

# Comprehensive Annual Financial Report

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## Administration and Finance

November 30, 2012

To the Honorable Mayor, Members of the Town Council, and the Citizens of the Town of Jackson:

Wyoming statutes require all cities, towns, and counties to issue an annual report on its financial position and activity prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants or the Office of State Audit. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Jackson for the fiscal year ended June 30, 2012.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes the table of contents, this transmittal letter, certificate of achievement, the City's organization chart, and a list of administrative personnel. The Financial Section includes the report of the independent auditors, Management's Discussion and Analysis (MD&A), the basic financial statements including the government-wide financial statements comprised of the Statement of Net Position and the Statement of Activities, and the accompanying notes to the financial statements. The Financial Section also includes the fund financial statements for both governmental funds and proprietary funds. This section also includes the combining individual funds financial statements for the nonmajor governmental funds and the internal service funds. The Statistical Section includes selected pertinent financial and demographic information, on a multi-year basis. This transmittal letter is designed to complement and should be read in conjunction with the MD&A.

The Town of Jackson' financial statements have been audited by Thompson, Palmer and Associates, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Jackson for the fiscal year ended June 30, 2012, are free of misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Jackson's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP.

### PROFILE OF THE GOVERNMENT

The Town of Jackson, incorporated in 1914, is located in Teton County near the Wyoming and Idaho border south of the Grand Teton and Yellowstone National Parks. The town currently has a land area of nearly ten square miles and a population of 9,710. The Town of Jackson is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the town council.

The Town of Jackson is governed by city code under Wyoming Statutes with a council-mayor form of government. Policy-making and legislative authority are vested in a town council consisting of the mayor and four council members. The town council is responsible, among other things, for passing ordinances, adopting the budget, appointing commissions, authorities, and committees, and hiring both the town manager and town attorney. The town manager is responsible for carrying out the policies and ordinances of the town council, for overseeing the day-to-day operations of the town government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. All four council members and the mayor are elected at large. Council members serve staggered four year terms, with elections occurring every even year. The mayor serves a two year term, with elections occurring every even year.

The Town of Jackson provides a full range of services, including police and fire protection; construction and maintenance of streets and infrastructure; recreational facilities and pathways, water, sewage, and transit services. Additionally, the town owns rental properties for employees.



### FACTOR AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Jackson operates.

**Local economy.** The Town of Jackson is located at the southern entrance to Grand Teton and Yellowstone National Parks in the northwest corner of Wyoming. Dramatic mountain peaks, including the Tetons, the Gros Ventres, and Snow King form a dramatic backdrop to our valley (called Jackson Hole). The Town of Jackson is home to approximately 10,000 people and another 10,000 live in the unincorporated county (Teton).

Jackson's economy is centered on tourism and lifestyle. Approximately 3 million guests visit each year and more than 400,000 skier days are tallied at the Jackson Hole Mountain Resort. The abundance of outdoor recreation opportunities, the unsurpassed scenic beauty, the prevalence of many species of wildlife, the lack of individual state income tax, and the high quality of life give Jackson unsurpassed appeal as a place to live, visit and recreate.

At fiscal year-end, the Town of Jackson's employment picture, at a 5.1% unemployment rate (Teton County), is healthier than the 8.2% national average. The state of Wyoming has an unemployment rate of 5.4%.

### FINANCIAL INFORMATION

Management of the town is responsible for establishing and maintaining internal control designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

This report consists of management's representations concerning the finance of the town. As a result, management assumes full responsibility for the completeness and reliability of all the information and content presented in this Comprehensive Annual Financial Report (CAFR). Additionally, management asserts that, to the best of their knowledge and belief, this financial report is complete and reliable in all material respects.

**Budgetary Controls.** The annual budget serves as the foundation for the Town of Jackson's financial planning and control. All departments, authorities, and commissions of the town submit requests for appropriation to the town manager in March of each year. The town manager uses these requests as the starting point for developing a proposed budget. The town manager then presents this proposed budget to the council for review prior to May 15. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the town's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), department (e.g., police), and division (e.g., patrol). Department heads may make transfers of appropriation within a departmental division. Transfers of appropriations between funds and departments, however, require the special approval of the town council. Budget-to-actual comparisons are provided in this report for each individual governmental fund which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented starting on page **26** of the basic financial statements. For non-major special revenue funds, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page **57**.

**Long-term Financial Planning.** As a resort community, the town continues to work at achieving goals while balancing the concerns of various stakeholders. The town's strategic vision is generally known as the "Town of Jackson Statements of Strategic Intent." They define the town's strategic intent and identify areas for additional emphasis. The town's near-term and long-term fiscal planning are focused on accomplishing strategic intent objectives. A five year financial model has been developed to assess attainability and sustainability of these objectives.

The strategic intent includes five general areas. While the details of these strategies are detailed in other documents, these five strategies include:

**Economic Sustainability:** Vision - To encourage an environment in which businesses are successful and the economy generates sufficient revenues for the Town of Jackson to maintain services and programs that support its mission.

**Environmental Stewardship:** Vision – Responsibly manage our resources for the benefit of present and future generations while striving to reduce our energy and fuel use.

**Maintain the Unique Character of Jackson Hole:** Vision - Preserve the spectacular scenic beauty, bountiful environmental resources, abundant recreational opportunities, old western ambiance and personal values of individualism, fairness and hospitality.

**Governmental Consolidation:** Vision - Create the opportunity for citizens to choose the best form of local government for Jackson Hole.

**Town is Heart of Region:** Vision - As the sole municipality, Jackson is the community hub where people live, work and play.

**Single Audit.** As a recipient of federal awards, the town is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and the internal audit staff of the town.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Jackson, Wyoming for its comprehensive financial report for the fiscal year ending June 30, 2011. This is the 27th year the town has received this

prestigious award. In order to be awarded the Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the professional, efficient services of the staff in the Administration and Finance Departments. We would like to express our appreciation to all members of both offices, with special recognition for the assistance contributed by Finance Manager Melanie Adams. Additionally, the professional guidance provided by Rick Palmer of Thompson, Palmer & Associates, PC, was instrumental in this report's preparation. Due credit also should be given to the mayor and the council for their support in planning and conducting the operations of the town in a responsible and progressive manner.



Robert W. McLaurin  
Town Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Jackson  
Wyoming

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



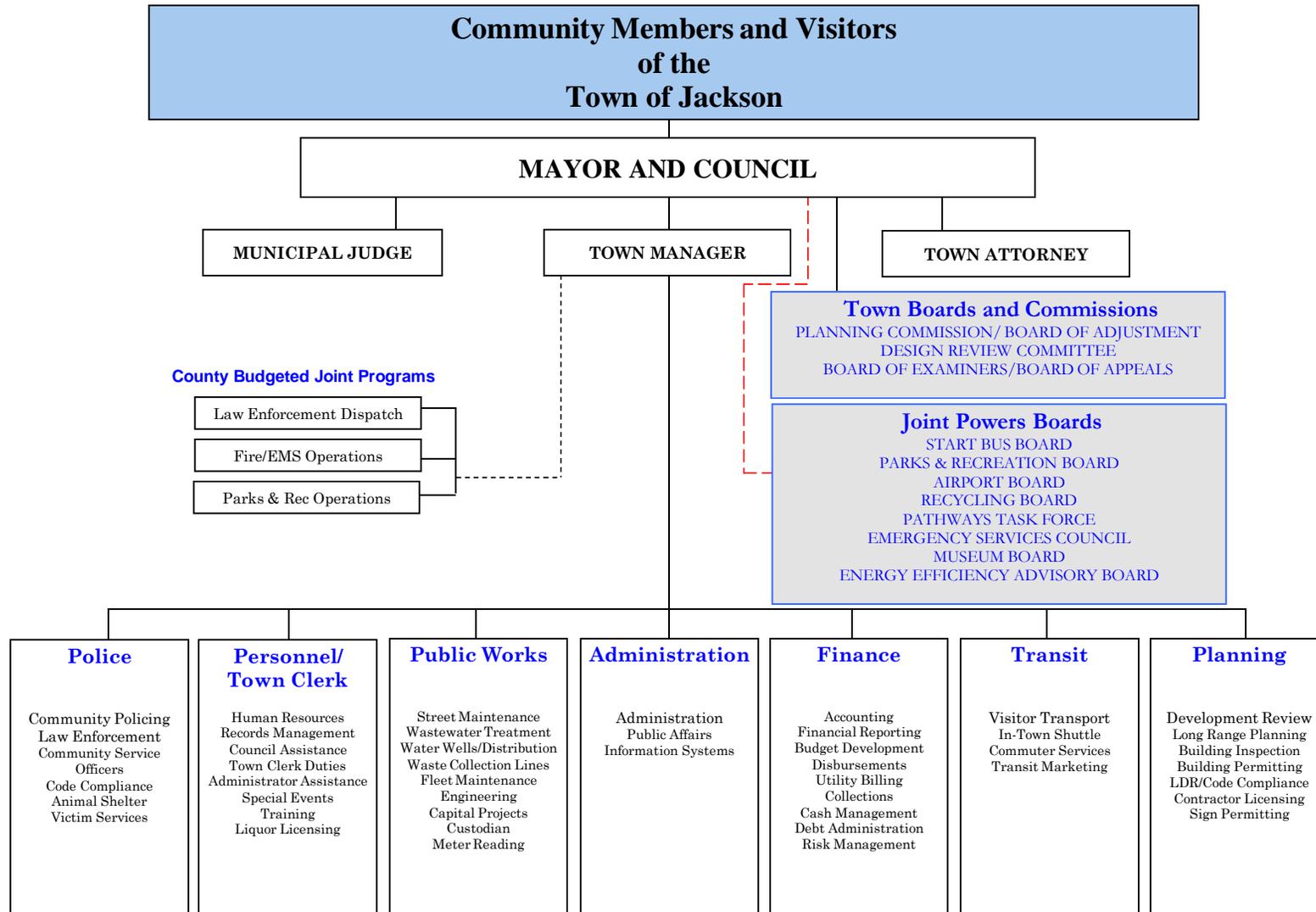
*Linda C. Davidson*  
President  
*Jeffrey L. Esser*  
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to the Town of Jackson, Wyoming for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the GFOA.

# TOWN OF JACKSON ORGANIZATION OF SERVICES CHART



**MAYOR & TOWN COUNCIL**

<u>Position</u>	<u>Name</u>	<u>Term Expires</u>
Mayor .....	Mark Barron	12/31/2012
Council .....	Mark Obringer	12/31/2012
Council .....	Greg Miles	12/31/2012
Council .....	Melissa Turley	12/31/2014
Council .....	Robert Lenz	12/31/2014

**TOWN STAFF**

Town Manager .....	Robert W. McLaurin
Town Attorney .....	Audrey Cohen-Davis
Municipal Judge .....	Tom Jordan
Assistant Town Manager .....	Roxanne DeVries Robinson
Interim Finance Director .....	Melanie Adams
IT Director .....	Michael Palazzolo
Police Chief .....	Todd Smith
Planning Director .....	Tyler Sinclair
Public Works Director .....	Larry Pardee
Transit Director .....	Michael Wackerly

**JOINT TOWN/COUNTY STAFF**

County Commissioner's Administrator .....	Steve Foster
Fire Chief .....	William "Willy" Watsabaugh
Parks & Recreation Director .....	Steve Ashworth

## Thompson, Palmer & Associates, PC

CERTIFIED PUBLIC ACCOUNTANTS  
PO BOX 4158  
JACKSON, WY 83001

275 E Broadway  
Tel: (307) 733-5160  
Fax: (307) 733-1415

### Independent Auditor's Report

The Honorable Mayor and Members of the Town Council of Jackson, 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 the Town of Jackson, Wyoming, as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Town's non-major governmental funds, internal service funds, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Town of Jackson's management. Our responsibility is to express opinions on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Jackson, Wyoming as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund, internal service fund, and fiduciary fund of the Town of Jackson, Wyoming as of June 30, 2012 and the respective changes in financial position thereof and the

budgetary comparison for the affordable housing, parking exactions, park exactions, and animal care special revenue funds for the year then ended, in conformity with accounting principles accepted in the United State of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2012, on our consideration of the Town of Jackson, 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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is 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 supplementary information. However, we did not audit this information and express no opinion it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Town of Jackson, Wyoming, taken as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and are not a required part of the basic financial statements of the Town of Jackson, Wyoming. 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.

The introductory section and statistical section 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.



Thompson, Palmer and Associates, PC

November 30, 2012



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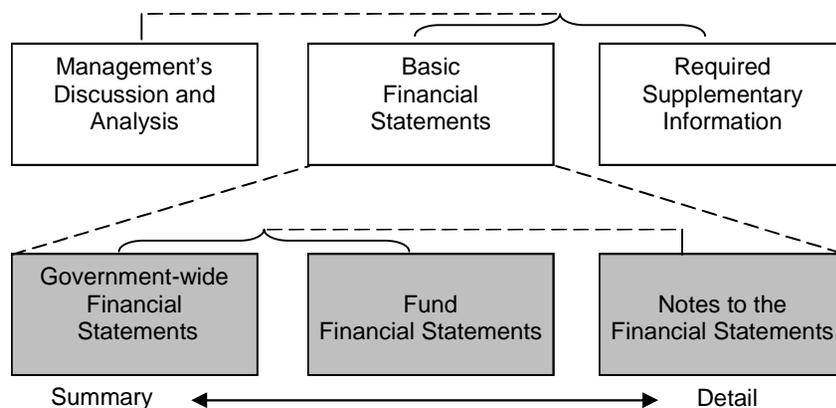
## Management's Discussion and Analysis

As management of the Town of Jackson (town), we offer readers of the town's basic financial statements this narrative overview and analysis of the financial activities of the town for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-3 of this report.

### OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the town's basic financial statements. The town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### COMPONENTS OF THE ANNUAL FINANCIAL REPORT



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

The statement of net position presents information on all of the town's assets and liabilities, with the difference between the two reported as net position. Over

time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the town is improving or deteriorating.

