



**Annual Financial Report  
Fiscal Year Ended June 30, 2016  
(With Accountants' Report Therein)**

# CITY OF GREEN RIVER, WYOMING

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## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Green River, Wyoming, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

**CERTIFIED PUBLIC ACCOUNTANTS**

## 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 each major fund, and the aggregate remaining fund information of Green River, Wyoming, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-11 and 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Karren, Hendrix, Stagg, Allen & Company  
March 20, 2017

# CITY OF GREEN RIVER, WYOMING

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2016

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As management of the City of Green River, Wyoming, we offer the readers of the City of Green River, Wyoming's financial statements this narrative overview and analysis of the financial statements of the City of Green River, Wyoming for the year ended June 30, 2016. When read in conjunction with the financial statements, this section's financial highlights, overview, and analysis should assist the reader in gaining a more complete knowledge of the City's financial performance.

### FINANCIAL HIGHLIGHTS

- The City's combined net position remained roughly the same during fiscal year 2016. This is mainly due to the Wyoming economy and the GASB 68 implementation
- The business type activities increased their net position with an ending balance of \$13.5 million. The business type activities had a cumulative gain of approximately \$560,000 from operations.
- The solid waste fund has an increase of approximately \$620,000 from operations for fiscal year 2016. The City will be closing its landfill and building a transfer station in the next couple of years which will change the operation of the fund. Overall, the next several years are very critical for the fund for operations.
- The wastewater fund recorded an increase of approximately \$45,000 for fiscal year 2016. The past rate structure was designed to reduce the Wastewater fund balance to a more reasonable balance between maintaining its infrastructure and reasonable rates for the citizens. The fund is looking at building a new wastewater plant in the next five years and is looking at a major cost of designing and building the plant. The fund will be looking at a couple of small loans to complete a \$2 million design in the next two years.
- The water fund recorded approximately a \$160,000 loss in for fiscal year 2016. The fund has maintained solvency very well over the last few years with small annual rate increases.

### OVERVIEW OF THE FINANCIAL STATEMENTS

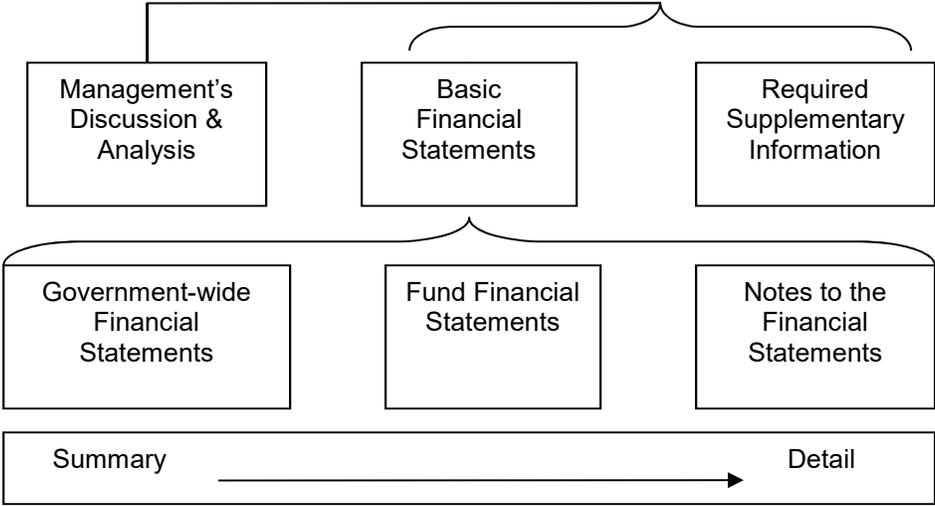
This annual report consists of three parts: 1) Management's Discussion and Analysis (this section) 2) The basic financial statements and 3) Required supplementary information. The basic financial statements include two kinds of statements that present different views of the City.

- 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.

**Figure A-1  
Required Components of the City of  
Green River Annual Financial Report**



*[The remainder of this page is intentionally left blank]*

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 Position Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balances.	Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position. 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 Financial 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 position 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 position and how they have changed. Net position (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 position 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 conditions of the economic base for sales taxes. The sales taxes account for approximately than 66% 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.
- 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. 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.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### ***Net position***

Over time net position serves as a useful indicator of a government's financial position. Table A-3 summarizes the City of Green River's net position. The City's assets exceed liabilities and deferred inflows of resources by \$83 million at the end of the fiscal year 2016.

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

**Table A-3**  
**City of Green River's Net position**  
**(In thousands of dollars)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2014</b>
Current assets	\$ 14,004	\$ 12,565	\$ 11,197	\$ 10,591	\$ 25,201	\$ 23,156
Non-current assets	64,643	65,127	6,487	6,653	71,130	71,780
Deffered Outflow s	2,011	1,006	772	204	2,783	1,210
<b>Total assets</b>	<b>\$ 80,658</b>	<b>\$ 78,698</b>	<b>\$ 18,456</b>	<b>\$ 17,448</b>	<b>99,114</b>	<b>96,146</b>
Current liabilities	\$ 1,637	\$ 1,746	\$ 526	\$ 461	\$ 2,163	\$ 2,207
Non-current liabilities	8,851	6,473	4,390	3,928	13,241	10,401
<b>Total liabilities</b>	<b>10,488</b>	<b>8,219</b>	<b>4,916</b>	<b>4,389</b>	<b>15,404</b>	<b>12,608</b>
Deferred Inflow s of Resources	847	910	-	25	847	935
<b>Net assets:</b>						
Investment in capital assets	64,642	65,127	6,350	6,516	70,992	71,643
Restricted	13	32	137	137	150	169
Unrestricted	4,668	4,410	7,053	6,381	11,721	10,791
<b>Total net assets</b>	<b>69,323</b>	<b>69,569</b>	<b>13,540</b>	<b>13,034</b>	<b>82,863</b>	<b>82,603</b>
<b>Total liabilities and net assets</b>	<b>\$ 80,658</b>	<b>\$ 78,698</b>	<b>\$ 18,456</b>	<b>\$ 17,448</b>	<b>\$ 99,114</b>	<b>\$ 96,146</b>

*[The remainder of this page is intentionally left blank]*

## Changes in Net position

On the following page, table A-4 depicts the change in nets assets for the City of Green River; fiscal year ending 2016. City-wide, net position increased almost \$1 million to an ending balance of \$ 83 million.

