business-type activities – The City charges fees to customers to help it cover the costs of certain services it provides. The City's water, wastewater and solid waste services are under this umbrella.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds as opposed to the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has four kinds of funds:

Governmental fund – Most of the City's basic services are included in the governmental funds, which focus on: 1) how cash and other financial assets can readily be converted to cash flow in and out and 2) the balances left at year-end that are available for spending in the next year. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether or not there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provided additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.

Proprietary fund – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements provide both long and short term financial information. In fact, the City’s enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information such as a statement of cash flows.

Internal service fund – The risk management fund accounts for the expenditures associated with the cost of providing property and liability insurance to the City. This account is designed to be self-sustaining. The interest earned on investments are expected to be enough to cover the expenses during the year.

Fiduciary fund – The fiduciary fund accounts for receipts and expenditures for the City’s partially funded self-insurance program and the GREEN program. After a number of years of providing health care coverage under a fully funded third party program, the City elected on July 1, 2004 to provide health care coverage through a partially funded self-insured program. The GREEN program provides city residents assistance in paying their utility bills. The Food Bank screens applicants and notifies the City of those who qualify. Private donations are collected and held specifically for this purpose.

Financial Analysis of the City as a Whole

Net Assets

Over time net assets serve as a useful indicator of a government’s financial position. On the next page, table A-3 summarizes the City of Green River’s net assets. The City’s assets exceed liabilities by \$82.7 million at the end of the fiscal year 2007.

Net assets can be separated further into current assets which equal \$35 million; increasing by \$8.1 million from the prior fiscal year. Investment in capital assets (net of depreciation) totaled \$53 million; increasing by \$5.1 million from the prior fiscal year. Total liabilities decreased slightly from last fiscal year down to \$5.3 million from \$5.4 million.

Current assets and capital assets both increased considerably due to the first full year of the City receiving an optional 1% capital facilities tax. The tax was voted on and implemented in the later part of fiscal 2006. The optional tax can only be used on a specific set of capital improvements and is administered by a capital facilities joint powers board. During fiscal year 2007 the City started and completed several of the projects associated with the approved tax.

Governmental Activities The governmental activities of the City include general government, public safety, street maintenance, and parks and recreation. Additionally, the capital projects fund includes streets, recreation and miscellaneous projects.

Business Type Activities The business type activities include wastewater, solid waste, water, and risk management.

Table A-3

City of Green River's Net Assets
(In millions of dollars)

	Governmental Activities	Business Type Activities	Total
Current Assets	\$24.2	\$10.8	\$35.0
Capital Assets	\$44.6	\$8.4	\$53.0
Total Assets	<u>\$68.8</u>	<u>\$19.2</u>	<u>\$88.0</u>
Current Liabilities	\$2.7	\$0.6	\$3.3
Non-Current Liabilities	\$1.4	\$0.6	\$2.0
Total Liabilities	<u>\$4.1</u>	<u>\$1.2</u>	<u>\$5.3</u>
Invested in Capital Assets	\$44.6	\$8.4	\$53.0
Restricted	\$0.1	\$0.0	\$0.1
Unrestricted	\$20.0	\$9.6	\$29.6
Total Net Assets	<u>\$64.7</u>	<u>\$18.0</u>	<u>\$82.7</u>

Changes in Net Assets

On the following page, table A-4 depicts the change in net assets for the City of Green River; fiscal year ending 2007. City-wide, net assets increased \$13.4 million to an ending balance of \$ 81.7 million.

Governmental Activities Governmental activities increased by \$12.1 million during fiscal year 2007. The increase in revenues was almost solely attributable an increase in sales and use taxes from the current economy and a full year receiving an additional 1% optional capital construction tax.

Sales and use taxes are the largest revenue source of the City's governmental funds. They make up approximately 74% of the total revenue during the fiscal year. The sales and use tax has three key components. The first component is the 4% general sales and use tax. This tax goes mostly to the State of Wyoming. The City received approximately \$8.9 million of 4% sales and use tax, which represents 31% of the City's total governmental activities revenue. The second component is the 1% sales and use tax. This tax is a county tax and stays here in Sweetwater County. The City receives approximately 31 cents out of every dollar collected in Sweetwater County. The City received approximately \$6.9 million of 1% capital facilities sales and use tax, which represents 24% of the City's total governmental activities revenue. The third component of is a 1% optional capital construction tax. This is a local tax the voters of Sweetwater County voted into effect in the 2006 election. This tax is earmarked for a specific series of capital construction projects. The City received approximately \$5.3 million of 1% capital construction sales and use tax, which represents 19% of the City's total governmental activities revenue.

Table A-4
Changes in the City of Green River's Net Assets

Activity	Governmental Activities	Business Type Activities	Total
Revenue:			
Programmed Revenue:			
Charges for Services	\$ 767,754	\$ 4,474,984	\$ 5,242,738
Grants	-	-	-
Capital Grants	-	-	-
General Revenues:			
Sales	21,196,187	-	21,196,187
Property Tax	743,055	-	743,055
Impact Assistance	844,282	-	844,282
Misc taxes	588,203	-	588,203
Intergovernmental	4,289,445	-	4,289,445
Investment Earnings	627,656	389,643	1,017,299
Miscellaneous	146,748	270,674	417,422
Sale of Assets	910,442	-	910,442
Total Revenue	<u>30,113,772</u>	<u>5,135,301</u>	<u>35,249,073</u>
Expenses:			
General Government	3,005,014	-	3,005,014
Public Safety	4,709,475	-	4,709,475
Streets Maintenance	3,649,054	-	3,649,054
Parks & Recreation	3,757,639	-	3,757,639
Expensed Capital Outlay	1,806,760	-	1,806,760
Solid Waste	-	1,244,312	1,244,312
Sewer	-	1,303,336	1,303,336
Water	-	2,100,452	2,100,452
Risk Management	-	211,410	211,410
Total Expenses	<u>16,927,942</u>	<u>4,859,510</u>	<u>21,787,452</u>
Excess (deficiency) before transfers	<u>13,185,830</u>	<u>275,791</u>	<u>13,461,621</u>
Transfers	<u>(1,000,000.00)</u>	<u>1,000,000</u>	<u>-</u>
Increase (Decrease) in Net Assets	<u>12,185,830</u>	<u>1,275,791</u>	<u>13,461,621</u>
Beginning Net Assets	<u>52,497,411</u>	<u>16,781,529</u>	<u>69,278,940</u>
Ending Net Assets	<u>\$ 64,683,241</u>	<u>\$ 18,057,320</u>	<u>\$ 82,740,561</u>

The second largest contributor to the City's coffers is the intergovernmental revenues. This account is made up of state and federal grants, mineral royalties, severance taxes and one-time funding from the State. During the last few years the State has had a large surplus from the current oil and gas economy. To help distribute the excess funds to the local governments the State has setup two programs, the Business Ready Community Grant (BRC) program and the Impact Assistance Program (IAP) through the State Land and Investment Board. During fiscal year 2007 the City received approximately \$1.5 million from the BRC program. The City has also applied for some IAP funding from the state and expects to receive approximately \$1 million from the State in the next fiscal year.

The City's 2007 expenditures by functional categories are typical as they relate to governmental activities. The General Government category is composed of: governing body, municipal court, city administrator, human resources, finance, legal services, and community revitalization. Public safety is comprised of police protection and fire protection. Streets maintenance is comprised of community development, public works and streets maintenance. Parks and recreation includes park maintenance, leisure programs, cemetery, and buildings maintenance and recreation center accounts. Capital outlay is the City's capital project program the builds general fund infrastructure such as streets, recreation projects, City expansion projects, urban renewal projects and other quality of life enhancements to the City.

The City's capital outlay programs are the largest expenditure category in the City at 40% of the governmental activities expenditures. Public safety is the second largest expenditure program at 20% and Parks and Recreation third at 16%.

Governmental Activities revenues exceed expenditures by \$7.2 million before the transfers. Net income in the Governmental Activities was \$6.2 million for fiscal year 2007.

Business-Type Activities Most of the business-type activities had a good fiscal year. Even with one of them posting a loss for the year they all remain fiscally solvent.

The solid waste fund reflected a net income of \$277,000 during fiscal 2007, increasing the net unrestricted assets to \$1.7 million. While this is the largest reserves the fund has seen in years it will use almost 25% of those unrestricted assets in the next fiscal year to replace two garbage collection trucks. The fund is also in need of replacing some large pieces of heavy equipment in the next one to two years. The fund will probably need to review some financing options as the fund does not have unrestricted net assets to buy them outright.

The water fund remained steady on course this year with a \$379,000 gain in net assets. The fund's increase this year was attributed to a slight increase in fees and due to the fact that it did not finance an infrastructure project this year. The addition of a 1% capital construction tax has aided the fund in its annual maintenance of infrastructure the city's future growth is going to be largest foreseeable hurdle for the water fund. Currently the fund is undergoing a study to look at the issues involving the expansion of the city.

The wastewater fund is still relying upon its lofty fund balance to operate. As designed by the current rate structure the fund again had a net loss of \$468,000 this year. At the end of the fiscal year, the fund balance is at \$8.9 million which includes \$3.1 in unrestricted net assets. A \$3.1 million fund balance is a good target amount to maintain given the current cost of infrastructure repair and the

future growth of the city. With out increasing the rate structure to a break even point for operations the ability to offer the current level of service and maintain the solvency of the fund will be questionable.