The statement of activities presents information showing how the town's net position changed during the most recent fiscal year. All changes in net positions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town of Jackson that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the town include general government, public safety, public works, health and welfare, community development, transit, and recreation and culture. The business-type activities of the town include water and sewage utilities.

*The government-wide financial statements can be found on pages 19-21 of this report.*

**Fund financial statements.** The fund financial statements focus on current available resources and are organized and operated on the basis of funds, each which is defined as fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific or attaining certain objectives in accordance with special regulations, restriction or limitations. The town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the town can be divided into two categories: governmental funds, and proprietary funds. The town does not maintain any fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the town's near term

financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The town maintains five major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, one special revenue fund, and three capital projects fund, all of which are considered major funds. Data from seven other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The town adopts an annual appropriated budget for its general and special revenue funds, except the Animal Care Fund. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

*The basic governmental fund financial statements can be found on pages 22-28 of this report.*

**Proprietary funds.** The Town of Jackson maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The town uses enterprise funds to account for its water and sewage operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among the town's various functions. The town uses internal service funds to account for its fleet management, employee insurance (self insurance), information technology (IT), and central equipment operations. Because all of these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewage utilities. Both are considered major funds of the town. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

*The basic proprietary fund financial statements can be found on pages 30-35 of this report.*

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the governmental-wide financial statements because the resources of those funds are not available to support the Town of Jackson's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town of Jackson maintains only one type of fiduciary fund: Agency. The agency fund reports resources held by the Town of Jackson in a custodial capacity for the Jackson Hole Energy Sustainability Project.

The fiduciary fund financial statement can be found on page 36.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

*The notes to the financial statements can be found on pages 37-52 of this report.*

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and fiduciary funds can be found immediately following the footnotes.

*Combining and individual fund statements can be found on pages 53-69.*

## FINANCIAL HIGHLIGHTS

- The town's net position (asset minus liabilities) grew by 3% as a result of this year's operations. The net position of the town's governmental activities increased \$1,836,140 (2%) and net position of the town's business-type activities increased \$1,654,701 (4%).
- Capital assets increased \$7,216,133 (7%). Capital assets of governmental activities increased \$4,238,255 (6%) and capital assets of business-type activities increased \$2,977,878 (9%). Governmental capital assets acquisitions included: Home Ranch visitor's center - \$1M. Business-type capital assets acquisitions included \$1.4 million for sewage treatment plant energy upgrades and \$1.6 million for two water tanks.
- The town's long-term liabilities increased \$1,581,629 (369%) during the fiscal year ending June 30, 2012. Governmental long-term liabilities increased \$500,000 as a result of a land swap with the Teton County Housing Authority for the Karns Meadows site. Business-type activities long-term liabilities increased \$1,081,629 (252%). A note payable to the Wyoming Water Development Commission for the replacement of two water tanks is responsible for this increase.

- At the close of the current fiscal, the town's governmental funds reported total ending fund balances of \$19,487,250, a decrease of \$1,675,391 (8%). A key factor is the increase in 2006 and 2008 SPET expenditures.
- Through conservative budgeting practices, the General Fund's total fund balance increased \$504,311 (13%) to \$4,295,722. The ending fund balance is 32% of expenditures and other uses.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**NET POSITION**

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 23,646,349	\$ 26,102,700	\$ 7,901,558	\$ 8,353,690	\$ 31,547,907	\$ 34,456,390
Capital assets	75,655,230	71,416,975	35,096,227	32,118,349	110,751,457	103,535,324
Total assets	<u>99,301,579</u>	<u>97,519,675</u>	<u>42,997,785</u>	<u>40,472,039</u>	<u>142,299,364</u>	<u>137,991,714</u>
Other liabilities	925,525	1,479,761	576,279	786,863	1,501,804	2,266,624
Long-term liabilities	500,000	0	1,510,596	428,967	2,010,596	428,967
Total Liabilities	<u>1,425,525</u>	<u>1,479,761</u>	<u>2,086,875</u>	<u>1,215,830</u>	<u>3,512,400</u>	<u>2,695,591</u>
Net position:						
Invested in capital assets, net of related debt	75,155,230	71,416,975	33,619,804	31,698,375	108,775,034	103,115,350
Restricted	10,904,378	14,968,402			10,904,378	14,968,402
Unrestricted	11,816,446	9,654,537	7,291,106	7,557,834	19,107,552	17,212,371
Total net position	<u>\$ 97,876,054</u>	<u>\$ 96,039,914</u>	<u>\$ 40,910,910</u>	<u>\$ 39,256,209</u>	<u>\$ 138,786,964</u>	<u>\$ 135,296,123</u>

By the far the largest portion of the town's net position (78%) reflects investments in capital assets (e.g. land, buildings, structures, systems, machinery, equipment, infrastructure, and intangible assets), net of any related debt used to acquire those assets that is still outstanding. The town uses assets to provide services to citizens; consequently, these assets are not available for future spending. Although the town's investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

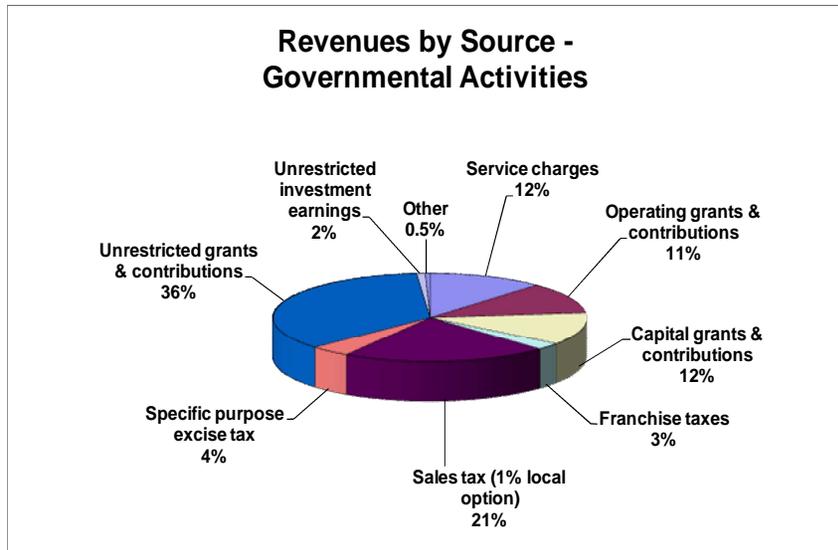
A small portion of the town's net position (less than 8%) represents resources that are subject to external restrictions on how they can be used. The remaining unrestricted net position of \$19,107,552 may be used to meet the ongoing obligations to citizens and creditors. Of the unrestricted net positions, \$7,291,106 (38%) is attributable to business-type activities.

The unrestricted governmental activities net position increased \$2,161,909 (22%), while business-type activities unrestricted net position decreased \$240,949 (3%). The government-wide total unrestricted net position increased \$1,920,960 (11%), reflecting revenues exceeding conservative budgeted estimates. The decrease in governmental activities restricted net position is primarily from special purpose excise tax (SPET) expenditures.

The \$3,738,255 (5%) increase in governmental activities capital assets is reflective of the investments in the Home Ranch visitor's center - \$1.7 million and the Wort parking lot - \$2 million. Business-type capital assets increased \$2,977,878 (9%). Business-type capital assets acquisitions included \$2.1 million for two water tanks and nearly \$900,000 in other water system improvements.

CHANGE IN NET POSITION

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 2,354,481	\$ 2,165,330	\$ 2,976,920	\$ 2,370,906	\$ 5,331,401	\$ 4,536,236
Operating grants and contributions	2,276,769	2,084,233			2,276,769	2,084,233
Capital grants and contributions	2,376,944	3,358,088	2,360,946	2,914,818	4,737,890	6,272,906
General revenues:						
Sales tax (1% local option)	4,217,347	4,201,202			4,217,347	4,201,202
Specific purpose excise taxes	828,968	5,698,739			828,968	5,698,739
Lodging tax	503,878	584			503,878	584
Franchise taxes	504,856	468,752			504,856	468,752
Unrestricted grants and contributions	7,071,170	7,042,430			7,071,170	7,042,430
Unrestricted investment earnings	175,402	407,435	53,910	136,457	229,312	543,892
Gain on sale of capital assets		29,819			-	29,819
Other	102,932	391,295			102,932	391,295
<b>Total revenues</b>	<b>20,412,747</b>	<b>25,847,907</b>	<b>5,391,776</b>	<b>5,422,181</b>	<b>25,804,523</b>	<b>31,270,088</b>
<b>EXPENSES</b>						
Program activities:						
Governmental activities:						
General government	3,342,700	2,664,684			3,342,700	2,664,684
Public safety	5,222,958	5,123,051			5,222,958	5,123,051
Public works	4,966,166	4,377,783			4,966,166	4,377,783
Transit	3,618,916	3,100,877			3,618,916	3,100,877
Health and welfare	504,468	490,038			504,468	490,038
Community development	226,279	337,094			226,279	337,094
Recreation and culture	1,388,666	1,452,482			1,388,666	1,452,482
Interest on long-term debt		50,896			-	50,896
Business-type activities:						
Water			1,279,050	1,232,130	1,279,050	1,232,130
Sewage			1,764,479	1,752,203	1,764,479	1,752,203
<b>Total expenses</b>	<b>19,270,153</b>	<b>17,596,905</b>	<b>3,043,529</b>	<b>2,984,333</b>	<b>22,313,682</b>	<b>20,581,238</b>
Excess (deficiency) before transfers	1,142,594	8,251,002	2,348,247	2,437,848	3,490,841	10,688,850
Transfers in (out)	693,546	629,671	(693,546)	(629,671)	-	-
Increase (decrease in net assets)	1,836,140	8,880,673	1,654,701	1,808,177	3,490,841	10,688,850
Net position at the beginning of the year	96,039,914	87,159,241	39,256,209	37,448,032	135,296,123	124,607,273
<b>Net position at the end of the year</b>	<b>\$ 97,876,054</b>	<b>\$ 96,039,914</b>	<b>\$ 40,910,910</b>	<b>\$ 39,256,209</b>	<b>\$ 138,786,964</b>	<b>\$ 135,296,123</b>

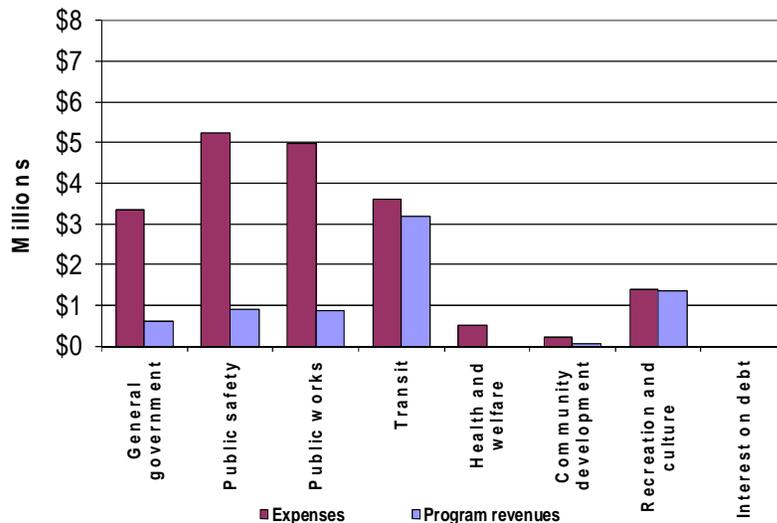


**Governmental Activities.** The most significant revenues of the governmental activities are unrestrictive grants and contributions. Unrestrictive grants and contributions are 36% of total revenues, with most of this amount attributed to the shared state revenues, including the 4% state sales tax. The 1% local option sales tax is the second largest revenue source at 21%. Capital grants and contributions, 11% of revenues, include grants for transit and public works projects. The specific purpose excise tax, 4% of revenues, is restricted to voter approved capital projects.

Public safety (police, fire/EMS, building inspector, victim services, animal shelter, and communications) expenses are the most significant (27%), followed by public works (26%), general government (17%), transit (19%), recreation and culture (7%), health and welfare (3%), and community development (1%). Included in these amounts is depreciation expense, which is 18% of the total expenses for governmental activities.

Governmental revenues decreased \$5,435,160 (21%) in the current year, with the most significant portion of the decline attributable to specific purpose excise taxes, which were down nearly \$4.9 million. Capital grants and contributions were down because Teton County contributed \$900,000 to the town's 2011 Grove property purchase. Unrestricted grants and contributions, which include the state-shared 4% sales tax and other intergovernmental revenues, increased slightly to \$7.1 million. Investment earnings followed the drop in yields, declining \$232,033 (57%)

**EXPENSES AND PROGRAM REVENUES -  
GOVERNMENTAL ACTIVITIES**



Governmental activities expenses increased \$1,673,248 (10%) in the current year. The most significant changes in program expenses were as follows:

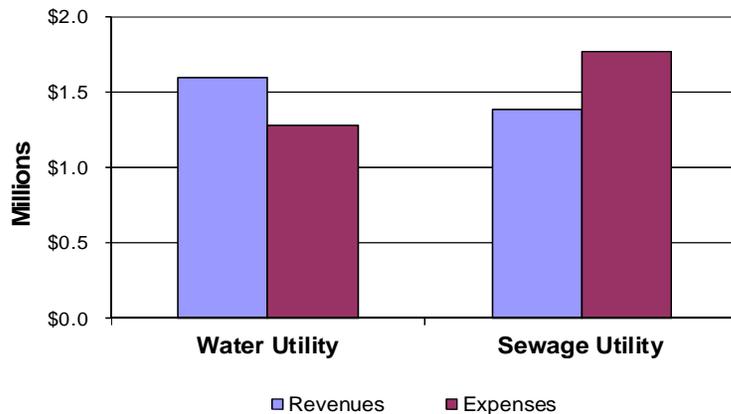
- Public works expenses increased \$588,383 (13%) from additional maintenance activities. Partially attributable to losses on disposal of assets general government expenses increased \$678,016 (25%).
- Community development expenses declined \$110,815 (33%) and Health & Welfare expenses increased \$14,430 (3%). The decrease in community development is attributable to reduction in support for the Chamber of Commerce, which received funding from the lodging tax in 2012.
- Transit expenses increased \$518,039 (17%) along with expansion of services.
- Recreation and culture expenses decreased \$63,816 (4%), primarily due to the decrease in costs of contracted services provided by the county.