**Table A-4**  
**Changes in the City of Green River's Net position**  
**(In thousands of dollars)**

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>REVENUES</b>						
Charges for services	\$ 1,019	\$ 897	\$ 6,008	\$ 5,749	\$ 7,027	\$ 6,646
Operating grants and contributions	208	109	-	-	208	109
Capital grants and contributions	-	1,387	-	-	-	1,387
General revenues:						
Taxes	15,567	16,065	-	-	15,567	16,065
Intergovernmental	1,902	927	-	-	1,902	927
Interest and investment income	123	(88)	46	115	169	27
Miscellaneous	370	242	-	-	370	242
Total revenues	19,189	19,539	6,054	5,864	25,243	25,403
<b>EXPENSES</b>						
General government	3,659	3,332	-	-	3,659	3,332
Public safety	7,155	6,692	-	-	7,155	6,692
Streets maintenance	4,329	10,314	-	-	4,329	10,314
Parks and recreation	5,506	6,329	-	-	5,506	6,329
Risk management	267	337	-	-	267	337
Solid waste	-	-	1,123	1,275	1,123	1,275
Sewer	-	-	2,013	1,916	2,013	1,916
Water	-	-	933	1,125	933	1,125
Total expenses	20,916	27,004	4,069	4,316	24,985	31,320
TRANSFERS IN (OUT)	1,480	1,393	(1,480)	(1,393)	-	-
CHANGES IN NET POSITION	(247)	(6,072)	505	155	258	(5,917)
NET POSITION, JULY 1	69,570	79,793	13,034	14,176	82,604	93,969
PRIOR PERIOD ADJUSTMENT	-	(4,152)	-	(1,297)	-	(5,449)
NET POSITION, JUNE 30	\$ 69,323	\$ 69,569	\$ 13,539	\$ 13,034	\$ 82,862	\$ 82,603

## Governmental Activities

Governmental activities remained relatively stable during fiscal year 2016. Considering the Wyoming economy this is an exceptional accomplishment.

Sales and use taxes are the largest revenue source of the City's governmental funds. They make up approximately 60% of the total revenue during the fiscal year. For fiscal year 2016 the sales and use tax has two key components. The first component is the 4% general sales and use tax. Most of this tax is distributed to the State of Wyoming. The City received approximately \$5.3 million of 4% sales and use tax, which represents 33% of the City's total governmental activities revenue. The second component is the 1% Optional sales and use tax. This tax is assessed by each county and all of it is distributed back to Sweetwater County. The City received approximately \$4.4 million of 1% Optional tax sales and use tax, which represents 27% of the City's total governmental activities revenue.

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. In

2016 the City received \$2.1 million which represents 13% of the City's total governmental activities revenue.

The City's 2016 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.

### ***Business-Type Activities***

The solid waste fund posted a reasonable gain for fiscal year 2016, increasing the fund balance a little over \$500,000. Looking to the future the fund is looking at several financial hurdles mainly due to changes in operations from environmental factors. Overall, the next several years are very critical for the fund. The City has received funding from the State of Wyoming to close the landfill and build a transfer station to dispose of its solid waste at the Rock Springs regional landfill. The City will be finalizing the landfill closure in 2017 and building a transfer station in coordination with the closure. This series of events will change the equipment needs and replacements for the next few years. To keep the fund solvent it will need fairly significant rate increase for the next few years.

The water fund decreased this year by approximately \$200,000. The fund's decrease this year was attributed mainly to the fact it financed an infrastructure project and a city-wide meter change out program this year. In the long-term the City's future growth is going to be largest foreseeable hurdle for the water fund but given the current economy the expansion is going to turn more into a long term planning program for the fund.

The wastewater fund recorded a small profit for fiscal year 2016. The fund is financially strong with approximately \$2 million in unrestricted net position, of which \$1.2 million is designated for system expansion. Over the next five to seven years the wastewater fund will need a new plant. The financing will require the rate to double. With that in mind the City has taken the philosophy to increase the rates over the next five years slowly by adding a usage component instead of doubling the rate at the time the new plant is built.

In the internal service fund, risk management fund received approximately \$300,000 from other funds and investment interest to pay for operating the self-insurance pool.

### **GENERAL FUND BUDGET 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, 2015. Several factors lead to these modifications. They include: economic factors, change in governing officials, emergency purchases, and other factors.

### **CAPITAL ASSETS**

At the end of the fiscal year, for governmental activities, the City had invested \$64.6 million (net of depreciation) in a wide range of capital assets including land and land improvements, buildings, equipment, infrastructure and vehicles. Capital assets decreased by \$0.5 million from last year. See Table A-5.

**Table A-5  
City of Green River's Capital Assets  
(In thousands of dollars)**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Non-depreciable capital assets	\$ 7,768	\$ 7,913	\$ 622	\$ 296	\$ 8,390	\$ 8,209
Depreciable capital assets	110,147	107,420	27,469	27,628	137,616	135,048
Less accumulated depreciation	(53,273)	(50,206)	(21,741)	(21,408)	(75,014)	(71,614)
Net depreciable capital assets	56,874	57,214	5,728	6,220	62,602	63,434
Total capital assets	\$ 64,642	\$ 65,127	\$ 6,350	\$ 6,516	\$ 70,992	\$ 71,643

For fiscal year 2016, for business type activities, had invested \$6.4 million in a wide range of capital assets including land and land improvements, buildings, equipment, infrastructure and vehicles. Capital assets decreased from last year mostly due to depreciation in excess of additions. See Table A-5.

### **LONG-TERM DEBT**

The City has a small amount of long-term debt. This includes employee compensated absences and post closure liability of the City's landfill. The City's compensated absences liability is approximately \$1.3 million and the post closure liability is approximately \$2.2 million.

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.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide to citizens, customers, investors, creditors, and others with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the City of Green River, c/o Chris Meats, City of Green River, 50 E 2<sup>nd</sup> North Green River, WY 82935, telephone number (307) 872-6125.