In the internal service fund, risk management fund received \$194,000 from other funds and insurance proceeds to finance the self-insurance pool. During the year the fund also received \$1,000,000 transfer to help set up a quasi endowment. Interest earned from the pool is used to off-set insurance costs.

Fiduciary Activities The City has the fiduciary oversight for the GREEN assistance program. This program enables individuals to donate money for others to help pay their City utility costs. During the fiscal year, the City received \$529 in donations and paid out \$153 to needy residents. The GREEN assistance program has a total of \$4,528 in cash at the end of the fiscal year.

The City's partially self-funded health insurance program ended the fiscal year with a gain of \$373,000. At the start of fiscal year 2008 the city decided it no longer wanted to maintain it's partially self-funded insurance plan but instead moved to utilize a fully funded plan though the Wyoming Educators Benefit Trust. In the future the fund will be maintained to tract employee contributions to the health insurance plan.

General Fund Budgetary Highlights:

The City of Green River revised its original budget during the fiscal year. The budget is modified because the budgeting process started in January, 2006. Several factors lead to these modifications. They include: economic factors, change in governing officials, emergency purchases, and other factors.

During fiscal year 2007, the Governing Body continued its budget adjustment for the expenditure control budget (ECB) program. This program allows departments to carry over half of the money saved (not spent) by each department. The amount added to the budget for fiscal year 200 in the general fund was \$109,000. This amount was allocated throughout the divisions based upon savings in the respective accounts. The enterprise funds received \$48,500 in ECB funds for the fiscal year.

The Governing Body also approved \$12.9 million in additional capital projects during the fiscal year. Approximately \$11.6 million of the budget modifications attributed to street and utility projects to expand and rebuild infrastructure in the community. The remainder of the additions are attributable to demolition of a building destroyed by fire, aiding the Chamber of Commerce relocate, the awarding of two federal grants and some additional miscellaneous budget adjustments. Approximately \$7.8 million of the funding will come from the additional sales tax and a grant funding. The remaining amounts are to be funded by the governmental fund.

Capital Assets

At the end of the fiscal year, for governmental activities, the City had invested \$76.1 million in a wide range of capital assets including land and land improvements, buildings, equipment, infrastructure and vehicles. Capital assets increased by \$2.2 million (net of construction in progress) or 3.8% over last year. See Table A-5. Over all the City has utilizes approximately \$44.7 million (net of depreciation) of assets to provide general services to the citizens of Green River.

**Table A-5
City of Green River's Capital Assets
Governmental Activities**

	<u>Balance as of June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of June 30, 2007</u>
Non-Depreciated Assets				
Land and Land Improvements	\$ 7,716,044	\$ 178,014	\$ 113,829	\$ 7,780,229
Total Non-Depreciated Assets	7,716,044	178,014	113,829	7,780,229
Depreciable Capital Assets				
Buildings	13,947,755	188,364		14,136,119
Construction in Progress	3,031,969	6,340,960	1,176,724	8,196,205
Equipment	1,910,995	390,114	15,784	2,285,325
Infrastructure	37,419,352	2,545,099	1,169,611	38,794,840
Vehicles	4,651,301	301,482	76,872	4,875,911
Total Depreciable Capital Assets	60,961,372	9,766,019	2,438,991	68,288,400
Less Accumulated Depreciation	29,950,228	2,191,011	726,448	31,414,791
Net Depreciable Assets	31,011,144	7,575,008	1,712,543	36,873,609
Total Capital Assets	<u>\$ 38,727,188</u>	<u>\$ 7,753,022</u>	<u>\$ 1,826,372</u>	<u>\$ 44,653,838</u>

For fiscal year 2007, for business type activities, had invested \$25.5 million in a wide range of capital assets including land and land improvements, buildings, equipment, infrastructure and vehicles. Capital assets increased by \$303,000 (net of construction in progress) or 1.2 % from last year. See below Table A-6. For proprietary activities, the City has invested \$8.4 million (net of depreciation) in providing city services to the citizens of Green River.

**Table A-6
City of Green River's Capital Assets
Business Type Activities**

	<u>Balance as of June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of June 30, 2007</u>
Non-Depreciated Assets				
Land and Land Improvements	\$ 304,951	\$ -	\$ -	\$ 304,951
Total Non-Depreciated Assets	304,951	-	-	304,951
Depreciable Capital Assets				
Buildings	5,083,358	-	-	5,083,358
Construction in Progress	289,420	14,850	289,420	14,850
Equipment	738,356	105,480	-	843,836
Infrastructure	16,751,036	250,388	38,960	16,962,464
Vehicles	2,380,700	-	12,925	2,367,775
Total Depreciable Capital Assets	25,242,870	370,718	341,305	25,272,283
Less Accumulated Depreciation	17,254,667	692,672	763,352	17,183,987
Net Depreciable Assets	7,988,203	(321,954)	(422,047)	8,088,296
Total Capital Assets	\$ 8,293,154	\$ (321,954)	\$ (422,047)	\$ 8,393,247

Long-Term Debt

The City has a small amount of long-term debt. This includes employee compensated absences, liability associated with the purchase of a fire truck and post closure liability of the City's landfill. This amounts to \$1.9 million or 2.2% of the City's net assets.

The City has no outstanding bonds issued. The City does however have conduit debt. These are industrial revenue bonds issued by private-sector entities. The City is not obligated in any manner for repayment of the bonds and accordingly, the bonds are not reported as a liability in the accompanying financial statements.

Basic Financial Statements

City of Green River
Statement of Net Assets
June 30, 2007

	Primary Government		Totals	Component Unit Green River Futures
	Governmental Activities	Business-Type Activities		
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 2,430,296	\$ 64,050	\$ 2,494,346	\$ 110,230
Cash Held in Joint Custody	191,532	126,484	318,016	-
Investments	15,680,689	9,684,546	25,365,235	-
Receivables	5,688,770	500,775	6,189,545	19,395
Unbilled Receivables	-	118,316	118,316	-
Prepaid Expenses	3,489	-	3,489	-
Inventories	215,380	348,157	563,537	-
Total Current Assets	24,210,156	10,842,328	35,052,484	129,625
Non-current Assets				
Capital Assets				
Land	7,780,229	304,951	8,085,180	-
Buildings	14,136,119	5,083,358	19,219,477	-
Equipment	2,285,325	843,836	3,129,161	18,391.00
Vehicles	4,875,911	2,367,775	7,243,686	-
Infrastructure	38,794,840	16,962,464	55,757,304	-
Construction in Progress	8,196,205	14,850	8,211,055	-
Accumulated Depreciation	(31,414,791)	(17,183,987)	(48,598,778)	(8,547)
Total Capital Assets (Net of Accumulated Depreciation)	44,653,838	8,393,247	53,047,085	9,844
Total Non-current Assets	44,653,838	8,393,247	53,047,085	9,844
Total Assets	68,863,994	19,235,575	88,099,569	139,469
Liabilities				
Current Liabilities				
Accounts Payable	2,261,294	283,666	2,544,960	228
Compensated Absences	13,057	212,180	225,237	-
Court Bonds	5,420	-	5,420	-
Deposits	6,750	78,160	84,910	-
Salaries Payable	461,584	41,781	503,365	-
Total Current Liabilities	2,748,105	615,787	3,363,892	228
Non-Current Liabilities				
Compensated Absences	1,137,370	-	1,137,370	-
Capital Lease Obligations	295,278	-	295,278	-
Post Closure Liability	-	562,468	562,468	-
Total Non-Current Liabilities	1,432,648	562,468	1,995,116	-
Total Liabilities	4,180,753	1,178,255	5,359,008	228
Net Assets				
Invested in Capital Assets	44,653,838	8,393,247	53,047,085	9,844
Restricted For:				
Federal Programs	17,944	-	17,944	52,917
Other	34,481	-	34,481	-
Unrestricted	19,976,978	9,664,073	29,641,051	76,480
Total Net Assets	\$ 64,683,241	\$ 18,057,320	\$ 82,740,561	\$ 139,241

The Notes to the Financial Statements are an Integral Part of this Statement

City of Green River

Balance Sheet

Governmental Funds

June 30, 2007

	General	Capital Projects	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 1,579,231	\$ 851,065	\$ 2,430,296
Cash Held in Joint Custody	-	191,532	191,532
Investments	15,257,327	423,362	15,680,689
Receivables	2,986,704	2,702,066	5,688,770
Prepaid Expenses	3,489	-	3,489
Inventories	215,380	-	215,380
Total Assets	<u>20,042,131</u>	<u>4,168,025</u>	<u>24,210,156</u>
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	518,300	1,742,994	2,261,294
Compensated Absences	13,057	-	13,057
Salaries Payable	461,584	-	461,584
Court Bonds	5,420	-	5,420
Facility Deposits	6,750	-	6,750
Total Liabilities	<u>1,005,111</u>	<u>1,742,994</u>	<u>2,748,105</u>
Fund Balance			
Reserved For:			
Federal Programs	17,944	-	17,944
Other	34,481	-	34,481
Unreserved	18,984,595	2,425,031	21,409,626
Total Fund Balance	<u>19,037,020</u>	<u>2,425,031</u>	<u>21,462,051</u>
Total Liabilities and Fund Balance	<u>\$ 20,042,131</u>	<u>\$ 4,168,025</u>	