There were not any other programs with significant or unusual changes.

**REVENUES BY SOURCE -  
BUSINESS-TYPE ACTIVITIES**



**REVENUES AND EXPENSES -  
BUSINESS-TYPE ACTIVITIES**



**Business-type activities.** Business-type activities increased the town's net position by \$1,654,701 (4%), which is \$153,476 more than the prior fiscal year increase of \$1,808,177.

Key elements of the change are as follows:

Water and Sewage Fund operating revenues increased \$347,662 (28%) and \$258,352 (23%), respectively. Both increases are reflective of higher base rates for water and sewage services that were implemented in January. Investment earnings declined \$82,547 because of lower yields.

Capital grants and contributions totaled \$2,360,946, significantly lower than the prior year total of \$2,918,818. Capital grants and contributions include capacity and tap fees charged to new customers and intergovernmental grants for capital improvements. Additionally, the sewage fund received \$573,863 in energy efficiency grants for treatment plant equipment upgrades. Capacity and tap fees stabilized after sharp declines resulting from slower development in prior years. Sewage plant energy upgrades and two new water tanks both received funding from large grants. Depreciation expenses in the water and sewage utilities for fiscal year 2012 were \$428,003 and \$613,761, respectively.

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

**Governmental funds.** The focus of the town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the town's financing requirements. In particular, spendable fund balances may serve as a useful measure of a government's net resources available for expenditure at the end of the fiscal year.

At June 30, 2012, the town's governmental funds reported total ending fund balances of \$19,487,250, a decrease of \$1,675,391 (8%) when compared with the prior year. Nearly 56% or \$10,904,308 of the total ending fund balances constituted restricted fund balances, which are considered unavailable for appropriation for general operations. The prior year restricted fund balances totaled \$14,968,402. The difference is mostly attributable to special purpose excise tax expenditures. Nonspendable fund balance constitutes \$69,328 in prepaid items. The \$325,000 committed fund balance represent obligations made to recruit key employees.

At the end of the fiscal year, the General Fund reported a fund balance of \$4,295,722, increasing \$504,311 (13%) from the prior year. General fund revenues were \$661,432 (5%) more than the prior fiscal year and expenditures increased by \$130,581 (1%). Transfers out increased by \$476,386 (23%) as

support for General Fund 5<sup>th</sup> Cent capital projects and START Fund expenditures grew.

General government expenditures increased \$184,652 (8%) with more spending on personnel and employee recruitment. Recreation and culture expenditures decreased \$100,697 (9%), reflecting budget reduction efforts by both town and county departments and the initiation of new funding sources. Public works costs increased \$143,111 (9%) with ice and flood control expenditures a contributing factor. Community development expenditures decreased \$110,295 (33%), with funding for the Chamber of Commerce coming directly from the lodging tax. Health & Welfare expenditures increased \$13,583 (3%). Public safety expenditures decreased \$16,944 (less than 1%) in fiscal year 2012.

The START Bus System Fund net change in fund balance was positive by \$552,309. Operating and capital expenditures were \$2,692,903 and \$805,915, respectively. With less money from capital grants (i.e. bus replacement), Intergovernmental revenues decreased to \$2,479,692 from the prior year total of \$3,060,305. Transit fares increased slightly from \$666,392 to \$678,783. The town and county each contributed \$366,000 to the fund in fiscal year 2012, which was up \$111,000 from the prior year.

The 5<sup>th</sup> Cent Capital Project Fund saw its fund balance increase \$629,516 (42%) to \$2,122,146. Lower budgeted expenditures on capital projects contributed to the increase. The General Fund transferred \$1,979,428 in 5<sup>th</sup> Cent sales tax to the fund in FY2012.

The 2006 SPET Fund earned \$41,758 on investments and transferred \$620,182 to the 5<sup>th</sup> Cent Capital Projects Fund for downtown related expenditures. The fund also financed the Wort parking lot purchase for \$1,998,920. The 2006 SPET Fund ending fund balance is \$3,075,449.

The 2008 SPET Fund earned \$44,310 on investments and transferred out a total of \$855,000 for Redmond Street improvements and other pedestrian amenities. The 2008 SPET Fund ending fund balance is \$5,284,950.

**Proprietary funds.** The proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The water utility’s net position increased \$1,525,222 (11%) from the prior fiscal year. In 2012, operating revenues and capital contributions rose \$347,662 (28%) and \$587,982 (61%), respectively, over the prior year. Operating expenses increased \$35,360 (3%) to \$1,255,622. The 2012 operating income of \$334,539 included \$428,003 in depreciation.

The sewage utility’s net position increased \$147,347 in the fiscal year ending June 30, 2012. Sewage utility operating revenues increased \$258,352 (23%) to \$1,386,759 and utility expenses decreased \$875 to \$1,755,154. Capital contributions decreased \$1,041,854 (59%) from \$1,947,255 to \$805,401. The \$368,395 operating loss included \$613,761 in depreciation.

Other factors of the changes in income from operations have previously been discussed in the government-wide financial analysis of business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the 2012 original budget and the final amended budget are adopted by council resolution throughout the year.

Total General Fund revenues totaled \$13,146,590 and exceeded budget by \$237,340 (2%). General taxes and licenses and permits revenues were \$555,543 (12%) and \$103,406 (26%) higher than budget, respectively. Both were impacted by the increase in local economic activity. With the change in the distribution formula, sales tax related revenues were budgeted to decline by 3%. However, this major revenue source increased .3 percent for the year, about \$300,000 above estimates.

Total General Fund expenditures totaled \$11,072,170 and were \$566,134 (5%) less than amended budget and \$110,550 (1%) less than the adopted budget. Including transfers out, supplemental appropriations from budget amending council actions increased the original budget by \$455,584. In fiscal year 2012, no function or department exceeded budget. Three reporting divisions exceeded budget by a total of \$3,487.

The General Fund year end fund balances since 2003 are as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2003	\$ 3,348,074	2008	\$ 2,977,983
2004	3,251,473	2009	3,205,914
2005	3,323,223	2010	3,300,208
2006	3,680,611	2011	3,791,411
2007	4,725,264	2012	4,295,722

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**  
(net of accumulated depreciation)

	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2012	2011	2012	2011	2012	2011
Land	\$ 24,085,653	\$ 21,024,900	\$ 1,090,000	\$ 1,090,000	\$ 25,175,653	\$ 22,114,900
Construction in progress	1,844,587	4,160,919	3,644,558	3,433,990	5,489,145	7,594,909
Building, structures, & improvements	21,909,017	19,148,828	29,565,836	27,034,882	51,474,853	46,183,710
Machinery and equipment	6,413,498	7,113,330	795,833	559,477	7,209,331	7,672,807
Intangible assets	1,721,095	1,739,277			1,721,095	1,739,277
Infrastructure	19,681,380	18,229,721			19,681,380	18,229,721
<b>Total</b>	<b>\$ 75,655,230</b>	<b>\$ 71,416,975</b>	<b>\$ 35,096,227</b>	<b>\$ 32,118,349</b>	<b>\$ 110,751,457</b>	<b>\$ 103,535,324</b>

**Capital assets.** The town's investment in capital assets for its governmental and business-type activities at June 30, 2012 totaled \$110,751,457 (net of accumulated depreciation). This investment in capital assets included land, construction in progress, structures, systems, machinery and equipment, intangible assets, and infrastructure.

acquisitions included nearly \$900,000 for sewage system improvements and \$2.1M for two water tanks. The total increase over the prior fiscal year is approximately 7%; governmental activities increased 6% and business-type activities increased 9%.

Major governmental activities capital assets acquisitions: Home Ranch visitor's center - \$1.7M and Wort parking lot - \$2M. Major Business-type capital assets

*Additional information on the town's capital assets can be found in the notes to the financial statements on pages 46-47.*

**LONG-TERM LIABILITIES**

	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2012	2011	2012	2011	2012	2011
Accrued interest payable	\$ -	\$ -	\$ 34,173	\$ 8,993	\$ 34,173	\$ 8,993
Notes payable - TC Housing Authority	500,000				500,000	-
Notes payable - State of Wyoming			1,476,423	419,974	1,476,423	419,974
<b>Total</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ 1,510,596</b>	<b>\$ 428,967</b>	<b>\$ 2,010,596</b>	<b>\$ 428,967</b>

**Long-term liabilities.** The town's outstanding long-term liabilities--including revenue bonds, notes payable, and accrued interest payable--totaled \$2,010,597 at June 30, 2012. Business-type long-term liabilities increased significantly with nearly \$1.1M in draws on a Wyoming Water Development Commission loan for construction of two water tanks. Governmental long-term liabilities increased \$500,000, which was incurred as part of a land swap with the Teton County Housing Authority. The acquired land will be used for a new transit facility.

*Additional information on the town's long-term liabilities can be found in the notes to the financial statements on pages 48-49 of this report.*

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- The unemployment rate for the Teton County, Wyoming area for June 30, 2012 was 5.1%, which is below the state average (5.4%) and below the national average (8.2%).
- The state and local economy have declined and sales tax collections are down, which translates into less revenue sharing. The demand for coal, gas, and oil, lessens the impact of lower sales tax collections on state funding levels for local governments.
- The occupancy rate of the town's central business district has remained constant over the last three years, though new commercial construction has slowed.
- Inflationary trends in the region compare favorably to national indices and housing prices have stabilized.
- The town expects residential and commercial growth to eventually return to pre-recession levels, accompanied by the increase in affordable housing.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the town's finances for all those interested in governmental finance. Questions concerning any information in the report or requests for additional information should be addressed to Town of Jackson, Finance Department, P.O. Box 1687, Jackson, WY 83001.





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# Statement of Net Position

## June 30, 2012

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 18,922,052	\$ 6,320,506	\$ 25,242,558
Investments	3,416,139	1,144,828	4,560,967
Accrued interest receivable	12,742		12,742
Accounts receivable, net	31,370	380,774	412,144
Due from other governmental units	687,326		687,326
Prepaid items	69,328		69,328
Inventories	240,892	55,450	296,342
Notes receivable - housing	266,500		266,500
Capital assets:			
Nondepreciable	25,930,240	4,734,558	30,664,798
Depreciable, net	49,724,990	30,361,669	80,086,659
<b>TOTAL ASSETS</b>	<b>99,301,579</b>	<b>42,997,785</b>	<b>142,299,364</b>
<b>LIABILITIES</b>			
Accounts payable	583,210	558,910	1,142,120
Accrued wages payable	190,635	17,369	208,004
Due to other governmental units	123,605		123,605
Unearned revenue	28,075		28,075
Long-term liabilities:			
Portion due or payable within one year:			
Bonds and notes payable	200,000	47,440	247,440
Accrued interest payable		34,173	34,173
Portion due or payable after one year:			
Bonds and notes payable	300,000	1,428,983	1,728,983
<b>TOTAL LIABILITIES</b>	<b>1,425,525</b>	<b>2,086,875</b>	<b>3,512,400</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	75,155,230	33,619,804	108,775,034
Restricted for:			
Community development	789,662		789,662
Capital projects	10,094,073		10,094,073
Public safety programs	20,643		20,643
Unrestricted	11,816,446	7,291,106	19,107,552
<b>TOTAL NET POSITION</b>	<b>\$ 97,876,054</b>	<b>\$ 40,910,910</b>	<b>\$ 138,786,964</b>

The notes to the financial statements are an integral part of this statement.



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# Statement of Activities

## Year Ended June 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 3,342,700	\$ 619,015			\$ (2,723,685)		\$ (2,723,685)
Public safety	5,222,958	851,165	\$ 53,211		(4,318,582)		(4,318,582)
Public works	4,966,166	20,100	286,628	\$ 565,280	(4,094,158)		(4,094,158)
Transit	3,618,916	682,083	1,936,930	575,604	(424,299)		(424,299)
Health and welfare	504,468				(504,468)		(504,468)
Community development	226,279	50,486			(175,793)		(175,793)
Recreation and culture	1,388,666	131,632		1,236,060	(20,974)		(20,974)
Total governmental activities	19,270,153	2,354,481	2,276,769	2,376,944	(12,261,959)	-	(12,261,959)
Business-type activities							
Water Utility	1,279,050	1,590,161		1,555,545		1,866,656	1,866,656
Sewage Utility	1,764,479	1,386,759		805,401		427,681	427,681
Total business-type activities	3,043,529	2,976,920	-	2,360,946		2,294,337	2,294,337
Total primary government	\$ 22,313,682	\$ 5,331,401	\$ 2,276,769	\$ 4,737,890	(12,261,959)	2,294,337	(9,967,622)
General Revenues:							
Sales tax (1% local option)					4,217,347		4,217,347
Specific purpose excise tax					828,968		828,968
Lodging tax					503,878		503,878
Franchise taxes					504,856		504,856
Unrestricted grants and contributions (revenue sharing)					7,071,170		7,071,170
Unrestricted investment earnings					175,402	53,910	229,312
Other					102,932		102,932
Transfers					693,546	(693,546)	
Total general revenues					14,098,099	(639,636)	13,458,463
Change in Net Assets					1,836,140	1,654,701	3,490,841
Net Position - January 1					96,039,914	39,256,209	64,335,768
Net Position - December 31					\$ 97,876,054	\$ 40,910,910	\$ 138,786,964

The notes to the financial statements are an integral part of this statement.