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## **BASIC FINANCIAL STATEMENTS**

# CITY OF GREEN RIVER, WYOMING

## Statement of Net Position

June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 2,606,829	\$ 4,142,432	\$ 6,749,261
Investments	8,747,384	5,967,173	14,714,557
Receivables, net	2,430,384	730,988	3,161,372
Prepaid expenses	3,041	-	3,041
Inventories	216,483	356,487	572,970
Total current assets	<u>14,004,121</u>	<u>11,197,080</u>	<u>25,201,201</u>
<b>NONCURRENT ASSETS</b>			
Restricted cash held in joint custody	-	136,564	136,564
Capital assets:			
Land, improvements, and construction			
In progress	7,768,048	621,684	8,389,732
Other capital assets, net of depreciation	56,874,246	5,728,158	62,602,404
Total noncurrent assets	<u>64,642,294</u>	<u>6,486,406</u>	<u>71,128,700</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Proportionate share of pension deferred outflows	2,011,280	772,075	2,783,355
Total deferred inflows of resources	<u>2,011,280</u>	<u>772,075</u>	<u>2,783,355</u>
Total assets	<u>80,657,695</u>	<u>18,455,561</u>	<u>99,113,256</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	1,536,007	458,716	1,994,723
Compensated absenses	101,481	67,000	168,481
Total current liabilities	<u>1,637,488</u>	<u>525,716</u>	<u>2,163,204</u>
<b>NONCURRENT LIABILITIES</b>			
Compensated absenses	913,325	213,448	1,126,773
Post closure liability	-	2,189,485	2,189,485
Proportionate share of net pension liability	7,937,197	1,987,418	9,924,615
Total noncurrent liabilities	<u>8,850,522</u>	<u>4,390,351</u>	<u>13,240,873</u>
Total liabilities	<u>10,488,010</u>	<u>4,916,067</u>	<u>15,404,077</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Proportionate share of pension deferred inflows	-	-	-
Deferred revenue	846,601	-	846,601
Total deferred inflows of resources	<u>846,601</u>	<u>-</u>	<u>846,601</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	64,642,294	6,349,842	70,992,136
Restricted for:			
Federal programs	13,113	-	13,113
Cash held in joint custody	-	136,564	136,564
Assigned	3,929,750	1,500,000	5,429,750
Unrestricted	737,927	5,553,088	6,291,015
Total net position	<u>69,323,084</u>	<u>13,539,494</u>	<u>82,862,578</u>
Total net position and dererred inflows of ressources	<u>\$ 80,657,695</u>	<u>\$ 18,455,561</u>	<u>\$ 99,113,256</u>

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

# CITY OF GREEN RIVER, WYOMING

## Statement of Activities For the Year Ended June 30, 2016

	Expenses	Program Revenues			Net (Expense) Rev & Changes in Net Assets		
		Charges for Services	Operating Grant and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Function/Programs Primary Government:</b>							
Governmental Activities:							
General government	\$ 3,658,601	\$ 142,170	\$ -	\$ -	\$ (3,516,431)		\$ (3,516,431)
Public safety	7,155,112	100,096	207,588	-	(6,847,428)		(6,847,428)
Streets maintenance	4,329,249	-	-	-	(4,329,249)		(4,329,249)
Parks and recreation	5,505,790	734,790	-	-	(4,771,000)		(4,771,000)
Risk management	267,353	42,580	-	-	(224,773)		(224,773)
Total governmental activities	<u>20,916,105</u>	<u>1,019,636</u>	<u>207,588</u>	<u>-</u>	<u>(19,688,881)</u>		<u>(19,688,881)</u>
Business-type activities:							
Solid waste	1,122,523	2,134,699	-	-		1,012,176	1,012,176
Water	2,012,996	2,595,169	-	-		582,173	582,173
Wastewater	932,981	1,276,946	694	-		344,659	344,659
Total business-type activities	<u>4,068,500</u>	<u>6,006,814</u>	<u>694</u>	<u>-</u>		<u>1,939,008</u>	<u>1,939,008</u>
Total primary government	<u>\$ 24,984,605</u>	<u>\$ 7,026,450</u>	<u>\$ 208,282</u>	<u>\$ -</u>	<u>(19,688,881)</u>	<u>1,939,008</u>	<u>(17,749,873)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					1,162,611	-	1,162,611
Sales taxes, levied for general purposes					12,614,415	-	12,614,415
Sales taxes, levied for capital facilities					-	-	-
Impact assistance, special state dist.					1,022,747	-	1,022,747
Miscellaneous taxes					767,364	-	767,364
Intergovernmental					1,902,237	-	1,902,237
Unrestricted investment earnings					123,029	46,120	169,149
Miscellaneous revenues					370,050	-	370,050
Gain (loss) on sale of capital assets					-	-	-
Transfers in (out)					1,479,940	(1,479,940)	-
Total general revenues and transfers					<u>19,442,393</u>	<u>(1,433,820)</u>	<u>18,008,573</u>
Change in net position					(246,488)	505,188	258,700
NET POSITION - JULY 1, 2015					69,569,572	13,034,306	82,603,878
PRIOR PERIOD ADJUSTMENT					-	-	-
NET POSITION - JUNE 30, 2016					<u>\$ 69,323,084</u>	<u>\$ 13,539,494</u>	<u>\$ 82,862,578</u>

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

# CITY OF GREEN RIVER, WYOMING

## Balance Sheet Governmental Funds June 30, 2016

	General	Capital Projects	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,752,683	\$ (1,692,175)	\$ 2,060,508
Investments	2,160,182	5,870,939	8,031,121
Accounts receivable, net	2,417,271	-	2,417,271
Grants receivable	13,113	-	13,113
Prepaid expenses	3,041	-	3,041
Inventories	216,483	-	216,483
Total assets	<u>8,562,773</u>	<u>4,178,764</u>	<u>12,741,537</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	481,290	486,834	968,124
Retainage payable	-	165,068	165,068
Compensated absences	101,481	-	101,481
Bonds and deposits held	26,189	-	26,189
Accrued payroll and benefits	376,626	-	376,626
Total liabilities	<u>985,586</u>	<u>651,902</u>	<u>1,637,488</u>
<b>Deferred Inflow or Resources:</b>			
Deferred revenue	846,601	-	846,601
Total liabilities+A1	<u>846,601</u>	<u>-</u>	<u>846,601</u>
<b>Fund Balances:</b>			
Restricted for:			
Federal programs	13,113	-	13,113
1% sales tax projects	-	2,001,852	2,001,852
Assigned	3,929,750	-	3,929,750
Unassigned	2,787,723	1,525,010	4,312,733
Total fund balances	<u>6,730,586</u>	<u>3,526,862</u>	<u>10,257,448</u>
Total liabilities and fund balances	<u>\$ 8,562,773</u>	<u>\$ 4,178,764</u>	<u>\$ 12,741,537</u>

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

# CITY OF GREEN RIVER, WYOMING

## Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position June 30, 2016

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Total fund balances - governmental fund types	\$ 10,257,448
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	64,642,294
Proportionate share of pension deferred outflows, deferred inflows, and net pension liability	(5,925,917)
Long-term liabilities not due and payable in the current period and, therefore, are not reported in the funds	(913,325)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individuals funds. The assets and liabilities of certain internal service funds is reported with governmental activities	<u>1,262,584</u>
Net position of governmental activities	<u><u>\$ 69,323,084</u></u>