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

Net Capital assets used in governmental activities are not financial resources and, therefore, are reported in the funds.	44,653,838
Other long-term assets that are not available to pay for current-period expenditures, and therefore, are deferred in funds.	-
Long-term liabilities not due and payable in the current financial period and, therefore, are not reported in the funds.	<u>(1,432,648)</u>
Total Net Assets of governmental activities	<u>\$ 64,683,241</u>

The Notes to the Financial Statements are an Integral Part of this Statement

City of Green River

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2006

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes:			
Sales and Use	\$ 16,001,949	\$ 5,194,238	\$ 21,196,187
Impact Assistance	844,282	-	844,282
Property	743,055	-	743,055
Miscellaneous Taxes	588,203	-	588,203
Charges for Services	435,773	-	435,773
Fines	117,927	-	117,927
Intergovernmental	2,169,175	2,120,270	4,289,445
Investment Earnings	590,215	37,441	627,656
Licenses and Permits	214,054	-	214,054
Miscellaneous	146,748	-	146,748
Sale of Assets	910,442	-	910,442
Total Revenues	<u>22,761,823</u>	<u>7,351,949</u>	<u>30,113,772</u>
Expenditures			
Current:			
General Government	2,904,877	-	2,904,877
Public Safety	4,559,403	-	4,559,403
Streets Maintenance	2,584,491	-	2,584,491
Parks and Recreation	3,633,801	-	3,633,801
Capital Outlay:			
Streets	-	6,171,860	6,171,860
Recreational Projects	-	1,731,849	1,731,849
Miscellaneous Projects	-	1,284,544	1,284,544
Total Expenditures	<u>13,682,572</u>	<u>9,188,253</u>	<u>22,870,825</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,079,251</u>	<u>(1,836,304)</u>	<u>7,242,947</u>
Other Financing Sources (Uses)			
Transfers In	-	3,660,940	3,660,940
Transfers Out	(4,660,940)	-	(4,660,940)
Total Other Financing Sources (Uses)	<u>(4,660,940)</u>	<u>3,660,940</u>	<u>(1,000,000)</u>
Net Change in Fund Balances	4,418,311	1,824,636	6,242,947
Fund Balances-Beginning	14,618,709	600,395	
Fund Balances-Ending	<u>\$ 19,037,020</u>	<u>\$ 2,425,031</u>	

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

Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in the governmental funds 16,233

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period. 5,926,650

Change in net assets-entity wide statements \$ 12,185,830

City of Green River

Statement of Revenues, Expenditures, and Changes in
General Fund Balances - Budget and Actual
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget Positive/(Negative)
	Original	Final		
Revenues				
Taxes:				
Sales and Use	12,300,000	\$ 12,300,000	\$ 16,001,949	\$ 3,701,949
Property	600,000	600,000	743,055	143,055
Impact Assistance	844,158	844,158	844,282	124
Miscellaneous	547,894	547,894	588,203	40,309
Charges for Services	426,400	426,400	435,773	9,373
Fines	89,300	89,300	117,927	28,627
Intergovernmental	1,729,061	1,732,556	2,169,175	436,619
Investment Earnings	175,000	175,000	590,215	415,215
Licenses and Permits	135,900	135,900	214,054	78,154
Miscellaneous	162,500	174,850	146,748	(28,102)
Sales	111,100	1,221,050	910,442	(310,608)
Total Revenues	<u>17,121,313</u>	<u>18,247,108</u>	<u>22,761,823</u>	<u>4,514,715</u>
Expenditures				
General Government				
Council	774,566	774,566	733,081	41,485
Municipal Court	184,901	189,294	177,090	12,204
City Administrator	237,850	237,850	237,101	749
Human Resources	270,254	312,009	288,444	23,565
Finance	1,243,455	1,269,971	1,132,183	137,788
Legal Services	180,771	182,915	140,034	42,881
Community Revitalization	167,025	167,025	76,775	90,250
Loss on Sale of Assets	-	-	121,525	(121,525)
Public Safety				
Police Protection	4,259,613	4,355,919	4,031,947	323,972
Fire Protection	511,357	515,503	527,456	(11,953)
Streets Maintenance				
Community Development	516,714	529,714	419,309	110,405
Public Works	1,161,103	1,167,819	1,082,773	85,046
Streets Maintenance	1,280,485	1,289,217	1,081,053	208,164
Parks and Recreation				
Parks Maintenance	1,555,424	1,567,714	1,553,621	14,093
Leisure Programs	652,085	652,585	589,292	63,293
Cemetery	208,985	232,392	184,046	48,346
Buildings	461,359	465,465	486,577	(21,112)
Recreation Center	919,550	921,466	820,265	101,201
Total Expenditures	<u>14,585,497</u>	<u>14,831,424</u>	<u>13,682,572</u>	<u>1,148,852</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,535,816	3,415,684	9,079,251	5,663,567
Other Financing Sources/(Uses)				
Transfers In	-	-	-	-
Transfers Out	(9,614,768)	(9,614,768)	(4,660,940)	4,953,828
Total Other Financing Sources (Uses)	<u>(9,614,768)</u>	<u>(9,614,768)</u>	<u>(4,660,940)</u>	<u>4,953,828</u>
Net Change in Fund Balances	<u>(7,078,952)</u>	<u>(6,199,084)</u>	<u>4,418,311</u>	<u>\$ 10,617,395</u>
Fund Balances-Beginning	14,618,709	14,618,709	14,618,709	
Fund Balances-Ending	<u>\$ 7,539,757</u>	<u>\$ 8,419,625</u>	<u>\$ 19,037,020</u>	

The Notes to the Financial Statements are an Integral Part of this Statement

City of Green River
Statement of Net Assets
Proprietary Funds
June 30, 2007

	Solid Waste	Water	Wastewater	Total Enterprise Funds	Internal Service Fund	Total Proprietary Funds
Assets						
Current assets						
Cash and Cash Equivalents	\$ 42,004	\$ 6,774	\$ 2,065	\$ 50,843	\$ 13,207	\$ 64,050
Cash With Other Governments	-	126,484	-	126,484	-	126,484
Investments	2,194,711	2,379,032	3,210,406	7,784,149	1,900,397	9,684,546
Accounts Receivable	142,167	296,379	62,229	500,775	-	500,775
Unbilled Receivable	23,854	94,462	-	118,316	-	118,316
Inventories	8,320	302,028	37,809	348,157	-	348,157
Total Current Assets	2,411,056	3,205,159	3,312,509	8,928,724	1,913,604	10,842,328
Non-current Assets						
Capital Assets						
Land	229,081	75,870	-	304,951	-	304,951
Buildings	165,762	197,900	4,719,696	5,083,358	-	5,083,358
Equipment	310,019	230,789	303,028	843,836	-	843,836
Vehicles	1,340,956	183,783	843,036	2,367,775	-	2,367,775
Infrastructure	-	3,973,775	12,988,689	16,962,464	-	16,962,464
Construction-in-Progress	-	14,850	-	14,850	-	14,850
Less Accumulated Depreciation	(1,722,177)	(2,371,134)	(13,090,676)	(17,183,987)	-	(17,183,987)
Total Non-current Assets	323,641	2,305,833	5,763,773	8,393,247	-	8,393,247
Total Assets	2,734,697	5,510,992	9,076,282	17,321,971	1,913,604	19,235,575
Liabilities						
Current Liabilities						
Accounts Payable	48,490	216,819	18,326	283,635	31	283,666
Deficiency in Cash and Cash Equivalents	-	-	-	-	-	-
Customer Deposits	-	78,160	-	78,160	-	78,160
Compensated Absences	66,824	22,703	122,653	212,180	-	212,180
Salaries Payable	18,193	6,244	17,344	41,781	-	41,781
Total Current Liabilities	133,507	323,926	158,323	615,756	31	615,787

	Solid Waste	Water	Wastewater	Total Enterprise Funds	Internal Service Fund	Total Proprietary Funds
Non-current Liabilities						
Post Closure Liability	562,468	-	-	562,468	-	562,468
Total Non-current Liabilities	562,468	-	-	562,468	-	562,468
Total Liabilities	695,975	323,926	158,323	1,178,224	31	1,178,255
Net Assets						
Invested in Capital Assets	323,641	2,305,833	5,763,773	8,393,247	-	8,393,247
Unrestricted	1,715,081	2,881,233	3,154,186	7,750,500	1,913,573	9,664,073
Total Net Assets	\$ 2,038,722	\$ 5,187,066	\$ 8,917,959	\$ 16,143,747	\$ 1,913,573	\$ 18,057,320

City of Green River

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended June 30, 2007

	Solid Waste	Water	Wastewater	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
Operating Revenues:						
Charges for Services:						
Refuse Fees	1,443,946	-	-	1,443,946	-	1,443,946
Sewer Fees	-	-	641,811	641,811	-	641,811
Water fees	-	2,389,227	-	2,389,227	-	2,389,227
Other	4,179	1,619	70,427	76,225	194,449	270,674
Total Operating Revenues	1,448,125	2,390,846	712,238	4,551,209	194,449	4,745,658
Operating Expenses:						
Costs of Sales and Services	1,146,513	1,967,026	841,889	3,955,428	211,410	4,166,838
Depreciation	97,799	133,426	461,447	692,672	-	692,672
Total Operating expenses	1,244,312	2,100,452	1,303,336	4,648,100	211,410	4,859,510
Operating Income (Loss)	203,813	290,394	(591,098)	(96,891)	(16,961)	(113,852)
Non-Operating Revenues (Expenses):						
Investment Earnings	77,233	93,575	132,461	303,269	86,374	389,643
Total Non-operating Revenue (Expense)	77,233	93,575	132,461	303,269	86,374	389,643
Transfers in	-	-	-	-	1,019,117	1,019,117
Transfers Out	(3,915)	(4,845)	(10,357)	(19,117)	-	(19,117)
Change in net Assets	277,131	379,124	(468,994)	187,261	1,088,530	1,275,791
Total Net Assets-- Beginning	1,761,591	4,807,942	9,386,953	15,956,486	825,043	16,781,529
Total Net Assets--Ending	\$ 2,038,722	\$ 5,187,066	\$ 8,917,959	\$ 16,143,747	\$ 1,913,573	\$ 18,057,320