# Balance Sheet

## Governmental Funds

### June 30, 2012

	General	START Bus System	5th Cent Capital Projects	2006 SPET	2008 SPET	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 3,888,949	\$ 562,088	\$ 1,561,686	\$ 2,596,153	\$ 4,495,913	\$ 3,096,611	\$ 16,201,400
Investments	716,511	103,771	288,315	479,296	830,026	509,968	2,927,887
Interest receivable	12,742						12,742
Accounts receivable	2,510						2,510
Due from other governmental units	47,883	243,368	396,075				687,326
Prepaid Items	69,328						69,328
Notes receivable - housing						266,500	266,500
<b>TOTAL ASSETS</b>	<b>\$ 4,737,923</b>	<b>\$ 909,227</b>	<b>\$ 2,246,076</b>	<b>\$ 3,075,449</b>	<b>\$ 5,325,939</b>	<b>\$ 3,873,079</b>	<b>\$ 20,167,693</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 158,187	\$ 31,920	\$ 108,850	\$ -	\$ 40,989	\$ 9,455	\$ 349,401
Accrued wages payable	152,414	26,948					179,362
Due to other governmental units	108,525		15,080				123,605
Unearned revenue	23,075					5,000	28,075
Total liabilities	442,201	58,868	123,930	-	40,989	14,455	680,443
Fund balance:							
Nonspendable	69,328						69,328
Restricted	20,643			3,075,449	5,284,950	2,523,336	10,904,378
Committed						325,000	325,000
Assigned		850,359	2,122,146			1,010,288	3,982,793
Unassigned	4,205,751						4,205,751
Total fund balance	4,295,722	850,359	2,122,146	3,075,449	5,284,950	3,858,624	19,487,250
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 4,737,923</b>	<b>\$ 909,227</b>	<b>\$ 2,246,076</b>	<b>\$ 3,075,449</b>	<b>\$ 5,325,939</b>	<b>\$ 3,873,079</b>	<b>\$ 20,167,693</b>

The notes to the financial statements are an integral part of this statement.

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2012

Total fund balances - governmental funds \$ 19,487,250

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

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

Land	\$ 24,085,653	
Construction in progress	1,844,587	
Buildings, structures and improvements	32,701,110	
Machinery and equipment	14,534,030	
Intangible	1,800,000	
Infrastructure	38,099,721	
Accumulated depreciation	<u>(37,931,923)</u>	75,133,178

Long-term liabilities, including bonds payable, are not due and payable in the in the current period and therefore are not reported in the funds.

(500,000)

Internal service funds are used by management to charge the costs of employee insurance, fleet management, IT services, and central equipment to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets:

Cash and cash equivalents	\$ 2,720,652	
Investments	488,252	
Accounts receivable	28,860	
Inventories	240,892	
Machinery and equipment, net	522,052	
Accounts payable	(233,809)	
Accrued wages payable	<u>(11,273)</u>	<u>3,755,626</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 97,876,054

The notes to the financial statements are an integral part of this statement.

## Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds Year Ended June 30, 2012

	General	START Bus System	5th Cent Capitol Projects	2006 SPET	2008 SPET	Other Governmental Funds	Total Governmental Funds
Revenues:							
General taxes	\$ 5,226,081					\$ 828,968	\$ 6,055,049
Licenses and permits	717,295					83,172	800,467
Intergovernmental	6,645,415	\$ 2,479,692	\$ 1,801,340			712,383	11,638,830
Charges for services	523,665	682,083					1,205,748
Fines and forfeitures	167,281						167,281
Investment earnings	30,359	2,324	6,216	\$ 41,758	\$ 44,310	27,243	152,210
Other revenues	73,834	32,842	91,418			171,876	369,970
Total revenues	<u>13,383,930</u>	<u>3,196,941</u>	<u>1,898,974</u>	<u>41,758</u>	<u>44,310</u>	<u>1,823,642</u>	<u>20,389,555</u>
Expenditures:							
Current:							
General government	2,573,112					136,564	2,709,676
Public safety	4,981,657					20,178	5,001,835
Public works	1,716,085						1,716,085
Transit		2,692,903					2,692,903
Health and welfare	499,922						499,922
Community development	214,330					10,000	224,330
Recreation and culture	987,292						987,292
Other expenditures	99,772						99,772
Capital outlay		805,915	5,474,641	2,107,179	519,097	219,845	9,126,677
Total expenditures	<u>11,072,170</u>	<u>3,498,818</u>	<u>5,474,641</u>	<u>2,107,179</u>	<u>519,097</u>	<u>386,587</u>	<u>23,058,492</u>
Excess (deficiency) of revenues over expenditures	<u>2,311,760</u>	<u>(301,877)</u>	<u>(3,575,667)</u>	<u>(2,065,421)</u>	<u>(474,787)</u>	<u>1,437,055</u>	<u>(2,668,937)</u>
Other financing sources (uses):							
Proceeds from long-term debt			500,000				500,000
Transfers in	737,979	877,962	3,705,183				5,321,124
Transfers out	(2,545,428)	(23,776)	0	(620,182)	(855,000)	(783,192)	(4,827,578)
Total other financing sources (uses)	<u>(1,807,449)</u>	<u>854,186</u>	<u>4,205,183</u>	<u>(620,182)</u>	<u>(855,000)</u>	<u>(783,192)</u>	<u>993,546</u>
Net change in fund balances	504,311	552,309	629,516	(2,685,603)	(1,329,787)	653,863	(1,675,391)
Fund balance at beginning of year	3,791,411	298,050	1,492,630	5,761,052	6,614,737	3,204,761	21,162,641
Fund balance at end of year	<u>\$ 4,295,722</u>	<u>\$ 850,359</u>	<u>\$ 2,122,146</u>	<u>\$ 3,075,449</u>	<u>\$ 5,284,950</u>	<u>\$ 3,858,624</u>	<u>\$ 19,487,250</u>

The notes to the financial statements are an integral part of this statement.

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2012

Net change in fund balances--total governmental funds \$ (1,675,391)

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

Governmental funds reported 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 exceeded depreciation in the current period.

Capital outlays	\$ 7,667,482	
Depreciation	<u>(3,372,371)</u>	4,295,111

Proceeds from long-term debt provide financial resources to governmental funds, but the issuing of debt increases long-term liabilities in the statement of net assets. (500,000)

The net effect of other miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals, donations) increasing or (decreasing) net assets. (242,194)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities. (41,386)

Change in net position of governmental activities \$ 1,836,140

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
General taxes	\$ 5,005,932	\$ 5,005,932	\$ 5,226,081	\$ 220,149
Licenses and permits	557,600	568,300	717,295	148,995
Intergovernmental	6,676,533	6,734,433	6,645,415	(89,018)
Charges for services	513,500	515,000	523,665	8,665
Fines and forfeitures	185,000	185,000	167,281	(17,719)
Investment earnings	75,000	75,000	30,359	(44,641)
Other revenues	60,000	62,925	73,834	10,909
Total revenues	<u>13,073,565</u>	<u>13,146,590</u>	<u>13,383,930</u>	<u>237,340</u>
Expenditures:				
Current:				
General government				
Mayor & town council	271,816	271,816	266,774	(5,042)
Town attorney	249,784	292,602	292,298	(304)
Municipal judge	106,991	108,539	104,675	(3,864)
Administration	234,695	255,335	239,284	(16,051)
Personnel & town clerk	342,404	386,441	382,418	(4,023)
Finance	435,554	441,424	431,884	(9,540)
Information technology	246,716	252,071	248,640	(3,431)
Planning	470,989	483,400	473,169	(10,231)
Town hall building	135,097	142,443	133,970	(8,473)
Public safety				
Police - administration	361,693	370,630	355,481	(15,149)
Police - investigation	429,396	439,079	405,168	(33,911)
Police - patrol	1,949,547	2,066,103	1,964,728	(101,375)
Police - community service	286,820	297,957	289,283	(8,674)
Police - special operations	20,325	48,625	37,273	(11,352)
Fire/EMS (county service)	976,982	976,982	941,236	(35,746)
Dispatch (county service)	285,775	285,775	287,584	1,809
Victim services	212,634	215,581	203,277	(12,304)
Animal shelter/control	191,225	193,756	183,215	(10,541)
Building inspections	316,764	320,801	314,412	(6,389)

(continued)

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
**Year Ended June 30, 2012** (continued)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Public works				
Streets	1,182,272	1,261,366	1,164,401	(96,965)
Town engineer	347,429	370,966	358,740	(12,226)
Public works yard operations	136,862	141,862	134,748	(7,114)
Parking garage operations	38,600	38,600	34,613	(3,987)
Public restrooms	22,500	22,500	23,583	1,083
Health and welfare				
Social services	503,214	503,214	499,922	(3,292)
Community development				
Community promotion	207,447	219,147	214,330	(4,817)
Recreation and culture				
Parks and recreation (county service)	925,318	925,318	925,913	595
Pathways operations	164,568	164,568	47,643	(116,925)
Memorial park (cemetery)	23,413	23,413	13,736	(9,677)
Other expenditures				
Town-wide and insurances	105,890	117,990	99,772	(18,218)
Total expenditures	<u>11,182,720</u>	<u>11,638,304</u>	<u>11,072,170</u>	<u>(566,134)</u>
Excess (deficiency) of revenues over expenditures	<u>1,890,845</u>	<u>1,508,286</u>	<u>2,311,760</u>	<u>803,474</u>
Other financing sources (uses)				
Transfers in	721,160	721,160	737,979	16,819
Transfers out	<u>(2,577,928)</u>	<u>(2,545,428)</u>	<u>(2,545,428)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,856,768)</u>	<u>(1,824,268)</u>	<u>(1,807,449)</u>	<u>16,819</u>
Net change in fund balance	34,077	(315,982)	504,311	820,293
Fund balance at beginning of year	<u>3,791,411</u>	<u>3,791,411</u>	<u>3,791,411</u>	
Fund balance at end of year	<u>\$ 3,825,488</u>	<u>\$ 3,475,429</u>	<u>\$ 4,295,722</u>	<u>\$ 820,293</u>

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - START Bus System Fund  
Year Ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,064,000	\$ 2,064,000	\$ 2,479,692	\$ 415,692
Charges for services	664,000	664,000	682,083	18,083
Investment earnings	2,000	2,000	2,324	324
Other revenues	78,000	78,000	32,842	(45,158)
Total revenues	<u>2,808,000</u>	<u>2,808,000</u>	<u>3,196,941</u>	<u>388,941</u>
Expenditures:				
Current:				
Transit	2,904,874	2,920,860	2,692,903	(227,957)
Capital outlay	609,000	657,000	805,915	148,915
Total expenditures	<u>3,513,874</u>	<u>3,577,860</u>	<u>3,498,818</u>	<u>(79,042)</u>
Excess (deficiency) of revenues over expenditures	<u>(705,874)</u>	<u>(769,860)</u>	<u>(301,877)</u>	<u>467,983</u>
Other financing sources (uses)				
Transfers in	830,000	878,000	877,962	(38)
Transfers out	(23,740)	(23,740)	(23,776)	(36)
Total other financing sources (uses)	<u>806,260</u>	<u>854,260</u>	<u>854,186</u>	<u>(74)</u>
Net change in fund balance	100,386	84,400	552,309	467,909
Fund balance at beginning of year	298,050	298,050	298,050	
Fund balance at end of year	<u>\$ 398,436</u>	<u>\$ 382,450</u>	<u>\$ 850,359</u>	<u>\$ 467,909</u>

The notes to the financial statements are an integral part of this statement.



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# Statement of Net Position

## Proprietary Funds

### June 30, 2012

	Business-Type Activities – Enterprise Funds			Governmental Activities - Internal Service Funds
	Water	Sewage	Totals	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 3,071,133	\$ 3,129,936	\$ 6,201,069	\$ 2,840,089
Investments	566,986	577,842	1,144,828	488,252
Account receivable	223,374	157,400	380,774	28,860
Inventories	27,725	27,725	55,450	240,892
Total current assets	<u>3,889,218</u>	<u>3,892,903</u>	<u>7,782,121</u>	<u>3,598,093</u>
Noncurrent assets:				
Capital assets:				
Land	118,000	972,000	1,090,000	
Buildings and systems	14,920,612	30,827,183	45,747,795	
Machinery and equipment	1,166,735	1,112,983	2,279,718	633,875
Construction in progress	3,369,766	274,792	3,644,558	
Total capital assets	<u>19,575,113</u>	<u>33,186,958</u>	<u>52,762,071</u>	<u>633,875</u>
Less accumulated depreciation	<u>(6,404,260)</u>	<u>(11,261,584)</u>	<u>(17,665,844)</u>	<u>(111,823)</u>
Total capital assets (net)	<u>13,170,853</u>	<u>21,925,374</u>	<u>35,096,227</u>	<u>522,052</u>
Total noncurrent assets	<u>13,170,853</u>	<u>21,925,374</u>	<u>35,096,227</u>	<u>522,052</u>
<b>TOTAL ASSETS</b>	<u>17,060,071</u>	<u>25,818,277</u>	<u>42,878,348</u>	<u>4,120,145</u>

(continued)

**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2012** (continued)

	Business-Type Activities – Enterprise Funds			Governmental Activities - Internal Service Funds
	Water	Sewage	Totals	
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 244,014	\$ 314,896	\$ 558,910	\$ 233,809
Accrued wages payable	7,704	9,665	17,369	11,273
Accrued note interest payable	34,173		34,173	
Notes payable - current	47,440		47,440	
Total current liabilities	<u>333,331</u>	<u>324,561</u>	<u>657,892</u>	<u>245,082</u>
Noncurrent liabilities:				
Notes payable - net current portion	1,428,983		1,428,983	
Total noncurrent liabilities	<u>1,428,983</u>	<u>-</u>	<u>1,428,983</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,762,314</u>	<u>324,561</u>	<u>2,086,875</u>	<u>245,082</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	11,694,430	21,925,374	33,619,804	522,052
Unrestricted	3,603,327	3,568,342	7,171,669	3,353,011
<b>TOTAL NET POSITION</b>	<u>\$ 15,297,757</u>	<u>\$ 25,493,716</u>	<u>40,791,473</u>	<u>\$ 3,875,063</u>
			119,437	
Adjustment to reflect the consolidation of internal service fund related to enterprise funds				
Change in net assets of business-type activities			<u>\$ 40,910,910</u>	

The notes to the financial statements are an integral part of this statement.

## Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds Year Ended June 30, 2012

	<u>Business-Type Activities – Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Sewage</u>	<u>Totals</u>	
Operating revenues:				
Water charges	\$ 1,583,998		\$ 1,583,998	
Sewer charges		\$ 1,384,169	1,384,169	
Other	6,163	2,590	8,753	\$ 3,659,245
Total operating revenues	<u>1,590,161</u>	<u>1,386,759</u>	<u>2,976,920</u>	<u>3,659,245</u>
Operating expenses:				
Operations and maintenance	659,681	973,453	1,633,134	3,872,992
Administration	167,938	167,940	335,878	
Depreciation	428,003	613,761	1,041,764	68,699
Total operating expenses	<u>1,255,622</u>	<u>1,755,154</u>	<u>3,010,776</u>	<u>3,941,691</u>
Operating income (loss)	<u>334,539</u>	<u>(368,395)</u>	<u>(33,856)</u>	<u>(282,446)</u>
Nonoperating revenues (expenses)				
Investment earnings	26,624	27,286	53,910	23,192
Interest expense	(14,885)		(14,885)	
Total Nonoperating revenues (expenses)	<u>11,739</u>	<u>27,286</u>	<u>39,025</u>	<u>23,192</u>
Income (loss) before transfers and contributions	346,278	(341,109)	5,169	(259,254)
Capital contributions	1,555,545	805,401	2,360,946	
Transfers in		3,694	3,694	200,000
Transfers out	(376,601)	(320,639)	(697,240)	
Change in net assets	1,525,222	147,347	1,672,569	(59,254)
Net position at beginning of year	13,772,535	25,346,369		3,934,317
Net position assets at end of year	<u>\$ 15,297,757</u>	<u>\$ 25,493,716</u>		<u>\$ 3,875,063</u>
			(17,868)	
			<u>\$ 1,654,701</u>	

Adjustment to reflect the consolidation of internal service fund related to enterprise funds  
Change in net assets of business-type activities

The notes to the financial statements are an integral part of this statement.



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# Statement of Cash Flows

## Proprietary Funds

### Year Ended June 30, 2012

	Business-Type Activities – Enterprise Funds			Governmental
	Water	Sewage	Totals	Activities - Internal Service Funds
<b>Cash flows from operating activities:</b>				
Cash received from customers and users	\$ 1,474,032	\$ 1,328,973	\$ 2,803,005	\$ 3,650,123
Cash paid to suppliers for goods and services	(455,580)	(860,727)	(1,316,307)	(3,187,598)
Cash paid to employees	(390,153)	(582,680)	(972,833)	(483,565)
Other operating revenues (expenses)	6,163	2,590	8,753	
Net cash provided (used) by operating activities	<u>634,462</u>	<u>(111,844)</u>	<u>522,618</u>	<u>(21,040)</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers from other funds		3,694	3,694	200,000
Transfers to other funds	(376,601)	(320,639)	(697,240)	
Interfund loans paid				
Interfund loan repayment proceeds		184,678	184,678	
Net cash provided (used) by noncapital financing activities	<u>(376,601)</u>	<u>(132,267)</u>	<u>(508,868)</u>	<u>200,000</u>
<b>Cash flows from capital and related financing activities:</b>				
Capital contributions	2,261,887	805,401	3,067,288	
Acquisition of capital assets	(3,170,916)	(739,183)	(3,910,099)	(254,038)
Proceeds from capital debt	1,107,990		1,107,990	
Principal payments on long-term debt	(25,762)		(25,762)	
Interest and fiscal charges on bonds	(15,483)		(15,483)	
Net cash (used) by capital and related financing activities	<u>157,716</u>	<u>66,218</u>	<u>223,934</u>	<u>(254,038)</u>
<b>Cash flows from investing activities:</b>				
Interest received on investments	27,156	27,828	54,984	23,651
Proceeds from sales and maturities of investments	1,232,462	1,505,953	2,738,415	1,291,155
Purchase of investments	(789,425)	(804,540)	(1,593,965)	(658,440)
Net cash provided (used) by investing activities	<u>470,193</u>	<u>729,241</u>	<u>1,199,434</u>	<u>656,366</u>
Net increase (decrease) in cash and cash equivalents	885,770	551,348	1,437,118	581,288
Cash and cash equivalents - January 1	<u>2,185,363</u>	<u>2,578,588</u>	<u>4,763,951</u>	<u>2,258,801</u>
Cash and cash equivalents - December 31	<u>\$ 3,071,133</u>	<u>\$ 3,129,936</u>	<u>\$ 6,201,069</u>	<u>\$ 2,840,089</u>

(continued)

**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2012** (continued)

	<u>Water</u>	<u>Sewage</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 334,539	\$ (368,395)	\$ (33,856)	\$ (282,446)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization	428,003	613,761	1,041,764	68,699
Changes in assets and liabilities:				
Accounts receivable	(109,966)	(55,196)	(165,162)	(27,532)
Due from other government units				33,810
Materials and supplies				64,807
Accounts payable	(7,885)	(285,949)	(293,834)	140,180
Accrued wages payable	(10,229)	(16,065)	(26,294)	(18,558)
Net cash provided (used) by operating activities	<u>634,462</u>	<u>(111,844)</u>	<u>522,618</u>	<u>(21,040)</u>
<b>Schedule of noncash investing, capital and financing activities:</b>				
Increase (Decrease) in fair value of investments	\$ (532)	\$ (542)	\$ (1,074)	\$ (459)

The notes to the financial statements are an integral part of this statement.

**Statement of Fiduciary Fund Assets and Liabilities**  
**Agency Fund - Jackson Hole Energy Sustainability Project**  
**June 30, 2012**

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**ASSETS:**

Cash and cash equivalents

\$ 18,380

**LIABILITIES:**

Due to other entities

\$ 18,380

The notes to the financial statements are an integral part of this statement.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Town of Jackson, Wyoming (the town) have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units, as applied by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting entity**

The Town of Jackson was incorporated 1914 and is under Wyoming Statutes with a mayor-council form of government. The five-member mayor-council is elected on staggered, even-numbered years. Councilors are elected at-large to four-year terms while the mayor is elected to a two-year term. The governing body appoints a manager to implement policies and oversee daily operations.

In accordance with GASB Statement No. 14, *The Reporting Entity*, the financial statements present the town and its component units. The town includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from it. Component units are legally separate organizations for which the elected officials of the town are financially accountable and are included within the basic statements because of the significance of their operational or financial relationships to the town.

The town is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and the town is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the town.

The mayor and council are responsible for appointing some members of other organizations. However, the town's accountability for these organizations does not extend beyond making appointments. The boards of the Jackson Hole Airport and the Volunteer Fire Department are appointed jointly by the town and other entities. The town provides minimal financial support to each of these organizations and is not liable for claims on either.

As a result of applying the component unit definition criteria above, no organization has been defined in accordance with GASB Statement No. 14 to require discrete presentation in this financial report.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of inter-fund 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. Likewise, the primary government is reported separately from legally separate component units for which the primary government is financially accountable, if such units exist.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 operation 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.

Separate financial statements are provided for governmental funds and proprietary funds. Fiduciary funds--the town has only one--are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide 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 related cash flows. Property taxes, if levied, are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the town considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded when payment is due.

Agency funds statements use neither the economic resources nor the current financial resources measurement focuses.

Sales taxes, property taxes (currently not levied), franchise taxes, licenses, and investment interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the town.

Since governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

In the fund financial statements, financial transactions and accounts of the town are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restriction, or limitations.

Major Governmental Funds – The major governmental funds reported by the town are as follows:

*General Fund.* The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*START Bus System Fund.* This special revenue fund accounts for current and capital transit system expenditures primarily financed by state and federal transit grants.

*5<sup>th</sup> Cent Capital Projects Fund.* This capital projects fund is used to account for procurement of capital equipment and capital improvements not accounted for in other capital projects funds or utility funds. A portion of the 5<sup>th</sup> cent sales taxes and intergovernmental grants typically provide most of this fund's revenues.

*2006 SPET.* This capital projects fund accounts for expenditures related to the revenue generated by the 2006 specific purpose excise tax.

*2008 SPET.* This capital projects fund accounts for expenditures related to the revenue generated by the 2008 specific purpose excise tax.

Major Proprietary Funds – The town reports the following major proprietary funds:

*Water Fund.* This enterprise fund accounts for the operations of the town-owned water treatment and distribution system.

*Sewage Fund.* This enterprise fund accounts for the operations of the town-owned sewage collection and treatment system.

Additionally, the town reports the following fund type:

*Internal Service Funds.* The operating activities for Employee Insurance, Fleet Management, Central Equipment, and Information Technology (IT) Services are reported in internal service funds because they provide services to other town departments on a cost reimbursement basis.

*Agency Fund.* The agency fund reports resources held by the Town of Jackson in a custodial capacity for the Jackson Hole Energy Sustainability Project.

Private-sector standards of accounting and financial reporting issued prior to June 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standard Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitations. The town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the town's enterprise funds and various other functions of the town. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes the town has the authority to impose.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the town's enterprise funds are charges to customers for sales and services. Operating expenses include cost of sales and services, administrative expenses, depreciation, and taxes and tax equivalents. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses. Transfers to the General Fund reflect cost recovery of indirect services provided by general government and public works functions.

#### **D. Assets, liabilities, and net position or equity**

##### **1. Cash (including cash equivalents) and investments**

Cash and investment balances from all funds are combined and invested to the extent authorized by state statutes and town investment policy. Earnings from such investments are allocated to respective funds on the basis of applicable cash balance participation by each fund. The interest receivable balance is reported as one amount in the General Fund while all other funds receive interest revenue distributions in cash.

Investments for the town are reported at fair value.

The town's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with original maturities of three months or less.

##### **2. Receivables**

Account (trade) receivables are carried at original billing amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a regular basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. With approval council, trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

A receivable is considered past due if any portion of the receivable balance is outstanding for more than 30 days. Interest is charged on receivables that are outstanding for more than 30 days. Accrual of interest is not suspended until a receivable is determined to be uncollectible. Provisions for bad debts would be insignificant and immaterial and none has been made for 2012.

Interest receivable is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period. The interest receivable balance is reported as one amount in the General Fund while all other funds receive interest revenue distributions in cash.

##### **3. Short-term interfund receivables/payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term inter-fund loans are classified as "interfund receivables/ payables". Due to and due from other funds are closed to cash and cash equivalents at year end.

##### **4. Materials & supplies inventories**

Materials and supplies are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The consumption method is used to account for inventories. Inventory costs are recorded as expenditures when individual inventory items are consumed. In governmental funds, reported inventories are equally offset by nonspendable fund balance amounts, indicating that they do not constitute "available spendable resources" even though they are a component of net current assets. The net change in nonspendable fund balances is not presented because the combined statements of revenues, expenditures, and changes in fund balances reflects the changes in total fund balances rather than just the spendable and nonspendable fund balances.

5. Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items. In governmental funds, reported prepaid items are equally offset by nonspendable fund balance amounts, which indicate that they do not constitute "available spendable resources" even though they are a component of net current assets. The net change in nonspendable fund balances is not presented because the combined statements of revenues, expenditures, and changes in fund balances reflects the changes in total fund balances rather than just the spendable and nonspendable fund balances.

6. Capital assets (property, plant and equipment)

Capital assets, including property, plant, and equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (\$20,000 for buildings and improvements and \$50,000 for infrastructure) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on date of donation.

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

Major outlays for capital assets and improvements are as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested debt proceeds over the same period.

Property, plant, equipment, and intangible assets with exhaustible useful lives are capitalized when acquired, and depreciation is provided using the straight-line method applied over the following estimated useful lives of the assets:

Buildings	10-50
Distribution systems	20-50
Infrastructure	20-50
Machinery and equipment	5-15
Other improvements	5-99
Intangible assets	5-99

Intangible assets lack physical substance, are nonfinancial in nature, and have an estimated useful life extending beyond a single reporting period. The term depreciation, as used in this footnote, includes amortization of intangible assets.

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

7. Compensated absences

Employees can sell-back up to 40 hours of accumulated paid time off (PTO) before the end of each fiscal year provided they meet certain requirements. All other accumulated PTO is forfeited. There are no accumulated balances for PTO. Compensatory time, if any, is accrued as wages payable at year end.

8. Long-term obligations

In the government-wide financial statements and in the proprietary fund types of the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. If any, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures. The town's current debt obligations were issued without discounts or premiums and issuance costs were insignificant and immaterial.

9. Fund equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either

(a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance.* This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance.* These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the town council—the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the town council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned fund balance.* This classification reflects the amounts constrained by the town's "intent" to be used for specific purposes, but are neither restricted nor committed. The town council and town manager have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance.* This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the town's policy to use externally restricted resources first, then unrestricted resources--committed, assigned, and unassigned--in order as needed.

The town manager has set a General Fund minimum fund balance target at 20% of expenditures and recurring transfers. No other fund balance policies exist.

#### 10. Comparative data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

#### 11. Sales taxes

The town imposes a 1% local options sales and use tax (5<sup>th</sup> cent). The 5<sup>th</sup> cent sales tax is collected by the state and remitted monthly to the town. Sales tax revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Additionally, the town imposes a specific purpose excise tax (SPET) for various voter-approved projects.

#### 12. Entitlements, share revenues and grants (Intergovernmental revenues)

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized in the fund financial statements as revenue when the qualifying expenditures have been incurred, all eligibility requirements have been met, and reimbursement is received with availability period. Included below are the ongoing shared revenues and grants received by the town.

*Sales tax.* The state levies a 4% general sales and use tax, with 31% of it returned to Wyoming towns and counties based on populations and location of sales.

*Gasoline, cigarette, and severance taxes.* These three taxes are all imposed by the state and returned to cities, towns and counties by various percentages determined by the Wyoming legislature.

*Mineral Royalties.* These are federal royalties paid to the state and passed down to cities, towns, and counties by percentages determined by the Wyoming legislature.