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

# CITY OF GREEN RIVER, WYOMING

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2016

	General	Capital Projects	Total Governmental Funds
<b>REVENUES</b>			
Taxes:			
Sales and use	\$ 9,649,025	\$ 2,965,390	\$ 12,614,415
Impact assistance	1,022,747	-	1,022,747
Property	1,162,611	-	1,162,611
Miscellaneous	767,364	-	767,364
Charges for services	734,790	-	734,790
Fines and forfeitures	100,096	-	100,096
Intergovernmental	1,016,433	885,804	1,902,237
Licenses and permits	142,170	-	142,170
Investment earnings	24,850	92,503	117,353
Miscellaneous	370,050	-	370,050
Total revenues	<u>14,990,136</u>	<u>3,943,697</u>	<u>18,933,833</u>
<b>EXPENDITURES</b>			
General government	2,349,027	1,167,722	3,516,749
Public safety	4,138,947	1,806,220	5,945,167
Streets maintenance	2,804,683	1,263,862	4,068,545
Parks and recreation	3,949,026	1,184,469	5,133,495
Total expenditures	<u>13,241,683</u>	<u>5,422,273</u>	<u>18,663,956</u>
Revenues over (under) expenditures	<u>1,748,453</u>	<u>(1,478,576)</u>	<u>269,877</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	(2,387,923)	-	(2,387,923)
Transfers from other funds	954,940	2,612,923	3,567,863
Total other financing sources and uses	<u>(1,432,983)</u>	<u>2,612,923</u>	<u>1,179,940</u>
Revenues and other sources over (under) expenditures and other uses	315,470	1,134,347	1,449,817
FUND BALANCES - JULY 1, 2015	<u>6,415,116</u>	<u>2,392,515</u>	<u>8,807,631</u>
FUND BALANCES - JUNE 30, 2016	<u>\$ 6,730,586</u>	<u>\$ 3,526,862</u>	<u>\$ 10,257,448</u>

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

# CITY OF GREEN RIVER, WYOMING

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities For the Year Ended June 30, 2016

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Net change in fund balances - total governmental funds	\$ 1,449,817
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital purchases exceeded depreciation expense during the current period.	(484,997)
Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in governmental funds.	(1,292,211)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individuals funds. The net revenues (expense of certain internal service funds is reported with governmental activities	<u>80,903</u>
Change in net positions of governmental activities	<u><u>\$ (246,488)</u></u>

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

# CITY OF GREEN RIVER, WYOMING

## Statement of Net Position Proprietary Funds June 30, 2016

	Enterprise Funds				Internal Service Funds
	Solid Waste	Water	Wastewater	Total	
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 2,561,211	\$ 343,537	\$ 1,237,684	\$ 4,142,432	\$ 546,321
Investments	1,486,883	3,006,817	1,473,473	5,967,173	716,263
Accounts receivable, net	180,377	245,416	109,300	535,093	-
Unbilled receivables	49,202	146,693	-	195,895	-
Inventories	14,541	287,423	54,523	356,487	-
Total current assets	<u>4,292,214</u>	<u>4,029,886</u>	<u>2,874,980</u>	<u>11,197,080</u>	<u>1,262,584</u>
<b>Noncurrent Assets</b>					
Restricted cash held in joint custody	-	136,564	-	136,564	-
Capital assets, net of accumulated depreciation:					
Land and land improvements	220,637	75,870	-	296,507	-
Buildings and building improvements	162,162	197,900	4,885,369	5,245,431	-
Equipment	176,522	272,145	260,973	709,640	-
Vehicles	1,475,833	160,927	823,378	2,460,138	-
Infrastructure	-	3,973,775	15,080,566	19,054,341	-
Accumulated depreciation	(1,895,559)	(3,455,574)	(16,390,259)	(21,741,392)	-
Construction in progress	-	-	325,177	325,177	-
Total noncurrent assets	<u>139,595</u>	<u>1,361,607</u>	<u>4,985,204</u>	<u>6,486,406</u>	<u>-</u>
<b>Deferred Outflows of Resources</b>					
Proportionate share of pension deferred outflows	<u>310,752</u>	<u>227,458</u>	<u>233,865</u>	<u>772,075</u>	<u>-</u>
Total assets	<u>4,742,561</u>	<u>5,618,951</u>	<u>8,094,049</u>	<u>18,455,561</u>	<u>1,262,584</u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts payable	59,673	240,538	39,027	339,238	-
Accrued salaries, payroll and benefits	16,104	15,130	10,159	41,393	-
Compensated absences - current	37,000	15,000	15,000	67,000	-
Utility deposits held	-	78,085	-	78,085	-
Total current liabilities	<u>112,777</u>	<u>348,753</u>	<u>64,186</u>	<u>525,716</u>	<u>-</u>
<b>Noncurrent Liabilities</b>					
Compensated absences	54,538	54,756	104,154	213,448	-
Post closure liability	2,189,485	-	-	2,189,485	-
Proportionate share of net pension liability	799,915	585,505	601,998	1,987,418	-
Total noncurrent liabilities	<u>3,043,938</u>	<u>640,261</u>	<u>706,152</u>	<u>4,390,351</u>	<u>-</u>
<b>Deferred outflows of Resources</b>					
Proportionate share of pension deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>3,156,715</u>	<u>989,014</u>	<u>770,338</u>	<u>4,916,067</u>	<u>-</u>
<b>NET POSITION</b>					
Invested in capital assets, net of related debt	139,595	1,225,043	4,985,204	6,349,842	-
Assigned	500,000	650,000	350,000	1,500,000	-
Unrestricted	946,251	2,754,894	1,988,507	5,689,652	1,262,584
Total liabilities and net position	<u>\$ 1,585,846</u>	<u>\$ 4,629,937</u>	<u>\$ 7,323,711</u>	<u>\$ 13,539,494</u>	<u>\$ 1,262,584</u>

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

# CITY OF GREEN RIVER, WYOMING

## Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds For the Year Ended June 30, 2016