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City of Green River
Statement of Cash Flows
Proprietary Funds
For the Year ended June 30, 2007

	Solid Waste	Water	Wastewater	Total Enterprise Funds	Internal Service Fund	Total Proprietary Funds
Cash flows from Operating Activities						
Receipts from Customers and Users	\$ 1,448,125	\$ 2,390,846	\$ 712,238	\$ 4,551,209	\$ -	\$ 4,551,209
Payments to employees	(672,470)	(242,175)	(605,615)	(1,520,260)	-	(1,520,260)
Payments to suppliers	(397,796)	(1,757,772)	(203,721)	(2,359,289)	(211,828)	(2,571,117)
Net Cash Provided by (Used In) Operating Activities	<u>377,859</u>	<u>390,899</u>	<u>(97,098)</u>	<u>671,660</u>	<u>(211,828)</u>	<u>459,832</u>
Cash Flows from Non-capital Financing Activities						
Operating Transfers In (Out)	(3,915)	(4,845)	(10,357)	(19,117)	1,019,117	1,000,000
Net Cash Provided by (Used In) Non-capital Financing Activities	<u>(3,915)</u>	<u>(4,845)</u>	<u>(10,357)</u>	<u>(19,117)</u>	<u>1,019,117</u>	<u>1,000,000</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of Capital Assets	-	(72,890)	(642,893)	(715,783)	-	(715,783)
Construction of Capital Assets	-	(156,497)	(132,923)	(289,420)	-	(289,420)
Proceeds from Capital Asset Sales	-	283,445	692,346	975,791	-	975,791
Net Cash Provided by (Used In) Capital and Related Financing Activities	<u>-</u>	<u>54,058</u>	<u>(83,470)</u>	<u>(29,412)</u>	<u>-</u>	<u>(29,412)</u>
Cash Flows from Investing Activities						
Interest Income	77,233	93,575	132,461	303,269	86,374	389,643
Purchase of Investments	(503,622)	(521,504)	(66,560)	(1,091,686)	(1,083,555)	(2,175,241)
Net Cash Provided by (Used In) Investing Activities	<u>(426,389)</u>	<u>(427,929)</u>	<u>65,901</u>	<u>(788,417)</u>	<u>(997,181)</u>	<u>(1,785,598)</u>
Net Change in Cash	(52,445)	12,183	(125,024)	(165,286)	(189,892)	(355,178)
Cash at Beginning of Year	94,449	121,074	127,091	342,614	8,650	351,264
Cash at End of Year	<u>\$ 42,004</u>	<u>\$ 133,257</u>	<u>\$ 2,067</u>	<u>\$ 177,328</u>	<u>\$ (181,242)</u>	<u>\$ (3,914)</u>

	Solid Waste	Water	Waste Water	Total Enterprise Funds	Internal Service Funds	Total Proprietary Funds
Reconciliation of Operating Income to Net Cash Provided by (Used In) Operating Activities						
Operating Income	\$ 203,813	\$ 290,394	\$ (591,098)	\$ (96,891)	\$ (16,961)	\$ (113,852)
Adjustments to Reconcile Operating Income to Net Cash Provided By (Used In) Operating Activities						
Depreciation Expense	97,799	133,426	461,447	692,672	-	692,672
(Increase) Decrease in Accounts Receivable	5,311	66,105	434	71,850	-	71,850
(Increase) Decrease in Inventories	2,930	(10,521)	(7,045)	(14,636)	-	(14,636)
(Decrease) Increase in Liabilities	68,006	(88,505)	39,164	18,665	(418)	18,247
Total Adjustments	174,046	100,505	494,000	768,551	(418)	768,133
Net Cash Provided by/(Used In) Operating Activities	\$ 377,859	\$ 390,899	\$ (97,098)	\$ 671,660	\$ (17,379)	\$ 654,281

City of Green River

Statement of Fiduciary Net Assets/(Deficit)

Fiduciary Funds

June 30, 2007

	<u>GREEN Assistance</u>	<u>Health Insurance</u>
Assets		
Cash and Cash Equivalents	\$ 3,519	\$ 381,391
Investments	1,009	187,719
Accounts Receivable	-	132,162
Total Assets	<u>4,528</u>	<u>701,272</u>
Liabilities		
Accounts Payable	-	-
Claims Incurred But Not Reported	-	178,816
Total Liabilities	<u>-</u>	<u>178,816</u>
Net Assets/(Deficit)		
Restricted	4,528	-
Unrestricted (Deficit)	-	522,456
Total Net Assets (Deficit)	<u>\$ 4,528</u>	<u>\$ 522,456</u>

City of Green River**Statement of Changes in Fiduciary Net Assets****Fiduciary Funds****For the Years Ended June 30, 2007**

	<u>GREEN Assistance</u>	<u>Health Insurance</u>
Operating Revenues:		
Charges for Services:		
Donations	\$ 529	\$ -
Insurance Fees	-	2,272,724
Total Operating Revenues	<u>529</u>	<u>2,272,724</u>
 Operating Expenses		
Administrative Expenses	36	363,291
Insurance	-	1,549,421
Payment of Utilities	117	-
Total Operating expenses	<u>153</u>	<u>1,912,712</u>
Operating Income	<u>376</u>	<u>360,012</u>
 Non-Operating Revenues		
Investment Earnings	132	13,532
Transfers in	-	-
Total Non-operating Revenue	<u>132</u>	<u>13,532</u>
 Change in net Assets	508	373,544
Total Net Assets-Beginning	4,020	148,912
Total Net Assets (Deficit)-Ending	<u>\$ 4,528</u>	<u>\$ 522,456</u>

City of Green River
Schedule of Expenditures
Federal Awards
For the Year Ended June 30, 2007

	CFDA Number	Expenditures
U.S. Department of Justice		
Bulletproof Vest Partnership Program	16.607	<u>\$ 5,086</u>
U.S. Department of Transportation		
Passed Through the Wyoming Department of Transportation		
Highway Planning and Construction	20.205	527,101
State and Highway Community Safety	20.600	<u>14,000</u>
Total U.S. Department of Transportation		<u>541,101</u>
U.S. Department of Homeland Security		
Passed through the Wyoming Department of Homeland Security:		
State Domestic Preparedness Equipment Support Program	97.004	<u>44,880</u>
Office of National Drug Control Policy		
High Intensity Drug Trafficking Area	None	<u>127,953</u>
Total Federal Awards Expended		<u><u>\$ 719,020</u></u>

I. Summary of Significant Accounting Policies:

The basic financial statements of the City of Green River, Wyoming (the City) have been prepared in conformity with generally accepted accounting principals (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principals.

A. Reporting Entity

The City was incorporated in 1868 and operates under a Mayor - Council - City Manager form of government. The governing body consists of six elected council members and a mayor who are elected to serve four-year terms. The City Manager, who is appointed, administers policies and coordinates the activities of the City. The heads of the various departments, formed to provide various services, are under the direct supervision of the City Manager.

Discretely Presented Component Units

Green River Futures, Inc. (Futures) is a legally separate, tax-exempt component unit of the City. Futures acts primarily to facilitate and promote economic growth in and around the City of Green River. As a majority of Futures funding is provided by the City and the use of Futures economic resources primarily benefits the City, Futures is considered a component unit of the City and is discretely presented in the City's financial statements. Complete financial statements may be obtained by writing to PO Box 130, Green River, WY 82935.

B. Government-wide and Fund Financial Statements

Basis of Presentation

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect if interfund activity has been removed 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 segments are offset by program income. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Indirect costs in the governmental activities that are not associated directly with a function or program in the City are included in the general governmental activities in the entity-wide statements.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide statements. Major

individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City's financial operations are accounted for in the following fund types:

Governmental Fund Types

General Fund- This fund accounts for the financial operations of the City which are not accounted for in any other fund. Principal sources of revenue are sales and property taxes, licenses and permits, state and county shared revenue and charges for administrative services from other funds, Primary expenditures are for police and fire protection, recreation and general government operations.

Capital Projects Fund- This fund accounts for the construction of capital assets. Principal revenue sources include State and Federal Grants and transfers from the General Fund.

Proprietary Fund Types

Enterprise Funds are used to account for operations that are financed and operated similar to private business enterprises. Within these funds, it is the intent of the City to recover the costs associated with providing certain goods or services on a continuing basis to the general public through user fees and/or charges. The City has the following funds, all of which are treated as major funds:

- The Solid Waste Fund accounts for the activities of the City's solid waste collections and landfill operations.
- The Water Fund accounts for the activities of the City's water distribution systems.
- The Wastewater Fund accounts for the activities of the City's wastewater treatment plant and collection systems

Additionally, the City reports on the following fund types:

Internal Service Funds are used to account for the financing of services provided from one department or division to another department or division within the City. The City currently has one internal service fund that provides property and liability insurance for the entire City.