*Federal Transit Administration(FTA).* The FTA provides 80% of the funding for qualifying bus system expenditures, including current and capital expenditures.

13. Revenue recognition for Water and Sewage Funds

Revenue is recorded in the period in which services are provided. Residential and commercial customers are billed monthly.

14. Use of estimates

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

15. Reclassifications

Where presented, certain 2011 financial statement amounts may have been reclassified to conform to the 2012 presentation.

**E. Federal Audit Requirements**

The U.S. Office of Management and Budget (OMB) issued Circular A-133, which establishes uniform audit requirements for non-Federal entities that administer Federal awards and implements the Single Audit Act Amendments of 1996, which were signed into law July 5, 1996 (Public Law 104-156)

The purposes of the Single Audit Act Amendments of 1996 are as follows:

1. promote sound financial management, including effective internal controls, with respect to Federal awards;
2. promote the efficient and effective use of audit resources;
3. reduce burdens on state and local governments, Indian tribes and nonprofit organizations;
4. ensure that Federal departments and agencies, to the maximum extent practicable, rely upon and use audit work done pursuant to Chapter 75 of Title 30, United States Code (the "Single Audit Act").

For 2012, the Town of Jackson' audit was performed in accordance with Circular A-133. The auditor's report on consideration of the town's internal control over financial reporting and tests of other matters are issued with this report.

**F. Implementation of new accounting principles**

For the year ending June 30, 2012 the town implemented the following statement of financial accounting standards issued by the Governmental Accounting Standards Board:

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions

GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments

GASB Statement No. 58, Accounting and Financial Reporting for Chapter 9 Bankruptcies

GASB Statement No. 54 establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additionally, the definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by the provisions in this Statement. Interpretations of certain terms within the definition of the special revenue fund type have been provided and, for some governments, those interpretations may affect the activities they choose to report in those funds. The capital projects fund type definition also was clarified for better alignment with the needs of preparers and users. Definitions of other governmental fund types also have been modified for clarity and consistency.

GASB Statement No. 54 was implemented for the fiscal year ending June 30, 2009. GASB No. 51, Accounting and Financial Reporting for Intangible Assets, was implemented for the fiscal year ending June 30, 2008. GASB Statement No. 53 and Statement No. 58 have no reporting implications for the Town of Jackson.

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted by council resolution for the General and Special Revenue Funds.

Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternately achieved through debt indenture provisions. Budgetary control for Capital Project Funds is based on a project completion time cycle rather than on an annual basis, therefore, budgetary comparisons on an annual basis would not present meaningful information.

The town follows these legal compliance procedures in establishing the budgetary data reflected in the financial statements:

1. The town administrator submits a proposed operating budget, including proposed expenditures and means of financing them, to the town council prior to the beginning of the fiscal year commencing July 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through the passage of a budget resolution.
4. Management may not legally exceed budgeted expenditures at the division level. Monitoring of budgets is maintained at the division level (i.e., police administration, police investigations, police patrols, etc.) and the category level (i.e., personal services; supplies; other services and charges; capital outlay) within each division. Management can alter the budget at the category level within their division but cannot exceed the total budgeted expenditures for the division that was approved by the town council. During the year, three formal supplementary appropriations were made. However, the town council approves all payments of vouchers and payroll at its regular meetings held twice a month.
5. All budgeted appropriations lapse at the end of the fiscal year. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the department level.

**B. Excess of Expenditures over Appropriations**

For the year ended June 30, 2012, expenditures and other uses exceeded appropriations in no funds. Through three formal supplementary appropriations, the General Fund original budget increased by slightly more than 3%. Actual expenditures and other uses are 4% under the final amended budget.

**C. Deficit Fund Equity**

At June 30, 2012, there are no governmental funds with a deficit fund balance.

**NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Cash, cash equivalents, and investments at June 30, 2012 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and cash equivalents	\$ 25,242,558
Investments	4,560,967
Statement of fiduciary assets and liabilities:	
Cash and cash equivalents	18,380
Total cash and investments	<u>\$ 29,821,905</u>

Cash and investments at June 30, 2012 consist of the following:

Cash:	
Cash on hand	\$ 300
Deposit with financial institutions	552,599
Cash equivalents:	
Short-term certificate of deposit	22,006,329
Money market funds	2,701,710
Investments:	
Various	4,560,967
Total cash, cash equivalents, and investments	<u>\$ 29,821,905</u>

**Investments Authorized by Wyoming Statutes and Town Investment Policy**

The following table identifies the investment types that are authorized for the town by Wyoming state statute. The town's investment policy does not restrict investment types beyond the limits set forth by state statute. The table also identifies any provisions in town policy and state statutes that address interest rate risk, credit risk, and concentration risk. This table also applies to

investments of debt proceeds held by bond trustee that are governed by provisions of debt agreements and similarly restricted by state statute.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. treasury obligations	None	None	None
U.S. agency securities	None	None	None
Banker's acceptances	None	25%	None
Commercial paper	270 days	25%	None
Negotiable certificates of deposit	None	None	\$250,000
Non-negotiable certificates of deposit	None	None	None
Repurchase agreements	None	25%	None

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Town policies restrict investments to the safest security types and require portfolio diversification so that potential losses on individual securities will be minimized. As of June 30, 2012, the town's investments in U.S. Agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The town's investments in negotiable certificates of deposit are below the F.D.I.C. \$250,000 insurance limit per institution. Non-negotiable certificates of deposits exceeding \$250,000 per institution must be collateralized by the limits defined in the custodial credit risk section of this footnote. The town's investment in the brokerage money market mutual fund is unrated. Town investment policy limits investments to the safest types of securities, pre-qualifies financial institutions, brokers/dealers, intermediaries, and advisors, and requires investment portfolio diversification.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to cover the value of its investment

or collateral securities that are in possession of another party. Wyoming statutes do not contain legal requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: Wyoming statutes require that all town deposits be protected by insurance, surety bond, or collateral. Authorized collateral includes the legal investment described earlier, as well as certain first mortgage notes, and certain other state or local obligations. Wyoming statutes require that securities pledged as collateral be held in safekeeping by the public funds depository or by any bank, other than the depository bank, chartered by the state of Wyoming, any national bank, other than the depository bank, authorized to do business in the state, any federal reserve bank or branch thereof, or any federal reserve system member bank. According to town policies, the market value of the collateral must be a minimum of 105% of deposits not covered by insurance or bonds.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. According to its investment policy, the town manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments. The town also manages this risk by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide cash flow and liquidity for operations. Further, the town purchases some securities that have interest rates that step-up over time. The town monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The town has no specific limitations with respect to this metric.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (in years)</u>
Federal Agencies:		
Federal Home Loan Bank	\$ 2,050,479	5.55
Federal Home Loan Mortgage	1,010,495	5.84
Federal National Mortgage Assn.	1,499,993	4.65
Short-term certificates of deposits	22,006,329	0.12
Money Market Funds	2,701,710	0.12
	<u>\$ 29,269,006</u>	
Portfolio weighted average maturity		0.75

**Concentration of Credit Risk**

State statutes contain no limitations on the amount that can be invested in any one issuer. Investments in any one issuer representing 5% or more of the town's total investments are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Investment Portfolio</u>
Federal Agencies:		
Federal Home Loan Bank	2,050,479	7.0%
Federal National Mortgage Assn.	1,499,993	5.1%
Federal Home Loan Mortgage	\$ 1,010,495	3.5%

Cash, cash equivalents, and investments are presented in the government-wide financial statements as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 3,888,949	\$ 716,511	\$ 4,605,460
START Bus System	562,088	103,771	665,859
5th Cent Capital Projects	1,561,686	288,315	1,850,001
2006 SPET	2,596,153	479,296	3,075,449
2008 SPET	4,495,913	830,026	5,325,939
Nonmajor governmental	3,096,611	509,968	3,606,579
Internal service funds	<u>2,857,957</u>	<u>488,252</u>	<u>3,346,209</u>
Total	<u>19,059,357</u>	<u>3,416,139</u>	<u>22,475,496</u>
Business-type activities:			
Water	3,071,133	566,986	3,638,119
Sewage	3,129,936	577,842	3,707,778
Internal service funds	<u>(17,868)</u>		<u>(17,868)</u>
Total	<u>6,183,201</u>	<u>1,144,828</u>	<u>7,328,029</u>
Government-wide total	<u>25,242,558</u>	<u>4,560,967</u>	<u>29,803,525</u>
Fiduciary fund	18,380		18,380
Total cash and investments	<u>\$ 25,260,938</u>	<u>\$ 4,560,967</u>	<u>\$ 29,821,905</u>

**NOTE 4. CONCENTRATION OF SALES AND REVENUES**

Snow King Resort (and affiliates) is the largest customer of the Water and Sewage. The company's water purchases account for \$77,600, or 5%, of the Water Fund's operating revenue; the company's sewage charges account for \$34,800, or 2%, of the Sewage Fund's operating revenue.

**NOTE 5. LEASE COMMITMENTS**

The town leases its winter sports facility (ice arena) to a commercial entity. The month-to-month, operating lease is cancelable by either party. The lease requires the tenant to maintain the facility's interior and exterior and to pay all utilities. The winter sports facility monthly lease payment is \$12,000 for three months and \$100 per month thereafter. Additionally, the town leases land to the county's fairground operations on an annual basis--the fiscal year 2012 lease payment is \$36,700.

Details for property under lease agreement are as follows:

<u>Leased Property</u>	<u>Historical Carrying Cost</u>	<u>Accumulated Depreciation</u>	<u>Annual Depreciation</u>
Winter Sports Facility	\$ 4,745,672	\$ 2,690,081	\$ 158,189

**NOTE 6. POST EMPLOYEE BENEFITS OTHER THAN PENSIONS**

The town administers a single-employer defined benefit postemployment health care plan for four eligible participants: one active and three retired participants. The plan offers medical coverage, which is self-insured and administered by CNIC Health Solutions. The plan is not open to new participants. The unfunded actuarial accrued liability is immaterial and not reported in the financial statements.

**NOTE 7. CAPITAL ASSETS**

Capital asset activities for the year end June 30, 2012 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Internal Service Fund Assets	Governmental Funds Total	Internal Service Fund Additions	Governmental Fund Additions
Governmental activities:								
Nondepreciable capital assets:								
Land	\$ 21,024,900	\$ 3,060,753	\$ -	\$ 24,085,653		\$ 24,085,653		\$ 3,060,753
Construction in progress	4,160,919	(2,316,332)		1,844,587		1,844,587		(2,316,332)
Total	25,185,819	744,421	-	25,930,240	-	25,930,240	-	744,421
Depreciable capital assets:								
Buildings and improvements	29,091,133	3,609,977		32,701,110		32,701,110		3,609,977
Machinery and equipment	14,760,328	444,648	(37,071)	15,167,905	\$ 633,875	14,534,030	\$ 254,037	190,611
Intangible assets	1,800,000			1,800,000		1,800,000		-
Infrastructure	35,482,270	3,122,473	(505,022)	38,099,721		38,099,721		3,122,473
Total	81,133,731	7,177,098	(542,093)	87,768,736	633,875	87,134,861	254,037	6,923,061
Total capital assets	106,319,550	7,921,519	(542,093)	113,698,976	633,875	113,065,101	254,037	7,667,482
Less accumulated depreciation for:								
Buildings and improvements	(9,942,305)	(849,788)		(10,792,093)		(10,792,093)		(849,788)
Machinery and equipment	(7,646,998)	(1,144,480)	37,071	(8,754,407)	(111,823)	(8,642,584)	(68,699)	(1,075,781)
Intangible assets	(60,723)	(18,182)		(78,905)		(78,905)		(18,182)
Infrastructure	(17,252,549)	(1,428,620)	262,828	(18,418,341)		(18,418,341)		(1,428,620)
Total accumulated depreciation	(34,902,575)	(3,441,070)	299,899	(38,043,746)	(111,823)	(37,931,923)	(68,699)	(3,372,371)
Total governmental activities capital assets, net	\$ 71,416,975	\$ 4,480,449	\$ (242,194)	\$ 75,655,230	\$ 522,052	\$ 75,133,178	\$ 185,338	\$ 4,295,111
Business-type activities:								
Nondepreciable capital assets								
Land	\$ 1,090,000			\$ 1,090,000				
Construction in progress	3,433,990	\$ 210,568		3,644,558				
Total	4,523,990	210,568	-	4,734,558				
Depreciable capital assets:								
Buildings and improvements	42,450,715	3,476,199	(179,119)	45,747,795				
Machinery and equipment	2,207,309	326,922	(254,513)	2,279,718				
Total	44,658,024	3,803,121	(433,632)	48,027,513				
Total capital assets	49,182,014	4,013,689	(433,632)	52,762,071				
Less accumulated depreciation for:								
Buildings and improvements	(15,415,833)	(948,608)	182,482	(16,181,959)				
Machinery and equipment	(1,647,832)	(93,156)	257,103	(1,483,885)				
Total accumulated depreciation	(17,063,665)	(1,041,764)	439,585	(17,665,844)				
Total business-type activities capital assets, net	\$ 32,118,349	\$ 2,971,925	\$ 5,953	\$ 35,096,227				

Additions to construction in progress represent new construction in progress minus projects transferred to infrastructure or buildings for completed projects.

Depreciation was charged to function/programs as follows:

Governmental activities:	
General government	\$ 341,767
Public safety	153,588
Public works	1,912,950
Recreation and culture	198,864
Transit	833,901
Total depreciation expenses - governmental activities	<u>3,441,070</u>
Internal service fund depreciation on capital assets charged to the various functions based on usage.	(68,699)
Depreciation expense excluding internal service fund.	<u><u>\$ 3,372,371</u></u>
Business-type activities:	
Water Fund	\$ 428,003
Sewer Fund	613,761
Total depreciation expenses - business-type activities	<u><u>\$ 1,041,764</u></u>

**NOTE 8. CLAIMS AND JUDGEMENTS**

The town participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the town may be required to reimburse the grantor government.