	Enterprise Funds				Internal Service Funds
	Solid Waste	Water	Wastewater	Total	
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 2,134,699	\$ 2,595,169	\$ 1,276,946	\$ 6,006,814	\$ 42,580
Other	-	-	-	-	-
Total operating revenues	2,134,699	2,595,169	1,276,946	6,006,814	42,580
<b>OPERATING EXPENSES</b>					
Personal services	728,218	635,966	374,477	1,738,661	267,353
Supplies	45,807	43,511	31,192	120,510	-
Utilities	22,944	1,151,056	120,159	1,294,159	-
Repairs and maintenance	250,618	77,808	94,586	423,012	-
Depreciation	74,936	104,655	312,567	492,158	-
Total operating expenses	1,122,523	2,012,996	932,981	4,068,500	267,353
Operating Income (Loss)	1,012,176	582,173	343,965	1,938,314	(224,773)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	16,187	17,613	12,320	46,120	5,676
Grant revenue	-	-	694	694	-
Total nonoperating revenues (Expenses)	16,187	17,613	13,014	46,814	5,676
Income (loss) before transfers	1,028,363	599,786	356,979	1,985,128	(219,097)
<b>TRANSFERS IN</b>	-	-	-	-	300,000
<b>TRANSFERS OUT</b>	(406,900)	(760,770)	(312,270)	(1,479,940)	-
CHANGE IN NET ASSETS	621,463	(160,984)	44,709	505,188	80,903
NET POSITION - BEGINNING OF YEAR	964,383	4,790,921	7,279,002	13,034,306	1,181,681
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-
NET POSITION - END OF YEAR	\$ 1,585,846	\$ 4,629,937	\$ 7,323,711	\$ 13,539,494	\$ 1,262,584

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

# CITY OF GREEN RIVER, WYOMING

## Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2016

	Enterprise Funds				Internal Service Funds
	Solid Waste	Water	Wastewater	Total	
<b>Cash Flows from Operating Activities</b>					
Receipts from customers	\$ 2,157,382	\$ 2,355,277	\$ 1,276,125	\$ 5,788,784	\$ 42,580
Payments to suppliers	(278,901)	(1,272,953)	(223,013)	(1,774,867)	(272,633)
Payments to employees	(807,716)	(689,271)	(415,827)	(1,912,814)	-
Total cash flows from operating activities	1,070,765	393,053	637,285	2,101,103	(230,053)
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers from (to) other funds	(406,900)	(760,770)	(312,270)	(1,479,940)	300,000
Grants received	-	-	-	-	-
Total cash flows from noncapital financing activities	(406,900)	(760,770)	(312,270)	(1,479,940)	300,000
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of capital assets	-	-	(325,177)	(325,177)	-
Total cash flows from capital and related financing activities	-	-	(325,177)	(325,177)	-
<b>Cash Flows from Investing Activities</b>					
Investment earnings received	16,187	17,613	12,320	46,120	5,676
Net sale (purchase) of investments	218,067	448,878	218,044	884,989	92,213
Total cash flows from investing activities	234,254	466,491	230,364	931,109	97,889
Net increase (decrease) in cash and cash equivalents	898,119	98,774	230,202	1,227,095	167,836
Cash and cash equivalents, July 1	1,663,092	381,327	1,007,482	3,140,810	378,485
Cash and cash equivalents, June 30	\$ 2,561,211	\$ 480,101	\$ 1,237,684	\$ 4,367,905	\$ 546,321
Cash and cash equivalents	\$ 2,561,211	\$ 343,537	\$ 1,237,684	\$ 4,142,432	\$ 546,321
Restricted cash held in joint custody	-	136,564	-	136,564	-
	\$ 2,561,211	\$ 480,101	\$ 1,237,684	\$ 4,278,996	\$ 546,321

Continued on next page

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

# CITY OF GREEN RIVER, WYOMING

## Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2016

*Reconciliation of operating income to net cash provided (used) by operating activities:*

Operating income (loss)	\$ 1,012,176	\$ 582,173	\$ 343,965	\$ 1,938,314	\$ (224,773)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	74,936	104,655	312,567	492,158	-
(Increase) decrease in accounts receivable	22,683	(239,778)	(821)	(217,916)	-
(Increase) decrease in inventories	23,821	(70,155)	1,378	(44,956)	-
(Increase) decrease in deferred outflows	(228,765)	(167,447)	(172,164)	(568,376)	-
Increase (decrease) in accounts payable	16,647	69,463	21,546	107,656	(5,280)
Increase (decrease) in accrued payroll	(17,118)	(16,421)	(9,645)	(43,184)	-
Increase (decrease) in comp absenses	(5,380)	4,837	11,193	10,650	-
Increase (decrease) in net pension liab.	181,971	133,196	136,947	452,114	-
Increase (decrease) in deferred inflows	(10,206)	(7,470)	(7,681)	(25,357)	-
Total adjustments	58,589	(189,120)	293,320	162,789	(5,280)
Total cash flows from operating activities	\$ 1,070,765	\$ 393,053	\$ 637,285	\$ 2,101,103	\$ (230,053)

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

# CITY OF GREEN RIVER, WYOMING

## Statement of Fiduciary Net Assets

### Fiduciary Fund

June 30, 2016

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	<b>Green Assistance Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ (459)
Investments, at fair value	659
Total assets	<u>200</u>
<b>NET ASSETS</b>	
Held in trust to assist low income residents with utility bills	<u>200</u>
Total net assets	<u><u>\$ 200</u></u>

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

# CITY OF GREEN RIVER, WYOMING

## Statement of Changes in Fiduciary Net Assets Fiduciary Fund For the Year Ended June 30, 2016

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	<u>Green Assistance Fund</u>
<b>ADDITIONS</b>	
Donations	\$ 257
Investment earnings	8
Total additions	<u>265</u>
<b>DEDUCTIONS</b>	
Payment of utilities	<u>967</u>
Total operating expenses	<u>967</u>
CHANGE IN NET ASSETS	(702)
NET ASSETS - BEGINNING OF YEAR	<u>902</u>
NET ASSETS - END OF YEAR	<u><u>\$ 200</u></u>

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

# CITY OF GREEN RIVER, WYOMING

## Notes to the Financial Statements Fiscal Year Ended June 30, 2016

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. **The Financial Reporting Entity**

The City of Green River, Wyoming (incorporated in 1868) is a municipal corporation governed by an elected six-member council and mayor. The City operates under a Mayor-Council / Administrator form of government. Council members and the mayor are elected to serve four-year terms. The City Administrator, who is appointed, administers policies and coordinates the activities of the City. The departments of the City, formed to provide various services, are under the direct supervision of the City Administrator.

#### B. **Basis of Presentation – Government-wide and Fund Financial Statements**

Government-wide statements are comprised of the statement of net assets and the statement of activities. They contain information on all of the activities of the primary government except for fiduciary activities. Most effects of inter-fund activities have been eliminated from these statements. The exceptions are (1) payments-in-lieu-of-taxes the General Fund charges enterprise funds; (2) charges for water, sewer, storm-water and refuse that all customers pay to these enterprise funds and (3) charges for centrally provided services of the General Fund that benefit the receiving fund. Examples are payroll, purchasing, human resources and legal services. The government-wide statements for the primary government are separated based on the predominance of the type of revenues that support them. Governmental activities are normally supported by taxes and intergovernmental revenues, while business-type activities receive a significant portion of revenues from fees and charges for services.