The Green Assistance Fund is used to account for donations from individuals that are to be used for the financial assistance of low income residents to pay their utility bills. To qualify for financial assistance individuals must meet certain poverty guidelines as defined by the City's governing body.

The Health Insurance Fund is used to account for the City's partially self-funded health care plan. Employees contribute 7.5% of a predetermined funding level through payroll deductions to pay for expenses of providing health care.

The City has adopted GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*. Accordingly, the City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and other long-term liabilities, are recorded only when payment is due.

D. Cash and Investments

For all Governmental and Proprietary Fund Types, cash and cash equivalents include short-term investments with original maturities of three months or less when purchased, and cash in the city-wide pool.

The City participates in the Wyoming State Investment Pool and in the Wyoming Government Investment Fund. Funds residing in these pools may have a maturity of less than three months but are classified as investments for financial statement purposes. Annual reports may be obtained for each of these entities at: 200 West 24th Street, Cheyenne, WY 82002 and at 2323 Pioneer Ave, Cheyenne, WY 82001, respectively.

Investments, including equity in pooled cash and investments, are stated at fair value.

E. Receivables

Receivables of the enterprise funds are recorded as revenue as earned, including services earned but not billed. Estimated unbilled revenues from the Water Fund are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

F. Inventories

Inventories of materials and supplies in the funds are stated at cost on a first-in, first-out basis and expensed as used.

G. Capital Assets

In the government-wide financial statements and in the fund financial statements for proprietary funds, fixed assets are treated as capital assets. Capital assets include property, plant, equipment and infrastructure, e.g. roads bridges, sidewalks and similar items. Capital assets are defined by the City as items that have a cost more than \$2,500 (\$10,000 for infrastructure assets) and an estimated useful life in excess of one year. Such assets are valued at historical cost or estimated historical cost if purchased or constructed. Capital assets that are donated are recorded at estimated fair market value at the time of donation.

Depreciation is computed on assets in service using the straight-line method over their estimated useful lives as follows:

- Building and building improvements: 10 to 30 years
- Utility systems and other improvements: 20 to 40 years
- Machinery and equipment: 3 to 30 years.

Normal maintenance and repairs are expensed as incurred. Expenditures for major additions, improvements and replacements are capitalized. Gains or losses from sales or retirements of fixed assets are included in operations.

H. Accrued Compensated Absences and Sick Pay

Accumulated vested vacation pay is accrued as it is earned by the employees with a maximum of forty hours above an individual employee's annual accrual. Sick pay is vested and accrued at the time that it is earned, up to maximum payout of 960 hours upon termination.

I. Long-Term Obligations

In the government-wide financial statements and proprietary funds types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

J. Fund Equity

The entity-wide financial statements report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.

K. Restricted Resources

During the year the City may receive funds that are restricted in nature, whether by donor's or legal requirements. Restricted funds are applied to expenditures solely at the discretion of the City Council.

L. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered and for short-term interfund loans or transfers. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When an internal service fund provides goods and services to another fund, redundancy is inherent because expenditures/expenses are reported in both the fund providing and the fund receiving the goods or services. Since internal service funds primarily benefit governmental funds, they are included in the governmental activities in the entity-wide statements. The basic assumption for internal service funds is that they operate on a breakeven basis. Accordingly, any net profit or loss has been allocated to the functions that benefited from the goods or services provided based on proportionate benefit. Any residual balances outstanding between the governmental activities and business activities are reported in the government-wide financial statements as "internal balances."

All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation between the governmental fund statements and the government-wide columnar presentation.

M. New Accounting Standards

As of June 30, 2007 there are two accounting standards issued by the Governmental Accounting Standards Board that will effect the City in the coming years, they are as follows:

Statement No. 51 – *Accounting and Financial Reporting for Intangible Assets*

Statement No. 52 – *Land and Other Real Estate Held as Investments by Endowments*

Management does not anticipate that the adoption of these new statements will have a significant effect on the financial statements of the City.

N. Use of Estimates

In preparing the City of Green River's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Comparative Data

Comparative total data for the prior year have been presented only for the individual enterprise funds and the internal service fund in order to provide an understanding of the changes in the financial position and operations of these funds.

During Fiscal year 2007 the City made a change in accounting principal in how it accounted for its recreation center. In the past the recreation center was considered as enterprise fund. As an enterprise fund the recreation center was heavily subsidized over its life and never was going to realistically operate as an enterprise fund in the foreseeable future. Thus the recreation center was combined as an additional division in with in the general fund's park and recreation budget. All of the former enterprise fund's assets, liabilities and fund balances have been included in the governmental statements along with a restatement of any comparative prior period balances.

II. Stewardship, Compliance and Accountability

A. Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

Each May, the City Manager submits a proposed budget to the City Council. The City is required to budget all funds. The City's budget is prepared for each fund on the modified accrual basis of accounting for all fund types. Interfund transfers are budgeted as sources and uses. Estimated receipts and expenditures are budgeted for by fund, program and object. Information on the past year's actual receipts and expenditures and current-year estimates are included in the budget document.

The City Council conducts public hearings for the purpose of obtaining citizens' comments and legally adopts the budget by resolution before the second Tuesday in June. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The level of control established by the resolution for each fund is at the fund level. Appropriations lapse as of the year-end.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Wyoming Statutes. Unexpected additional resources or uses of funds may be added to the budget through the use of a supplemental budget amendment. A supplemental budget amendment requires an adoption of a supplementary budget resolution by the City Council. Expenditure appropriations may not be legally over expended. Management may transfer budget amounts between individual line items within the object group, but cannot make changes to departmental budgets themselves. During the fiscal year ended June 30, 2007, City Council approved sixty- three supplemental budget resolutions.

III. Detailed Notes on All Funds

A. Cash and Investments:

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and investments.

Cash and investments are comprised of the following at June 30, 2007:

Cash and Cash Equivalents	\$ 2,879,256
Cash held in Joint Custody	318,016
Investments	25,553,963
Total Cash and Investments	<u>\$ 28,751,235</u>

Cash

The total bank balance per the bank statements is \$ 3,022,000. Of these balances, \$100,000 was covered by federal depository insurance. For deposits in excess of federal depository insurance, the City requires the depository institution to maintain on deposit collateralized securities that meet the collateralization requirements pursuant to Wyoming Statutes, having a value not less than 110 percent of the amount over FDIC insurance. All bank balances in excess of federal depository insurance are collateralized by securities held by an entity other than the financial institution.

The City maintains a joint account with the Joint Powers Water Board (JPWB) for the purpose of capital maintenance on the water plant and infrastructure. As of June 30, 2007 the City held jointly with the JPWB \$ 126, 483 which was 100 percent collateralized by the JPWB.

The City maintains additional joint retainage accounts with two of the City's capital improvement contractors. State statute requires the City to deposit retainage amounts from a capital improvement project into a joint account, if requested by a contractor. Funds from these accounts can only be released to the contractor by a written acknowledgement from the City. As of June 30, 2007 the City held jointly with Reiman Corp \$191,532.

Investments

As of June 30, 2007, the City has the following investments and maturities.

Investment Type	Fair Value	Less than 1	1 - 5
US Government Bonds*	\$ 4,481,630	\$ 2,288,670	\$ 2,192,960
Certificates of Deposits	5,089,289	4,055,939	1,033,350
State Investment Pool	8,505,733	8,505,733	-
Wyoming Gov. Pool	7,477,308	7,477,308	-
Total Cash and Investments	<u>\$ 25,553,960</u>	<u>\$ 22,327,650</u>	<u>\$ 3,226,310</u>

* Weighted average maturity date

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities of less than five years and a weighted average maturity of three years.

Because the State Investment Pool and the Wyoming Government Pool have an average maturity of less than one year they are presented as an investment with a maturity of less than one year.

Credit Risk. State statutes authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, bank repurchase agreements, certain commercial paper, and the State Treasurer's Investment Pool.

The City primarily invests its excess cash balances in the Wyoming State Investment Pool (WYO-STAR). The State Treasurer is the investment officer for the pool and is responsible for all funds in the pool. The WYO-STAR Account is permitted to purchase asset-backed securities, repurchase agreements, government Securities, including obligations of the U.S. Treasury and Obligations of U.S. Government Agencies or Instruments, bearing floating or fixed interest rates.

Concentration- the City limits the amount of any one investment to no more than 50% of the portfolio can be invested in one single security type or institution, with an exception for U.S treasury securities and local government investment pools.

Custodial- For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City requires that all deposits (time or regular) that exceed the FDIC threshold be collateralized at 110% of the fair market value of the deposit.

The City also requires that all securities are to be held in the name of the City and all securities that are held as collateral are held by an independent third party.