As of June 30, 2012, significant amounts of grant expenditures have not been audited by the granting agency, but the town believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the town. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**NOTE 9. RECEIVABLES AND DEFERRED REVENUES**

**Interfund Receivables, Payables, and Transfers.** At June 30, 2012, there are interfund balances that are generally short-term loans used to cover temporary cash deficits in various funds. The interfund transfers generally are made for the purposes of distributing revenue from the general fund to other funds for capital projects and operations. There were no significant transfers during the fiscal year that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

**Deferred Revenues.** Government funds often report deferred revenue in connection with receivables of revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. This deferred revenue type is specifically referred to as unearned revenue. At the end of the current fiscal year, the various components of deferred revenue reported in governmental funds were as follows:

	<u>Alarm Bonds</u>	<u>Court Bonds</u>	<u>Total</u>
Governmental Fund Activities:			
Unearned revenue			
General Fund	\$ 22,575	\$ 500	\$ 23,075
Total	<u><u>\$ 22,575</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 23,075</u></u>

**Accounts Receivables and Due from Other Governmental Units.** The following are the accounts receivables and due from other governmental units at June 30, 2012. Due from other governmental units represent earned grant reimbursements or repayments owed for providing non-utility related services.

	Accounts Receivable	Due from other Governments
Governmental activities:		
General Fund	\$ 2,510	\$ 47,883
START Bus System		243,368
5th Cent Capital Projects		396,075
Internal service funds	28,860	
Total governmental activities	<u>31,370</u>	<u>687,326</u>
Business-type activities		
Water Fund	223,374	
Sewage Fund	157,400	
Total business-type activities	<u>380,774</u>	<u>-</u>
Total	<u>\$ 412,144</u>	<u>\$ 687,326</u>

The following schedule reflects each fund transfer:

In Fund	Out Fund	Amount	
General Fund	Water	376,601	(1)
	Sewage	320,639	(1)
	START Bus	23,776	(1)
	Animal Care	16,963	(2)
START	General Fund	366,000	(2)
	SPET 2010	511,962	(3)
Capital Projects	General Fund	1,979,428	(4)
	SPET 2006	620,182	(5)
	SPET 2008	855,000	(6)
	Affordable Housing	250,573	(7)
Sewage	Employee Housing	3,694	(8)
Fleet Management	General Fund	200,000	(3)
		<u>\$ 5,524,818</u>	

**Transfers.** The following interfund transfers are reflected in the fund financial statements at June 30, 2012:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 737,979	\$ 2,545,428
START	877,962	23,776
5th Cent Capital Projects	3,705,183	-
2006 SPET		620,182
2008 SPET		855,000
Nonmajor governmental	-	783,192
Total governmental funds	<u>5,321,124</u>	<u>4,827,578</u>
Enterprise funds:		
Water	-	376,601
Sewage	3,694	320,639
Total enterprise funds	<u>3,694</u>	<u>697,240</u>
Internal service funds	200,000	-
Total	<u>\$ 5,524,818</u>	<u>\$ 5,524,818</u>

- (1) Annual reimbursement for shared expenditures.
- (2) Annual transfer to subsidize fund operations.
- (3) Transfer of SPET for Start facility design.
- (4) Annual appropriation for capital projects.
- (5) Transfer of SPET for downtown project expenditures.
- (6) Transfer of SPET for pedestrian/pathways expenditures.
- (7) Transfer of SPET to finance land swap.
- (8) Transfer representing interest on interfund payable.

**NOTE 10. LONG-TERM LIABILITIES**

NOTES PAYABLE. The town has issued three notes payable: \$644,330 Wyoming Water Development Commission (WWDC), \$1,320,000 Wyoming Water Development Commission. The \$644,330 WWDC note is secured by the revenues of the Water Fund and a mortgage on the assets of the water supply system. This 25 year note is payable in equal annual installments.

The \$1,320,000 WWDC note is secured by the revenues of the Water Fund and a mortgage on the assets of the water supply system. At June 30, 2012, the town had made draws of \$1,115,099 on the 30 year 4% note.

The three-year, zero percent \$500,000 Housing Authority note facilitated a land swap of the town-owned Grove property for the Housing Authority's Karns

**Notes to the Financial Statements  
June 30, 2012**

**TOWN OF JACKSON**

Meadows property. This note has payments due in 2013 and 2014 of \$200,000 and \$300,000, respectively.

Revenue bonds and notes payable outstanding are as follows:

**Governmental activities**

Notes Payable	Final Maturity	Interest Rates	Issue Amount	Outstanding 6/30/2012
Land acquisition				
Housing Authority	08/01/14	n/a	\$ 500,000	\$ 500,000

**Business-type activities**

Notes Payable	Final Maturity	Interest Rates	Issue Amount	Outstanding 6/30/2012
Water supply and storage projects -				
1997 WWDC note	05/01/22	4.00%	\$ 644,330	\$ 361,325
2010 WWDC note		4.00%	1,115,099	1,115,099
Total				<u>\$ 1,476,424</u>

Annual debt service requirements to maturity for the revenue bonds and note payable are as follows:

Year ending June 30	Governmental activities		Business-type activities	
	Principal	Interest	Principal	Interest
2013	\$ 200,000	\$ -	\$ 47,440	\$ 59,422
2014	300,000		49,337	58,877
2015			51,312	56,904
2016			54,292	54,852
2017			55,498	52,716
2018-22			312,618	228,454
2023-27			205,205	169,961
2028-32			201,411	133,438
2033-37			245,048	89,802
2038-42			254,262	36,570
Total	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 1,476,423</u>	<u>\$ 681,186</u>

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2012:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable:					
Housing Authority	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 200,000
Governmental activities total	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>200,000</u>
Business-type activities:					
Notes payable:					
Water - supply	387,086		(25,762)	361,324	26,792
Water - storage	32,888	1,082,211	-	1,115,099	20,648
Business-type activities total	<u>419,974</u>	<u>1,082,211</u>	<u>(25,762)</u>	<u>1,476,423</u>	<u>47,440</u>
Government-wide total	<u>\$ 419,974</u>	<u>\$ 1,582,211</u>	<u>\$ (25,762)</u>	<u>\$ 1,976,423</u>	<u>\$ 247,440</u>

REDEMPTIONS. None.

**NOTE 11. RISK MANAGEMENT AND LITIGATION**

The town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the past several years, the town obtained coverage from various sources and has effectively managed risk through various employee education and prevention programs.

All risk management activities are accounted for in the appropriate fund. Expenditures and claims are recognized when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and the loss amount exceeds insurance coverage. In determining claims, events that might create claims, but for which none have been reported, are considered.

The town attorney estimates that the amount of actual or potential claims against the town as of June 30, 2012 will not materially affect the financial condition of the town.

Workers compensation coverage is provided through the state of Wyoming's Worker's Safety and Compensation Division. The town pays an annual premium, reflecting a base rate plus an experience premium, to the division. Currently, the town does receive a drug and alcohol discount but not a full safety program discount.

The town self-insures its health benefit coverage up to an annual \$45,000 per claimant, with one exception. Stop-loss coverage is purchased from private insurers for amounts exceeding \$45,000. The town purchases stop-loss coverage at \$150,000 for the one exception. Health benefit self-insurance activities are accounted for in the Employee Insurance Fund, an internal service fund.

Liability insurance is provided through Local Government Liability Pool (LGLP), a pooled self-insurance program. LGLP was created by the legislature specifically for local governments in Wyoming. The coverage amounts are the limits set by the Governmental Claims Act (W.S. 1-39-118). Current statutory limits are \$250,000/\$500,000. Excess insurance coverage provides for out-of-state claims and Federal Civil Rights claims with the current limit of \$4 million with a \$1 million deductible, which LGLP covers.

Property and casualty insurances are provided by WARM through a pooled self-insurance program. The WARM policy has a \$5,000 deductible.

An analysis of claims activities for the last three fiscal periods ending on June 30 is presented below:

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Paid losses	\$ -	\$ 10,162	\$ 10,961
Paid expenses	61,844	2,034	192
Reserve losses	138,837	-	22,496
Reserve expenses	-	2,966	-
Total incurred	<u>\$ 200,681</u>	<u>\$ 15,162</u>	<u>\$ 33,649</u>

The town's commercial insurance carrier has no set reserve losses or reserve expenses for claims filed after June 30, 2012, for incidents occurring prior to that date.

There were no significant reductions in insurance from the previous year and there were no settlements in excess of insurance coverage in each of the past three years.

**NOTE 12. DEFINED BENEFIT PENSION PLANS - STATEWIDE**

**A. Plan Description**

All full-time and certain part-time employees of the Town of Jackson are covered by defined benefit pension plans administered by the Wyoming Retirement System (WRS). WRS administers seven different pension plans, which are cost-sharing multiple-employer retirement plans. Of the seven plans, the Public Employee Pension Plan (PEPP) and the Law Enforcement Pension Plan are the two plans required for covered town employees. All seven plans are established and administered in accordance with Wyoming Retirement Act, including Wyoming Statutes 9-3-401 through 9-3-432.

Both PEPP and LEPP members belong to a coordinated plan, where all members are covered by Social Security.

WRS provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after four years of credited service. The defined retirement benefits are based on a member's highest average salary for any 36 consecutive months of allowable service, age, and years of credit at termination of service.

The PEPP and LEPP are defined benefit, contributory retirement plans cover a substantial number of state and public school systems employees in Wyoming. The PEPP and LEPP also cover employees of those political subdivisions, which have elected to participate in the Plan. Both plans allow for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 but will result in a reduction of benefits based on the length of time remaining to normal retirement age.

Both Plans provide retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two optional forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. State statutes provide for future annual percentage increase in benefit amounts beginning July 1, after two full years of retirement by the lesser of 3% or the cost of living adjustment determined to be actuarially sound not to exceed 3% per year. The cost of living adjustment provided to retirees is determined by the Board. Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest

through date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for retirement benefits at age 50.

Under the PEPP, employees can choose full or early retirement. Employees are eligible for full retirement after they reach age 60 and complete four years of service, or meet the requirements of the "Rule of 85", which means age plus your years of service equal 85 or more. PEPP members are eligible for early retirement after they reach age 50 and complete four years of service or complete 25 years of service at any age. Pension benefits for members retiring early are reduced by 5% for each year you are under age 60. During retirement, benefits will only increase when cost-of-living adjustments are granted by the WRS Board. Under the LEPP, employees are eligible for full retirement at any age with 20 years of service.

The PEPP retirement benefits accrue at 2.125% of the average salary for each of the first 15 years and 2.25% for the average salary for every year thereafter. Retirement benefits accrue at 2.5% for all service years under the LEPP. Currently employed and vested members in WRS (except for members of the Volunteer Fire Pension Fund and Paid Fire Plan A) may make one-time, lump-sum purchases of up to five years of service in the system. Such purchases will count as service and could move employees closer to being eligible for full retirement benefits. These purchases can be made with transfers from other retirement savings vehicles, such as deferred compensation plans.

WRS issues a publicly available financial report that includes financial statements and required supplementary information for PEPP. That report may be obtained on the web at <http://retirement.state.wy.us>, by writing to Wyoming Retirement System, 6101 Yellowstone Road, Suite 500, WY 82002, or by calling (307) 777-7691.

**B. Funding Policy**

The PEPP statutorily requires 14.12% of the participant's salary to be contributed to the Plan. Contributions consist of 7.12% of the participant's salary as employer contributions and 7.00% as employee contributions. For LEPP participants, statutes require a 17.20% contribution, 8.6% for both employee and employer. The amount of contributions designated as employee contributions represent the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. Employers can elect to cover all or a portion of the employee's contribution at their discretion. The town covers 11.25% of the required contribution (employer plus employee) for all employees and an additional 1.50% for PEPP employees. LEPP participants contribute the difference between the 11.25% town contribution and the 17.20% statutorily required contribution.

The town's required contributions to the PEPP and LEPP systems for the years ending June 30, 2012, 2011, and 2010, were \$411,640, \$399,199 and \$354,434, respectively. The town's PEPP and LEPP contributions made on behalf of employees for the years ending June 30, 2012, 2011, and 2010 were \$266,559, \$274,350, and \$266,709, respectively. The town's contributions were equal to the contractually required employer contributions for each year as set by state statute.

**NOTE 13. COMMITTED CONTRACTS**

At June 30, 2012, the town had the following remaining commitments for uncompleted construction and equipment purchase contracts:

<u>Fund/Project</u>		
Sewage Fund		
Budge Drive sewage main	\$	183,736
Scott/Millward/Glenwood sewage main		120,548
Water Fund		
Budge Drive water main		408,962
Capita Projects		
Snow King Arena		89,710
Home Ranch		1,451,483

In 2008, the town created a shared-appreciation mortgage program as a recruitment tool for key personnel. At June 30, 2012, the town's commitments totaled \$325,000.

In May 2011, the town entered into an agreement to purchase 23 acres of land for open space and natural area (Halpin property on Snow King). The purchase consists of five tracts, with the town purchasing three tracts by the end of fiscal year 2012 and one tract in each of the next two years: 2013 - \$273,125; 2014 - \$238,125. The town anticipates selling conservation easements to the Jackson Hole Land Trust on each tract as the options are exercised.

**NOTE 14. FUND CHANGES AND FUND BALANCES**

Amounts for specific purposes by fund and fund balance classifications for the year ended June 30, 2012, are as follows:

<u>Classification/Fund</u>	<u>Purpose</u>	<u>Amount</u>
Nonspendable		
General Fund	Prepaid items	\$ 69,328
Restricted		
General Fund	DEA program	5,194
	DARE program	599
	Victim services	14,850
2010 SPET	Energy/START/Pathways	571,913
2008 SPET	Downtown projects	3,075,449
2006 SPET	Pathways/Sidewalks	5,284,950
2001 SPET	Broadway 5-way	1,161,761
Parking Exactions	Parking improvements	43,123
Park Exactions	Park improvements	57,498
Affordable Housing	Housing options	456,110
Animal Care	Animal shelter	232,931
Committed		
Employee Housing	Recruitments	325,000
Assigned		
5th Cent Capital Projects	Various improvements	2,122,146
Employee Housing	Employee housing	1,010,288
START Bus System	Transit	850,359
Unassigned		
General Fund		4,205,751
Total fund balances		<u>\$19,487,250</u>

For the year ended June 30, 2012, the town closed the following fund(s): None.  
For the same period, the town opened the following fund(s): Agency – Jackson Hole Energy Sustainability Project.