The statement of activities is presented to show the extent that program revenues of a given activity support direct expenses. Direct expenses are those that can clearly be associated with a particular activity or program. Program revenues are: (1) charges to customers or others who purchase use or directly benefit from the services or goods provided by a given activity or segment or (2) grants or other contributions that are restricted to operating or capital needs of a specific activity or segment. General revenues are those revenues like taxes and other items that are not properly reported as program revenues.

Separate financial statements are included for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds, however, are not included in the totals for the government-wide financial statements. Major individual governmental funds are reported in separate columns in the governmental funds statements, as are major individual proprietary funds in the proprietary funds statements.

#### C. **Measurement Focus and Basis of Accounting**

Measurement focus refers to the types of assets that appear on the statement of net assets and changes to those same assets that appear on the statement of activities. The flow of financial resources measurement focus shows current assets and liabilities on the statement of net assets and changes to net current assets in the statement of activities. The flow of economic resources measurement focus shows total assets and liabilities on the statement of net assets and changes to net assets on the statement of activities. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Government-wide, proprietary and fiduciary fund statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of the timing of the related cash flows. Unbilled fees for proprietary funds are recorded as receivables at year end. Property taxes are recorded as revenues in the year for which they are levied. Grants and

similar other contributions are recognized as revenue as soon as the eligibility requirements of the provider have been met.

The City's enterprise funds are: (1) Solid Waste Fund, (2) Water Fund, and (3) Wastewater Fund. The Solid Waste Fund accounts for the activities of the City's solid waste collections and landfill. 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. The City currently has one internal service fund that provides property and liability insurance for the entire City.

The City's fiduciary fund is the Green Assistance Fund. 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.

Proprietary funds separate operating and non-operating revenues and expenses. Operating revenues and expenses normally arise from providing goods and services in connection with the fund's normal ongoing operations. The principal source of operating revenues for the proprietary funds and the internal service funds are charges to customers for goods and services. Operating expenses include the cost of sales and services, administrative overhead expenses and depreciation on capital assets. All other revenues or expenses are recorded as non-operating.

Governmental fund statements use the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. As a practical matter, the City uses two months as a cutoff for meeting the available criterion. Property taxes are considered "measurable" when levied and available when collected and held by Sweetwater County (the County). Any amounts not available are recorded as deferred revenue. Other revenues that are determined to be susceptible to accrual include grants-in-aid earned and other intergovernmental revenues, charges for services, interest, assessments, inter-fund service charges, permits, fines, forfeitures, parking ticket and meter fees, and sale of property. Property taxes and assessments are recorded as receivables when levied or assessed; however, they are reported as deferred revenue until the "available" criterion has been met. Sales and use taxes collected by the state and remitted to the City within the "available" time period are recognized as revenue. Revenues collected in advance are deferred and recognized in the period to which they apply.

Revenues that are determined to not be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period (two months) or are not objectively measurable include licenses, contributions, and miscellaneous revenues. These revenues are recognized when cash is received.

Expenditures are recognized in the accounting period in which the fund liability is incurred, except for long-term obligations (debt service payments and long term compensated absences) and related interest which are recognized as expenditures when due. Inventories of supplies are expended when purchased.

The City has two major governmental funds, the General Fund and the Capital Projects Fund. The General Fund is the main operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. The Capital Projects Fund accounts for resources dedicated to the construction or improvement of capital assets, which may take more than one budgetary cycle to complete. These constructed or improved capital assets are for the benefit of any or all governmental funds.

Reconciliation of Government-wide and Fund Financial Statements – Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. As a result, there are important differences between the asset, liabilities,

revenues, and expense/expenditures reported on the fund financial statements and government-wide financial statements. For example, many long-term assets and liabilities are excluded from the fund balance sheet but are included in the entity-wide financial statements. As a result, there must be a reconciliation between the two statements to explain the differences. Reconciliations are included as part of the fund financial statements (see pages 16 and 18).

#### **D. Budgets**

The City follows the following 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.

#### **E. Cash, Cash Equivalents 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 1720 Carey Avenue, Suite 530, Cheyenne, WY 82001, respectively.

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

#### **F. Inventories**

Inventories of supplies or the proprietary fund types are stated at the lower of cost (using the first-in-first-out method) or market. In the proprietary funds, inventory items are considered expensed when used (consumption method).

#### **G. Capital Assets**

Capital assets are valued at historical cost or estimated historical cost for assets where actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. The City has a capitalization threshold of \$100,000 for infrastructure in the public right of way and \$5,000 for all other assets. The City follows GAAP by capitalizing a portion of its interest costs (net of any interest earned on related interest bearing investments acquired with proceeds of related tax-exempt borrowings) as a cost of constructed property and equipment in

enterprise funds. No net interest was capitalized for the year ended June 30, 2016. Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives:

- 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. Property Taxes**

Ad valorem (based on value) property taxes constitute a major source of General Fund revenue. Property taxes are collected by the county treasurer and remitted to the City. The lien date for property taxes is January 1. Using the tax rate (mil levy) supplied by the City, the county levies the taxes as of the first week of August. Tax notices are mailed by September 1. Tax payments are due in two installments; November 10, and then May 10 of the following year.

GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, defines a non-exchange transaction as one in which “a government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange.” Under GASB 33, because the lien date is January 1, the City records the estimated taxes receivable as of its June 30 year end. Because the taxes are not available to meet current expenditures, and because they will not be collected until the following November or May, they are also recorded as deferred revenue.

#### **I. 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.

#### **J. Long-term liabilities**

Long-term liabilities that will be financed from governmental funds are accounted for in the governmental activities portion of the government-wide statements, while those of proprietary funds are accounted for in their respective fund.

#### **K. Net Assets**

The City’s net assets are classified as follows: (1) Invested in capital assets, net of related debt, which consists of the total investment in capital assets, net of accumulated depreciation and reduced by the outstanding debt obligations related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt; (2) Restricted for federal programs are amounts that are restricted by the granting agency; (3) Restricted other consists of that portion of net assets that is restricted by outside parties for a specific purpose; (4) Unrestricted net assets consist of everything else that does not meet the criteria above.

**L. Use of Fund Balance**

When both restricted and unrestricted fund balance is available to use for expenditure appropriation, the City's policy is that restricted funds are applied to expenditures solely at the discretion of the City Council.