B. Capital Assets:

The following is a summary of the changes in capital assets for governmental activities for the fiscal year ended June 30, 2007:

	<u>Balance as of June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of June 30, 2007</u>
Non-Depreciated Assets				
Land and Land Improvements	\$ 7,716,044	\$ 178,014	\$ 113,829	\$ 7,780,229
Total Non-Depreciated Assets	7,716,044	178,014	113,829	7,780,229
Depreciable Capital Assets				
Buildings	13,947,755	188,364		14,136,119
Construction in Progress	3,031,969	6,340,960	1,176,724	8,196,205
Equipment	1,910,995	390,114	15,784	2,285,325
Infrastructure	37,419,352	2,545,099	1,169,611	38,794,840
Vehicles	4,651,301	301,482	76,872	4,875,911
Total Depreciable Capital Assets	60,961,372	9,766,019	2,438,991	68,288,400
Less Accumulated Depreciation	29,950,228	2,191,011	726,448	31,414,791
Net Depreciable Assets	31,011,144	7,575,008	1,712,543	36,873,609
Total Capital Assets	<u>\$ 38,727,188</u>	<u>\$ 7,753,022</u>	<u>\$ 1,826,372</u>	<u>\$ 44,653,838</u>

Depreciation was charged to governmental activities as follows:

General government	\$ 133,919
Public safety	169,848
Streets maintenance	1,283,217
Parks and recreation	521,143
Capital outlay	82,884
Total	<u>\$ 2,191,011</u>

The following is a summary of changes in capital assets for business-type activities for the fiscal year ended June 30, 2007:

	<u>Balance as of June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of June 30, 2007</u>
Non-Depreciated Assets				
Land and Land Improvements	\$ 304,951	\$ -	\$ -	\$ 304,951
Total Non-Depreciated Assets	304,951	-	-	304,951
Depreciable Capital Assets				
Buildings	5,083,358	-	-	5,083,358
Construction in Progress	289,420	14,850	289,420	14,850
Equipment	738,356	105,480	-	843,836
Infrastructure	16,751,036	250,388	38,960	16,962,464
Vehicles	2,380,700	-	12,925	2,367,775
Total Depreciable Capital Assets	<u>25,242,870</u>	<u>370,718</u>	<u>341,305</u>	<u>25,272,283</u>
Less Accumulated Depreciation	<u>17,254,667</u>	<u>692,672</u>	<u>763,352</u>	<u>17,183,987</u>
Net Depreciable Assets	<u>7,988,203</u>	<u>(321,954)</u>	<u>(422,047)</u>	<u>8,088,296</u>
Total Capital Assets	<u>\$ 8,293,154</u>	<u>\$ (321,954)</u>	<u>\$ (422,047)</u>	<u>\$ 8,393,247</u>

C. Retirement Commitments

The City participates in the State of Wyoming Retirement System (System), a statewide cost-sharing multiple-employer public employee retirement system.

Substantially all City full-time or regular part-time employees are eligible to participate in the System. Employees qualify for a retirement allowance if they are sixty years old and have at least four years of service, or they may retire at age fifty and have at least four years of service but be subject to a reduction in benefits of five percent for each year below age sixty, or they may retire at any age if they have twenty-five years of service or when a combination of age and years of service equal eighty-five.

Generally, for individuals with creditable service prior to July 1, 1981, the individuals receive benefits based on the larger of a money purchase benefit structure or a formula basis. The formula consists of multiplying the number of years of service by 2.125% for the member's first 15 years of service and 2.25% for all years after 15 by the final average salary. The final average salary consists of the three highest continuous years of service.

Benefits for individuals hired after July 1, 1981, are calculated only by the formula method.

The System also provides disability retirement to any employee who becomes permanently incapacitated, mentally or physically, and who cannot continue in the performance of his duties. Benefits are established by State statute.

Covered Payroll

The payroll for employees covered by the System for the year ended June 30, 2007, was \$6,067,794 ; the City's total payroll was \$7,099,055.

Contributions

Contributions to the System consist of an amount equal to 11.25% of the employee's salary. The City is required by State statute to contribute 5.68% of the amount and, as permitted by statute, the City also contributes the employee's 5.57% share. Law enforcement employees are allowed by Wyoming Statue to contribute an extra 2.92% of their annual wages in to the Wyoming Retirement System, of which the City also funds the extra contribution amount.

The City's contribution to the Wyoming Retirement System for the years ended June 30, 2007, 2006, and 2004 were \$798,670, \$760,891, and \$717,206 respectively, equal to the required contributions for each year.

The Wyoming Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. This information is available from the Wyoming Retirement System; copies can be obtained at First Floor East – Herschler Building, Cheyenne, Wyoming 82002.

D. Health Insurance

The City has created a partially self-funded insurance fund for the purpose of paying for administrative and claims expenses associated with providing medial insurance to its full-time employees. The City contributes approximately 92.5% of the funding for the program and the employees contribute approximately 7.5% to the program through payroll deductions. The employee's contributions are allocated to the payment of claims and administrative expenses first then any remaining expensed are paid out of the amounts contributed by the City. As of June 30, 2007 the insurance fund had paid \$348,497 in administrative expenses and \$1,757,183 in insurance claims.

At June 30, 2007 health insurance claims had been incurred but not yet paid or reported to the health insurance fund (IBNR). As of June 30, 2007 the City estimated those claims to be approximately \$178,000.

	Year Ending	
	6/30/2007	6/30/2006
Unpaid Claims, Beginning of Year	\$ 103,352	\$ 77,382
Incurred Claims (Including IBNR)	1,549,421	1,660,780
Claim Payments	1,473,957	1,634,810
Unpaid Claims, End of Year	<u>\$ 178,816</u>	<u>\$ 103,352</u>

The City health fund also maintains an additional insurance policy that covers any one individual plan participant's claims over \$20,000. During the Plan year ending June 30, 2006 the plan had received \$440,432 in reimbursements and had a receivable for pending reimbursements of \$132,162.

E. Commitments and Contingencies

Conduit Debt

From time to time the City issues industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of private, industrial, and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying general purpose financial statements.

As of June 30, 2007, there were four series of such bonds outstanding. The aggregate principal amount payable could not be determined; however, their original issue amounts totaled \$77,591,000.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected may constitute a liability in the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

Contract Commitments

At June 30, 2007, the City had signed commitments for construction projects, equipment and service contracts for approximately \$11 million.

Capital Leases

The City entered in to a capital lease agreement with California First National Bank to purchase new fire truck. The City is required make a \$295,278 lease payment for the next two subsequent years. The total principal and interest paid on the on the lease is \$847,175 and \$38,660, respectively.

F. Long-term Liabilities

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2007.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Compensated Absences	\$ 858,326	\$ 900,000	\$ 620,956	\$ 1,137,370	\$ 13,057
Capital Lease Obligations	590,556	-	295,278	295,278	295,278
Governmental Activity Long-term Liabilities	<u>\$ 1,448,882</u>	<u>\$ 900,000</u>	<u>\$ 916,234</u>	<u>\$ 1,432,648</u>	<u>\$ 308,335</u>
Business-type Activities					
Post Closure	\$ 512,941	\$ 49,527	\$ -	\$ 562,468	\$ -
Business-type Activities Long-term Liabilities	<u>\$ 512,941</u>	<u>\$ 49,527</u>	<u>\$ -</u>	<u>\$ 562,468</u>	<u>\$ -</u>

G. Closure and Post Closure Care Costs for the Solid Waste

State and Federal laws and regulations require the City to place a cover on the landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$562,468 reported as closure and post-closure care liability at June 30, 2007, represents the cumulative amount reported to date based on the use of 70% of the estimated capacity of the landfill. At the current rate, it is estimated that the landfill will be at capacity in approximately 7 years. The City will recognize the remaining estimated cost of closure and post-closure care of \$231,721 as the remaining estimated capacity is filled. These amounts are based on estimated costs to perform all closure and post-closure costs in 2007. Actual costs may be higher or lower due to inflation, changes in technology, or changes in regulations.

H. Fund Balance Restrictions

As of June 30, 2007 the City had the following amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose:

<u>Restricted Use</u>	<u>Amount</u>
Contractual	15,200
DARE	19,281
Drug Seizure	17,944
Total Restrictions	<u>\$52,425</u>

As of June 30, 2007 the Green Fund, had \$4,528 of restricted funds. These funds are restricted to help low income individuals pay their City utility bills.

As of June 30, 2007 Green River Futures, a component unit of the City, had \$52,917 of permanently restricted funds. These restricted funds are to be loaned to small businesses to create jobs in rural areas. Interest and principal from the repayment of these loans are to be used for the same activities in perpetuity.

I. Interfund Transfers

During the year the following transfers were made between funds:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General Fund	Capital Projects	\$ 3,660,940
	Internal Service	1,000,000
Solid Waste	Internal Service	3,915
Wastewater Fund	Internal Service	10,357
Water Fund	Internal Service	4,845
	Total Interfund Transfers	<u>\$ 4,680,057</u>

J. Risk Management

The City is subject to risk of loss from various events, including torts, theft, damage to assets, business interruption, errors and omissions, and job-related injuries to employees, as well as acts of God.

The City has purchased insurance and workers compensation coverage to minimize their risks of loss. There has been no significant reduction in coverage against these losses from year to year.

K. Component Units

Green River Future, Inc. (Futures) is a legally separate, tax-exempt component unit of the City. During the year ended June 30, 2007, Futures expended \$194,421 in promoting economic growth with in the City and received \$217,951 in grants, donations and miscellaneous revenue, of which the City contributed \$215,000.

Without the support of the City of Green River, Wyoming it would be difficult for Futures to continue as a going concern. It's activities would be limited to administering the small business loans, but the expected earnings would not be sufficient along to cover the administrative costs.

L. Potential Component Units

Green River Fire Department Equipment Fund Foundation

The Green River Fire Department Equipment Fund is a legally separate, tax-exempt potential component unit of the City of Green River. The Foundation acts primarily as a fund raising organization to supplement the resources of the City of Green River Fire Department in its fire protection services. The three-member board is self-perpetuating and consists of members of the Foundation. Foundation members must all be active firefighters in the City of Green River Fire Department, thus must also be City employees. Although the City of Green River does not control the timing or amount of receipts from the Foundation, the majority of the resources that the Foundation holds and invests are restricted to the activities of the City of Green River Fire Department by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, City of Green River Fire Department, the Foundation is considered a potential component unit of City of Green River. At this time management has not been able to review all of the appropriate records to completely evaluate whether or not the Green River Fire Department Equipment Funds Foundation is considered a component unit of the City. During the year ended June 30, 2007, the City paid \$28,571 to reimburse the foundation for fire department expenditures.

M. Joint Powers Boards

Joint Powers Water Board

Under certain provisions of Wyoming State statutes, the City has entered into an agreement with the City of Rock Springs and Sweetwater County to form a Joint Powers Board for the purchase, financing, rehabilitation, and operation of a water supply and distribution system for domestic and other uses serving Green River, Wyoming, Rock Springs, Wyoming, and other areas in Sweetwater County, Wyoming.

The Board consists of five members: two members from Green River, two members from Rock Springs, and one member from Sweetwater County.

The participating cities are responsible for the maintenance, operation, staffing, rate setting, and billing for each distribution system as well as construction of storage facilities. The cities lease these facilities from the Board on a year-to-year basis subject to annual appropriations by the cities. During the year ending June 30, 2007, the City paid \$1,045,865 to purchase water from the Board.

The financial transactions of the Board are not included in these financial statements. Additional financial information maybe obtained by sending a request to JPWB at 2 Telephone Canyon Rd, Green River, WY 82935.

Joint Powers Telecom Board

Under certain provisions of Wyoming State statutes, the City has entered into an agreement with the City of Rock Springs to form a Joint Powers Board to fund, build, operate and maintain a system of interconnected fiber-optic networks to be deployed within the two communities.

The Board consists of six members: three members from Green River and three members from Rock Springs.

At this time the Joint Powers Telecom Board is still in the start-up phases of providing an interconnected fiber-optic network within the two cities.

The financial transactions of the Board are not included in these financial statements. Additional financial information maybe obtained by sending a request to their treasurer, Matt McBurnett at the City of Rock Springs, 212 D St., Rock Springs, WY 82901.

Joint Powers Capital Construction Board

Under certain provisions of Wyoming State statutes, the City has entered into an agreement with Sweetwater County, the City of Rock Springs, the City of Bairoil, the City of Granger, the City of Superior and the City of Superior to form a Joint Powers Board to provide an efficient, orderly and economical method of planning, financing and constructing infrastructure projects related to the one percent capital facilities tax.

The Board consists of seven members: One from each of the governing bodies

For the period ending June 30, 2007 the board has at this point just been created and started to receive the tax payments from the State on behalf of the members.

As of June 30, 2007 the joint powers board had reimbursed the City for approximately \$5,194,238 in related projects.

The financial transactions of the Board are not included in these financial statements. Additional financial information maybe obtained by sending a request to their treasurer, Carl Demshar, at the City of Rock Springs, 212 D St., Rock Springs, WY 82901.

N. Related Party Transactions

The City contributes funds to several boards and commissions in which the City either appoints the board members or City employees are elected members of the board members of the organization. During the year ending June 30, 2007 the City made payments the amount of \$1,529,007 or had invested \$7,477,308 in these various boards.

The City maintains a volunteer fire department in which members are considered employees of the City as they are compensated on a per call basis. Many of these volunteers have additional employment outside the City in which several are owners of business' that provide goods and services to various departments of the City. During the year ended June 30, 2007 the City made payments to these businesses in the amount of \$47,920.

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Supplementary Information

Enterprise Funds

**City of Green River
Combining Statement of Net Assets
Enterprise Funds
6/30/2007 and 2006**

	Solid Waste		Water		Wastewater		Totals
	2006	2005	2006	2005	2006	2005	
Assets							
Current Assets							
Cash and Cash Equivalents	\$ 42,004	\$ 94,449	\$ 6,774	\$ -	2,065	\$ 127,091	\$ 50,843
Cash Held in Joint Custody	-	-	126,484	121,074	-	-	126,484
Investments	2,194,711	1,691,089	2,379,032	1,857,528	3,210,406	3,143,846	7,784,149
Accounts Receivable	142,167	148,040	296,379	346,447	62,229	62,663	500,775
Unbilled Receivable	23,854	23,293	94,462	110,499	-	-	118,316
Inventories	8,320	11,250	302,028	291,507	37,809	30,764	348,157
Total Current Assets	2,411,056	1,968,121	3,205,159	2,727,055	3,312,509	3,364,364	8,928,724
Non-current Assets							
Capital Assets							
Land	229,081	229,081	75,870	75,870	-	-	304,951
Buildings	165,762	165,762	197,900	197,900	4,719,696	4,719,696	5,083,358
Equipment	310,019	310,019	230,789	143,201	303,028	285,136	843,836
Vehicles	1,340,956	1,340,956	183,783	183,783	843,036	855,961	2,367,775
Infrastructure	-	-	3,973,775	3,973,775	12,988,689	12,777,261	16,962,464
Construction-in-Progress	-	-	14,850	156,497	-	132,923	14,850
Less Accumulated Depreciation	(1,722,177)	(1,624,379)	(2,371,134)	(2,237,708)	(13,090,676)	(12,629,229)	(17,183,987)
Total Non-current Assets	323,641	421,439	2,305,833	2,493,318	5,763,773	6,141,748	8,393,247
Total Assets	2,734,697	2,389,560	5,510,992	5,220,373	9,076,282	9,506,112	17,321,971
Liabilities							
Current Liabilities							
Accounts Payable	48,490	27,017	216,819	203,758	18,326	14,373	283,635
Customer Deposits	-	-	78,160	71,339	-	-	78,160
Compensated Absences	66,824	69,926	22,703	11,448	122,653	88,670	212,180
Deficiency in Pooled Cash	-	-	-	119,125	-	-	-
Wages Payable	18,193	18,085	6,244	6,761	17,344	16,116	41,781
Total Current Liabilities	133,307	115,028	323,926	412,431	158,323	119,159	615,756
Non-current Liabilities							
Post Closure Liability	562,468	512,941	-	-	-	-	562,468
Total Non-current Liabilities	562,468	512,941	-	-	-	-	562,468
Total Liabilities	695,775	627,969	323,926	412,431	158,323	119,159	1,178,224
Net Assets							
Invested in Capital Assets	323,641	421,439	2,305,833	2,493,318	5,763,773	6,141,748	8,393,247
Unrestricted	1,715,081	1,340,152	2,881,233	2,314,624	3,154,186	3,245,205	7,750,500
Total Net Assets	\$ 2,038,722	\$ 1,761,591	\$ 5,187,066	\$ 4,807,942	\$ 8,917,959	\$ 9,386,953	\$ 16,143,747

**City of Green River
Combining Statement of Revenues, Expenses, and Changes in Net Assets
Enterprise Funds
For the Years Ended June 30, 2007 and 2006**

	Solid Waste		Water		Wastewater		Totals Current Year
	2007	2006	2006	2005	2006	2005	
Operating Revenues:							
Charges for Services:							
Refuse Fees	1,443,946	1,427,895	-	-	-	-	1,443,946.00
Sewer Fees	-	-	-	-	641,811	645,477	641,811.00
Water Fees	-	2,389,227	2,389,227	2,418,668	-	-	2,389,227.00
Other	4,179	4,217	1,619	345	70,427	20,570	76,225.00
Total Operating Revenues	1,448,125	1,432,112	2,390,846	2,419,013	712,238	666,047	4,551,209
Operating Expenses:							
Costs of Sales and Services	1,146,513	1,197,157	1,967,026	2,064,146	841,889	1,529,078	3,955,428.00
Depreciation	97,799	101,139	133,426	62,920	461,447	299,751	692,672.00
Total Operating Expenses	1,244,312	1,298,296	2,100,452	2,127,066	1,303,336	1,828,829	4,648,100
Operating Income (Loss)	203,813	133,816	290,394	291,947	(591,098)	(1,162,782)	(96,891)
Non-Operating Revenues (Expenses):							
Investment Earnings	77,233	34,524	93,575	41,085	132,461	72,993	303,269.00
Total Non-operating Revenue	77,233	34,524	93,575	41,085	132,461	72,993	303,269
Transfers In	-	-	-	-	-	-	-
Transfers Out	(3,915)	(38,552)	(4,845)	(388,413)	(10,357)	(592,830)	(19,117.00)
Change in net Assets	277,131	129,788	379,124	(55,381)	(468,994)	(1,682,619)	187,261
Total Net Assets-- Beginning	1,761,591	1,631,803	4,807,942	4,863,323	9,386,953	11,069,572	15,956,486
Total Net Assets--Ending	\$ 2,038,722	\$ 1,761,591	\$ 5,187,066	\$ 4,807,942	\$ 8,917,959	\$ 9,386,953	\$ 16,143,747

City of Green River
Combining Statement of Cash Flows
Enterprise Funds
For the Years Ended June 30, 2006