**M. 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.

**N. 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.

**O. Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the management of the City to make estimates and assumptions that affect the reported amounts of assets and liabilities. Estimate use also requires 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 these estimates.

**P. Total columns**

The total columns shown on the accompanying fund financial statements are mathematical totals only and do not eliminate inter-fund transactions or include other entries required to present consolidated financial statements. The government-wide financial statements do, however, eliminate most inter-fund transactions and the double counting of revenues and expenses. They are therefore much closer to the consolidated financial statements presented in private sector accounting.

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents**

The City maintains a cash pool and an investment pool that are available for use by all funds. Each fund type's portion of these pools is included in the combined balance sheet as "Cash and cash equivalents" and "Investments". Also included are investments separately held by several of the City's funds.

It is the policy of the City to invest public funds in a manner which will provide for the safety of principal/capital, liquidity, and rate of return, and in accordance with State and local statutes

The City's deposits are insured up to \$250,000 per account by the Federal Deposit Insurance Corporation. 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 bank balances of the Primary Government's deposits were FDIC insured and/or collateralized at year end. The City has no formal policy regarding deposit credit risk.

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, 2016, the City held jointly with the JPWB \$136,564 which was 100 percent collateralized by the JPWB.

**Investments**

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.

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

Investment interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. 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 Wyoming State Investment Pool and the Wyoming Government Investment Fund have an average maturity of less than one year they are presented as an investment with a maturity of less than one year.

The table on the following page shows the maturities of the City's investments.

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Primary government:					
US Agency Securities	\$ 7,202,059	\$ -	\$ 7,202,059	\$ -	\$ -
	7,202,059	-	7,202,059	-	-
Other investments:					
Wyoming State Investment Pool	1,930,332				
Wyoming Government Invest. Fund	5,582,166				
Total investments, primary government	\$ 14,714,557				

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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. It is the City's policy is to follow the state stature to reduce exposure to investment credit risk. The City's rated debt investments are shown in the table below using Standard and Poor's rating scale.

	Fair Value	Quality Ratings			
		AAAm	Am	A1m	Unrated
Primary government:					
US Agency Securities	\$ 7,202,059	\$ 7,202,059	\$ -	\$ -	\$ -
Wyoming Government Invest. Pool	1,930,332	-	-	-	1,930,332
Wyoming Government Invest. Fund	5,582,166	-	-	-	5,582,166

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. 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. 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.

The following table is a summary of restricted and unrestricted cash, cash equivalents and investments.

Unrestricted cash and cash equivalents	\$ 6,612,697
Restricted cash and cash equivalents	136,564
Unrestricted investments	14,714,557
Total	\$ 21,463,818

### 3. CAPITAL ASSETS

The following tables summarize the changes in capital assets for governmental and business-type activities during the year ended June 30, 2016:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>GOVERNMENTAL ACTIVITIES:</u>				
Non-depreciable capital assets				
Land and land improvements	\$ 6,544,020	\$ 336,416	\$ -	\$ 6,880,436
Construction-in-progress	1,369,450	887,613	(1,369,451)	887,612
Total capital assets, not being depreciated	<u>7,913,470</u>	<u>1,224,029</u>	<u>(1,369,451)</u>	<u>7,768,048</u>
Depreciable capital assets				
Buildings	30,259,424	931,512	-	31,190,936
Equipment	2,862,549	11,353	(5,325)	2,868,577
Infrastructure	66,790,270	2,448,694	(439,211)	68,799,753
Vehicles	7,507,144	196,029	(415,698)	7,287,475
Total capital assets, being depreciated	<u>107,419,387</u>	<u>3,587,588</u>	<u>(860,234)</u>	<u>110,146,741</u>
Less accumulated depreciation	<u>(50,205,566)</u>	<u>(3,281,721)</u>	<u>214,792</u>	<u>(53,272,495)</u>
Total depreciable capital assets	<u>57,213,821</u>	<u>305,867</u>	<u>(645,442)</u>	<u>56,874,246</u>
Governmental activities capital assets, net	<u>\$ 65,127,291</u>	<u>\$ 1,529,896</u>	<u>\$ (2,014,893)</u>	<u>\$ 64,642,294</u>
	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>BUSINESS-TYPE ACTIVITIES</u>				
Non-depreciable capital assets				
Land and land improvements	\$ 296,507	\$ -	\$ -	\$ 296,507
Construction-in-progress	-	325,177	-	325,177
Total capital assets, not being depreciated	<u>296,507</u>	<u>325,177</u>	<u>-</u>	<u>621,684</u>
Depreciable capital assets				
Buildings	5,245,431	-	-	5,245,431
Equipment	691,524	18,116	-	709,640
Infrastructure	19,054,341	-	-	19,054,341
Vehicles	2,636,788	18,327	(194,978)	2,460,137
Total capital assets, being depreciated	<u>27,628,084</u>	<u>36,443</u>	<u>(194,978)</u>	<u>27,469,549</u>
Less accumulated depreciation	<u>(21,407,768)</u>	<u>(509,676)</u>	<u>176,053</u>	<u>(21,741,391)</u>
Total depreciable capital assets	<u>6,220,316</u>	<u>(473,233)</u>	<u>(18,925)</u>	<u>5,728,158</u>
Business-type capital assets, net	<u>\$ 6,516,823</u>	<u>\$ (148,056)</u>	<u>\$ (18,925)</u>	<u>\$ 6,349,842</u>

Depreciation expense for the year ended June 30, 2016 for governmental and business-type activities is shown in the table below:

	<b>Depreciation Expense</b>
Governmental activities:	
General government	\$ 165,878
Public safety	562,728
Streets maintenance	1,402,368
Parks and recreation	935,955
Total depreciation expense - governmental activities	<u>\$ 3,066,929</u>
Business-type activities:	
Solid waste	\$ 74,936
Water	104,655
Wastewater	312,567
Total depreciation expense - business-type activities	<u>\$ 492,158</u>

#### **4. LONG-TERM OBLIGATIONS**

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2016.