	Solid Waste		Water		Wastewater		Totals Current Year
	June 30, 2006	2005	2006	2005	2006	2005	
Cash flows from Operating Activities							
Receipts from Customers and Users	\$ 1,448,125	\$ 1,432,112	\$ 2,390,846	\$ 2,419,014	\$ 712,238	\$ 656,594	\$ 4,551,209
Payments to Employees	(672,470)	(621,763)	(242,175)	(383,396)	(605,615)	(443,415)	(1,520,260)
Payments to Suppliers	(397,796)	(512,782)	(1,757,772)	(1,965,350)	(203,721)	(362,190)	(2,359,289)
Net Cash Provided by Operating Activities	377,859	297,567	390,899	70,268	(97,098)	(149,011)	671,660
Cash Flows from Non-capital Financing Activities							
Operating Transfers In (Out)	(3,915)	(38,552)	(4,845)	(388,414)	(10,357)	(10,598)	(19,117)
Net Cash Provided by Non-capital Financing Activities	(3,915)	(38,552)	(4,845)	(388,414)	(10,357)	(10,598)	(19,117)
Cash Flows from Capital and Related Financing Activities							
Purchase of Capital Assets	-	(52,306)	(72,890)	(39,149)	(642,893)	(85,033)	(715,783)
Construction of Capital Assets	-	-	(156,497)	(156,497)	(132,923)	(1,682,723)	(289,420)
Proceeds from Capital Asset Sales	-	-	283,445	283,445	692,346	-	975,791
Net Cash Provided by Capital and Related Financing Activities	-	(52,306)	54,058	87,799	(83,470)	(1,767,756)	(29,412)
Cash Flows from Investing Activities							
Interest Income	77,233	34,524	93,575	41,085	132,461	185,413	303,269
Purchase of Investments	(503,622)	(152,832)	(521,504)	73,720	(866,560)	1,741,952	(1,891,686)
Net Cash Provided by Investing Activities	(426,389)	(118,308)	(427,929)	114,805	(734,099)	1,927,365	(1,588,417)
Net Change in Cash	(52,445)	88,401	12,183	(115,542)	(925,024)	-	(965,286)
Cash at Beginning of Year	94,449	6,048	121,074	117,491	127,091	-	342,614
Cash at End of Year	\$ 42,004	\$ 94,449	\$ 133,257	\$ 1,949	\$ (797,933)	\$ -	\$ (622,672)

	Solid Waste		Water		Wastewater		Totals Current Year
	2006	2005	2006	2005	2006	2005	
June 30,							
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities							
Operating Income (Loss)	\$ 203,813	\$ 133,816	\$ 290,394	\$ 291,948	\$ (591,098)	\$ (531,482)	\$ (96,891)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities							
Depreciation Expense	97,799	101,139	133,426	62,920	461,447	297,650	692,672
(Increase) Decrease in Accounts Receivable	5,311	(11,793)	66,105	(135,567)	434	2,397	71,850
Decrease (Increase) in Liabilities	68,006	76,405	(88,505)	50,163	39,164	88,930	18,665
(Increase) Decrease in Inventories	2,930	(2,000)	(10,521)	(199,196)	(7,045)	(6,506)	(14,636)
Total Adjustments	174,046	163,751	100,505	(221,680)	494,000	382,471	768,551
Net Cash Provided by/(Used In) Operating Activities	\$ 377,859	\$ 297,567	\$ 390,899	\$ 70,268	\$ (97,098)	\$ (149,011)	\$ 671,660

Internal Service Fund

City of Green River
Internal Service Fund
Statement of Net Assets
June 30, 2007 and 2006

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Assets		
Cash and Cash Equivalents	\$ 13,207	\$ 8,650
Investments	1,900,397	816,842
Total Assets	<u>1,913,604</u>	<u>825,492</u>
Liabilities		
Accounts Payable	31	449
Total Liabilities	<u>31</u>	<u>449</u>
Net Assets		
Restricted	-	
Unrestricted	1,913,573	825,043
Total Net Assets	<u>\$ 1,913,573</u>	<u>\$ 825,043</u>

The Notes to the Financial Statements are an Integral Part of this Statement

For the Years Ended June 30, 2007 and 2006

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Operating Revenues:		
Charges for Services:		
Insurance Fees	\$ 194,449	\$ -
Total Operating Revenues	<u>194,449</u>	<u>-</u>
Operating Expenses		
Insurance	<u>211,410</u>	<u>159,375</u>
Total Operating Expenses	<u>211,410</u>	<u>159,375</u>
Operating Loss	<u>(16,961)</u>	<u>(159,375)</u>
Non-Operating Revenues		
Investment Earnings	<u>86,374</u>	<u>15,905</u>
Total Non-operating Revenue	<u>86,374</u>	<u>15,905</u>
Transfers In	1,019,117	56,302
Transfers Out	-	-
Change in Net Assets	<u>1,088,530</u>	<u>(87,168)</u>
Total Net Assets-Beginning	<u>825,043</u>	<u>912,211</u>
Total Net Assets-Ending	<u>\$ 1,913,573</u>	<u>\$ 825,043</u>

The Notes to the Financial Statements are an Integral Part of this Statement

City of Green River

Statement of Cash Flows

Internal Service Fund

For the Years Ended June 30, 2007 and 2006

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Cash flows from Operating Activities		
Receipts from Insurance Proceeds	194,449	-
Payments to Suppliers	\$ (211,828)	\$ (158,926)
Net Cash Used In Operating Activities	<u>(17,379)</u>	<u>(158,926)</u>
Cash Flows from Non-capital Financing Activities		
Operating Transfers In (Out)	<u>1,019,117</u>	<u>56,302</u>
Net Cash Provided by (Used In) Non-capital Financing Activities	1,019,117	56,302
Cash Flows from Investing Activities		
Interest Income	86,374	15,905
Purchase of Investments	<u>(1,083,555)</u>	<u>93,847</u>
Net Cash Provided by Investing Activities	(997,181)	109,752
Net Change in Cash	4,557	7,128
Cash at Beginning of Year	8,650	1,522
Cash at End of Year	<u>\$ 13,207</u>	<u>\$ 8,650</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities		
Operating Loss	<u>(16,961)</u>	<u>(159,375)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
(Decrease) Increase in Liabilities	<u>(418)</u>	<u>449</u>
Total Adjustments	<u>(418)</u>	<u>449</u>
Net Cash Used In Operating Activities	<u>\$ (17,379)</u>	<u>\$ (158,926)</u>

The Notes to the Financial Statements are an Integral Part of this Statement



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COMPANY

A Professional Corporation

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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 Honorable Mayor and City Council Members
City of Green River, Wyoming

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Green River, Wyoming (the "City"), as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements 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 City of Green River, Wyoming's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Green River, Wyoming's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Green River, Wyoming'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 the City of Green River, Wyoming'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 the City of Green River, Wyoming's financial statements that is more than inconsequential will not be prevented or detected by the City of Green River, Wyoming's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting (Finding No. 07-1).

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 statements will not be prevented or detected by the City of Green River, Wyoming'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. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Green River, Wyoming'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*.

City of Green River, Wyoming's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit City of Green River, Wyoming's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the audit committee, Mayor, City Council, 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.



Karren, Hendrix, Stagg, Allen & Company
January 29, 2008

CITY OF GREEN RIVER, WYOMING

Schedule of Audit Findings & Responses For the Year Ended June 30, 2007

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Green River, Wyoming.
2. The audit of the financial statements of the City of Green River, Wyoming disclosed one reportable condition in internal control that we believe to be a significant deficiency.
3. The audit disclosed no noncompliance which is material to the financial statements.

CURRENT YEAR FINDINGS OR NONCOMPLIANCE

Finding No. 07-1:

Condition: The City lacks a sufficient segregation of duties among accounting personnel.

Criteria: Internal control is meant to separate sensitive accounting functions and procedures.

Effect: All phases of cash disbursements can be performed by limited personnel.

Auditor's
Recommendation: The Mayor and City Council needs to be aware that the situation exists.

Management's
Response: Management has implemented additional internal controls and restructured staff to mitigate this finding. They believe this will alleviate most segregation of duties issues. Additional adjustments may be needed in the future.

STATUS OF PRIOR-YEAR FINDING OR NONCOMPLIANCE

There were no findings



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

To the Honorable Mayor and City Council Members
City of Green River, Wyoming

Compliance

We have audited the compliance of City of Green River, 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. The City'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 its major federal programs is the responsibility of City of Green River's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, City of Green River, 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. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of the City of Green River, Wyoming is responsible for establishing and maintaining effective internal controls over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Green River's internal control over compliance with re 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 the City'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 a 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 a material weakness, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Green River, Wyoming, as of and for the year ended June 30, 2007 and have issued our report thereon dated January 29, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Green River, Wyoming's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the audit committee, Mayor, City Council, 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.



Karren, Hendrix, Stagg, Allen & Company
January 29, 2008

CITY OF GREEN RIVER, WYOMING

Schedule of Findings & Questioned Costs – Current Year For the Year Ended June 30, 2007

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Green River, Wyoming.
2. Significant deficiencies and material weaknesses relating to the audit of the financial statements are reported in the Report in Compliance and on the Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. There was one significant deficiency which was not considered a material weakness.
3. No instances of noncompliance material to the financial statements of the City of Green River were disclosed during the audit.
4. There were no significant deficiencies or material weaknesses identified in the internal control over major programs of Federal Awards.
5. The auditor's report on compliance for the major federal awards programs for Green River City expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Green River City.
7. The programs tested as major programs were; U.S Department of Transportation, Highway Planning and Construction program (CFDA 20.205); and Office of National Drug Control Policy, High Intensity Drug Trafficking Area.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. The City of Green River was determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL AUDIT CURRENT YEAR

There were no findings

C. CURRENT YEAR STATUS OF PRIOR YEAR FINDINGS

There were no findings