	<b>Balance July 1, 2015</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2016</b>	<b>Due Within One Year</b>
Governmental activities					
Compensated absences	\$ 1,093,520	\$ -	\$ (78,714)	\$ 1,014,806	\$ 101,481
Total, governmental activities	<u>\$ 1,093,520</u>	<u>\$ -</u>	<u>\$ (78,714)</u>	<u>\$ 1,014,806</u>	<u>\$ 101,481</u>
Business-type activities					
Compensated absences	\$ 269,798	\$ 10,650	\$ -	\$ 280,448	\$ 67,000
Post closure liability	2,189,485	-	-	\$ 2,189,485	-
Total, business-type activities	<u>\$ 2,459,283</u>	<u>\$ 10,650</u>	<u>\$ -</u>	<u>\$ 2,469,933</u>	<u>\$ 67,000</u>

#### **5. CLOSURE AND POST CLOSURE CARE COST FOR THE SOLID WASTE LANDFILL**

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 \$2,189,485 reported as closure and post-closure care liability at June 30, 2016, represents the cumulative amount reported to date based on the use of 75% of the estimated capacity of the landfill. At the current rate, it is estimated that the landfill will be at capacity in approximately 5 years. The City will recognize the remaining estimated cost of closure and post-closure care as the remaining estimated capacity is filled. These amounts are based on estimated costs to perform all closure and post-closure costs in 2016. Actual costs may be higher or lower due to inflation, changes in technology, or changes in regulations. In fiscal year 2015, the City received a grant to cover the remaining amount of the closure costs of the landfill.

## 6. INTERFUND TRANSFERS

Transfers were made to and from several funds during the course of the year ended June 30, 2016. The principal reason for operating transfers is to provide the receiving fund resources to carry out the activities for which the receiving fund was created. The tables on the following page show the detail of transfers.

<u>Transfers out from</u>	<u>Transfers in to:</u>		
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Health Insurance</u>
General fund		\$ 2,612,923	\$ 280,000
Capital projects	-	-	-
Solid waste	402,400	-	4,500
Water	756,270	-	4,500
Wastewater	301,270	-	11,000
Health insurance	-	-	-
	<u>\$ 1,459,940</u>	<u>\$ 2,612,923</u>	<u>\$ 300,000</u>

## 7. RETIREMENT PLAN

### **General Information About the Pension Plan**

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. The payroll for employees covered by the System for the year ended June 30, 2016, was \$7,381,554; the City's total payroll was \$8,932,811.

Contributions to the System consist of an amount equal to 14.62% of the employee's salary. The City is required by State statute to contribute 7.12% of the amount and, as permitted by statute, the City also contributes the employee's 7.50% share. Law enforcement employees are allowed by Wyoming Statute to contribute an extra 2.58% 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, 2016, 2015, and 2014 were \$1,143,821, \$1,143,821, and \$1,089,723 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.

**Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016, we reported a net pension liability of \$9,924,615.

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Public Employee Plan	0.2874266%	\$ -	\$ 8,246,547
Law Enforcement Plan	1.1923032%	-	1,066,915
Volunteer Firefighter Plan	1.6649918%	-	611,153
Total Net Pension Asset/Liability		<u>\$ -</u>	<u>\$ 9,924,615</u>

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015, and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the Plan from the census data submitted to the plan for pay periods ending in 2015.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,373,843	\$ -
Contributions subsequent to the measurement date	<u>409,512</u>	<u>-</u>
Total	<u>\$ 2,783,355</u>	<u>\$ -</u>

\$409,512 was reported as deferred outflows of resources related to pension's results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2015. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	<u>Deferred Outflows (Inflows) of Resources</u>
2017	\$ 331,910
2018	331,910
2019	331,910
2020	331,910
2021	331,910
Thereafter	-

Actuarial assumptions: The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25 Percent
Salary increases	4.25 - 6.00 Percent, average, including inflation
Investment rate of return	7.75 Percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below:

### Retired Member Mortality

Class of Member

---

#### Law Enforcement

Men EDUM (90%)

Women EDUF (100%)

---

#### Volunteer Firefighters

Men RP 2000mWC (100%)

Women EDUF (120%)

---

#### Local Government, Public Employees

Men RP 2000mWC (104%)

Women RP (90%)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis	
	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed Income	15%	0.87%
Equity	59%	5.13%
Marketable Alternatives	15.5%	4.75%
Private Markets	8%	5.84%
Cash and cash equivalents	2.5%	0.25%
Totals	100%	17%
	Inflation	3.25%
	Expected arithmetic nominal return	7.75%

Discount rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.75%) or 1 percentage-point higher (8.75%) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Proportionate share of Net pension (asset) / liability	\$ 14,820,876	\$ 9,924,615	\$ 6,521,343

Pension plan fiduciary net position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued URS financial report.

**8. 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.

**9. COMMITMENTS AND CONTINGENCIES**

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.

**10. JOINT VENTURES**

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. Additional financial information may be 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. The Joint Powers Telecom Board provides an interconnected fiber-optic network for City of Green River, City of Rock Springs and the Sweetwater County offices. The financial transactions of the Board are not included in these financial statements. Additional financial information may be 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 Communications 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 purpose of dispatching emergency services in Green River, Wyoming, Rock Springs, Wyoming, and other areas in Sweetwater County, Wyoming. The Board consists of five members: three members from Green River, three members from Rock Springs, and three members from Sweetwater County. Additional financial information may be obtained by sending a request to SCCJPB at PO Box 129, Green River, WY 82935.

**REQUIRED SUPPLEMENTARY INFORMATION**

**COMPLIANCE AND INTERNAL CONTROL**



KARREN | HENDRIX | STAGG | ALLEN  
COMPANY  
A Professional Corporation

Ray H. Allen, CPA  
Rebecca M. Allred  
Robert L. Archuleta, CPA  
Stephen R. Capson, CPA  
Scott J. Hanni, CPA  
Danny L. Hendrix, CPA  
B. Joe Merkley, CPA  
Tim C. Rees, CPA  
Jeffrey N. Ririe, CPA  
G. John Runia, CPA  
R. Ted Stagg, CPA

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

To the City Council  
Green River, Wyoming

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Green River, Wyoming, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Green River, Wyoming's basic financial statements and have issued our report thereon dated March 20, 2017.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We noted no deficiencies in internal control that we considered to be a significant deficiencies.

**CERTIFIED PUBLIC ACCOUNTANTS**

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Green River, Wyoming's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions, 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*.

### **Purpose of this Report**

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



Karren, Hendrix, Stagg, Allen & Company  
March 20, 2017

# CITY OF GREEN RIVER, WYOMING

## Schedule of Audit Findings For the Year Ended June 30, 2016

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### A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expressed an unqualified opinion on the financial statements of the City of Green River, Wyoming.
2. There were no significant deficiencies noted.
3. There were no instances of noncompliance or other matters.

### B. FINDINGS – FINANCIAL AUDIT CURRENT YEAR

-NONE-

### C. CURRENT YEAR STATUS OF PRIOR YEAR FINDINGS

-NONE-