## Combining Balance Sheet Nonmajor Governmental Funds by Fund Type June 30, 2012

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,625,801	\$ 1,470,810	\$ 3,096,611
Investments	238,429	271,539	509,968
Notes receivable - housing	266,500		266,500
Total assets	<u>\$ 2,130,730</u>	<u>\$ 1,742,349</u>	<u>\$ 3,873,079</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 780	\$ 8,675	\$ 9,455
Unearned revenue	5,000		5,000
Total liabilities	<u>5,780</u>	<u>8,675</u>	<u>14,455</u>
Fund balances:			
Restricted	789,662	1,733,674	2,523,336
Committed	325,000		325,000
Assigned	1,010,288		1,010,288
Total fund balances	<u>2,124,950</u>	<u>1,733,674</u>	<u>3,858,624</u>
Total liabilities and fund balances	<u>\$ 2,130,730</u>	<u>\$ 1,742,349</u>	<u>\$ 3,873,079</u>

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds by Fund Type Year Ended June 30, 2012

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
General Taxes		\$ 828,968	\$ 828,968
Licenses and permits	\$ 83,172		83,172
Intergovernmental	712,383		712,383
Investment earnings	14,445	12,798	27,243
Other revenues	171,876		171,876
Total revenues	<u>981,876</u>	<u>841,766</u>	<u>1,823,642</u>
Expenditures:			
Current:			
General Government	136,564		136,564
Public safety	20,178		20,178
Community development	10,000		10,000
Capital outlay	69,661	150,184	219,845
Total expenditures	<u>236,403</u>	<u>150,184</u>	<u>386,587</u>
Excess (deficiency) of revenues over expenditures	<u>745,473</u>	<u>691,582</u>	<u>1,437,055</u>
Other financing sources (uses)			
Transfers out	(271,230)	(511,962)	(783,192)
Total other financing sources (uses)	<u>(271,230)</u>	<u>(511,962)</u>	<u>(783,192)</u>
Net change in fund balances	<u>474,243</u>	<u>179,620</u>	<u>653,863</u>
Fund balance at beginning of year	1,650,707	1,554,054	3,204,761
Fund balance at end of year	<u>\$ 2,124,950</u>	<u>\$ 1,733,674</u>	<u>\$ 3,858,624</u>

## Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2012

	<u>Employee Housing</u>	<u>Affordable Housing</u>	<u>Parking Exactions</u>	<u>Parks Exactions</u>	<u>Animal Care</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 906,442	\$ 385,027	\$ 43,123	\$ 57,498	\$ 233,711	\$ 1,625,801
Investments	167,346	71,083		-		238,429
Notes receivable - housing	266,500					266,500
Total assets	<u>\$ 1,340,288</u>	<u>\$ 456,110</u>	<u>\$ 43,123</u>	<u>\$ 57,498</u>	<u>\$ 233,711</u>	<u>\$ 2,130,730</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable					\$ 780	\$ 780
Unearned revenue	\$ 5,000					5,000
Total liabilities	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>780</u>	<u>5,780</u>
Fund balances:						
Restricted		\$ 456,110	\$ 43,123	\$ 57,498	232,931	789,662
Committed	325,000					325,000
Assigned	1,010,288					1,010,288
Total fund balances	<u>1,335,288</u>	<u>456,110</u>	<u>43,123</u>	<u>57,498</u>	<u>232,931</u>	<u>2,124,950</u>
Total liabilities and fund balances	<u>\$ 1,340,288</u>	<u>\$ 456,110</u>	<u>\$ 43,123</u>	<u>\$ 57,498</u>	<u>\$ 233,711</u>	<u>\$ 2,130,730</u>

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds Year Ended June 30, 2012

	Employee Housing	Affordable Housing	Parking Exactions	Park Exactions	Animal Care	Total
Revenues:						
Licenses and permits		\$ 50,486		\$ 32,686		\$ 83,172
Intergovernmental	\$ 712,383					712,383
Investment earnings	9,047	3,651	\$ 307	548	\$ 892	14,445
Other revenue:						
Other	118,665				53,211	171,876
Total revenues	<u>840,095</u>	<u>54,137</u>	<u>307</u>	<u>33,234</u>	<u>54,103</u>	<u>981,876</u>
Expenditures:						
Current:						
General government	136,564					136,564
Public safety					20,178	20,178
Community development		10,000				10,000
Capital outlay				69,661		69,661
Total expenditures	<u>136,564</u>	<u>10,000</u>	<u>-</u>	<u>69,661</u>	<u>20,178</u>	<u>236,403</u>
Excess (deficiency) of revenues over expenditures	<u>703,531</u>	<u>44,137</u>	<u>307</u>	<u>(36,427)</u>	<u>33,925</u>	<u>745,473</u>
Other financing sources (uses):						
Transfers out	(3,694)	(250,573)			(16,963)	(271,230)
Total other financing sources (uses)	<u>(3,694)</u>	<u>(250,573)</u>	<u>-</u>	<u>-</u>	<u>(16,963)</u>	<u>(271,230)</u>
Net change in fund balance	699,837	(206,436)	307	(36,427)	16,962	474,243
Fund balance at beginning of year	635,451	662,546	42,816	93,925	215,969	1,650,707
Fund balance at end of year	<u>\$ 1,335,288</u>	<u>\$ 456,110</u>	<u>\$ 43,123</u>	<u>\$ 57,498</u>	<u>\$ 232,931</u>	<u>\$ 2,124,950</u>

**Employee Housing Fund  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balances - Budget and Actual  
 Year Ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 712,382	\$ 712,382	\$ 712,383	\$ 1
Investment earnings	5,000	5,000	9,047	4,047
Other revenues:				
Rental charges	124,368	124,368	118,665	(5,703)
Total revenues	<u>841,750</u>	<u>841,750</u>	<u>840,095</u>	<u>(1,655)</u>
Expenditures:				
General government:				
Contractual services	67,854	404,054	136,564	(267,490)
Total expenditures	<u>67,854</u>	<u>404,054</u>	<u>136,564</u>	<u>(267,490)</u>
Excess (deficiency) of revenues over expenditures	<u>773,896</u>	<u>437,696</u>	<u>703,531</u>	<u>265,835</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(4,000)	(4,000)	(3,694)	306
Total other financing sources (uses)	<u>(4,000)</u>	<u>(4,000)</u>	<u>(3,694)</u>	<u>306</u>
Net change in fund balance	769,896	433,696	699,837	266,141
Fund balance at beginning of year	635,451	635,451	635,451	-
Fund balance at end of year	<u>\$ 1,405,347</u>	<u>\$ 1,069,147</u>	<u>\$ 1,335,288</u>	<u>\$ 266,141</u>

## Affordable Housing Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and Permits:				
Employee housing exactions	\$ 25,000	\$ 25,000	\$ 50,486	\$ 25,486
Affordable housing exactions	10,000	10,000	-	(10,000)
Investment earnings	20,000	20,000	3,651	(16,349)
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>54,137</u>	<u>(863)</u>
Expenditures:				
Community development:				
Contracted Services	10,000	10,000	10,000	-
Capital outlay	-	-	-	-
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>45,000</u>	<u>45,000</u>	<u>44,137</u>	<u>(863)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	270,000	270,000	(250,573)	(520,573)
Total other financing sources (uses)	<u>270,000</u>	<u>270,000</u>	<u>(250,573)</u>	<u>(520,573)</u>
Net change in fund balance	315,000	315,000	(206,436)	(521,436)
Fund balance at beginning of year	662,546	662,546	662,546	-
Fund balance at end of year	<u>\$ 977,546</u>	<u>\$ 977,546</u>	<u>\$ 456,110</u>	<u>\$ (521,436)</u>

**Parking Exactions Fund  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balances - Budget and Actual  
 Year Ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits:				
Parking exactions	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Other revenues:				
Investment earnings	800	800	307	(493)
Total revenues	<u>10,800</u>	<u>10,800</u>	<u>307</u>	<u>(10,493)</u>
Expenditures:				
Public works:				
Other	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	10,800	10,800	307	(10,493)
Fund balance at beginning of year	42,816	42,816	42,816	-
Fund balance at end of year	<u>\$ 53,616</u>	<u>\$ 53,616</u>	<u>\$ 43,123</u>	<u>\$ (10,493)</u>

**Park Exactions Fund  
Schedule of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual  
Year Ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Licenses and permits:				
Subdivision exactions	\$ 25,000	\$ 25,000	\$ 32,686	\$ 7,686
Intergovernmental	-	-	-	-
Investment earnings	4,000	4,000	548	(3,452)
Other revenues:				
Donations and Contributions	-	-	-	-
Total revenues	<u>29,000</u>	<u>29,000</u>	<u>33,234</u>	<u>4,234</u>
Expenditures:				
Capital outlay	-	71,000	69,661	(1,339)
Total expenditures	<u>-</u>	<u>71,000</u>	<u>69,661</u>	<u>(1,339)</u>
Excess (deficiency) of revenues over expenditures	<u>29,000</u>	<u>(42,000)</u>	<u>(36,427)</u>	<u>(65,427)</u>
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	29,000	(42,000)	(36,427)	(65,427)
Fund balance at beginning of year	93,925	93,925	93,925	-
Fund balance at end of year	<u>\$ 122,925</u>	<u>\$ 51,925</u>	<u>\$ 57,498</u>	<u>\$ (65,427)</u>

**Animal Care Fund  
 Schedule of Revenues, Expenditures and Changes  
 in Fund Balances - Budget and Actual  
 Year Ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 4,000	\$ 4,000	\$ 892	\$ (3,108)
Other revenues:				
Donations and contributions	52,000	52,000	53,211	1,211
Total revenues	<u>52,000</u>	<u>52,000</u>	<u>54,103</u>	<u>(1,897)</u>
Expenditures:				
Public safety:				
Supplies	35,000	35,000	20,178	(14,822)
Total expenditures	<u>35,000</u>	<u>35,000</u>	<u>20,178</u>	<u>(14,822)</u>
Other financing sources (uses):				
Transfers out	(21,000)	(21,000)	(16,963)	4,037
Total other financing sources (uses)	<u>(21,000)</u>	<u>(21,000)</u>	<u>(16,963)</u>	<u>4,037</u>
Net change in fund balance	17,000	17,000	16,962	(38)
Fund balance at beginning of year	215,969	215,969	215,969	-
Fund balance at end of year	<u>\$ 232,969</u>	<u>\$ 232,969</u>	<u>\$ 232,931</u>	<u>\$ (38)</u>

## Combining Balance Sheet Nonmajor Capital Projects Funds June 30, 2012

	<u>2011 SPET</u>	<u>2010 SPET</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 983,157	\$ 487,653	\$ 1,470,810
Investments	181,509	90,030	271,539
Total Assets	<u>1,164,666</u>	<u>577,683</u>	<u>1,742,349</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 2,905	\$ 5,770	\$ 8,675
Total liabilities	<u>2,905</u>	<u>5,770</u>	<u>8,675</u>
Fund balances:			
Restricted	1,161,761	571,913	1,733,674
Total fund balances	<u>1,161,761</u>	<u>571,913</u>	<u>1,733,674</u>
Total liabilities and fund balances	<u>\$ 1,164,666</u>	<u>\$ 577,683</u>	<u>\$ 1,742,349</u>

**Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances - Nonmajor Capital Projects Funds  
Year Ended December 31, 2012**

	<u>2001 SPET</u>	<u>2010 SPET</u>	<u>Total</u>
Revenues:			
Specific purpose excise tax		\$ 828,968	\$ 828,968
Investment earnings	\$ 8,675	4,123	12,798
Total revenues	<u>8,675</u>	<u>833,091</u>	<u>841,766</u>
Expenditures:			
Capital outlay:			
Infrastructure		88,830	88,830
Professional services	61,354		61,354
Total expenditures	<u>61,354</u>	<u>88,830</u>	<u>150,184</u>
Excess (deficiency) of revenues over expenditures	<u>(52,679)</u>	<u>744,261</u>	<u>691,582</u>
Other financing sources (uses):			
Transfers out		(511,962)	(511,962)
Total other financing sources (uses)	<u>-</u>	<u>(511,962)</u>	<u>(511,962)</u>
Net change in fund balances	(52,679)	232,299	179,620
Fund balance at beginning of year	1,214,440	339,614	1,554,054
Fund balance at end of year	<u>\$ 1,161,761</u>	<u>\$ 571,913</u>	<u>\$ 1,733,674</u>



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**Combining Statement of Net Position  
Internal Service Funds  
June 30, 2012**

	<u>Employee Insurance</u>	<u>Fleet Management</u>	<u>Central Equipment</u>	<u>IT Services</u>	<u>Total</u>
<b>ASSETS</b>					
Current assets:					
Cash and Cash Equivalents	\$ 1,268,804	\$ 195,432	\$ 1,111,943	\$ 263,910	\$ 2,840,089
Investments	234,244		205,285	48,723	488,252
Accounts receivable (net)		28,860			28,860
Materials and supplies		240,892			240,892
Total current assets	<u>1,503,048</u>	<u>465,184</u>	<u>1,317,228</u>	<u>312,633</u>	<u>3,598,093</u>
Noncurrent assets:					
Capital assets:					
Machinery & equipment			341,963	291,912	633,875
Total capital assets	-	-	341,963	291,912	633,875
Less accumulated depreciation			(52,048)	(59,775)	(111,823)
Total capital assets (net)	-	-	289,915	232,137	522,052
Total noncurrent assets	-	-	289,915	232,137	522,052
<b>TOTAL ASSETS</b>	<u>1,503,048</u>	<u>465,184</u>	<u>1,607,143</u>	<u>544,770</u>	<u>4,120,145</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	8,532	22,940		202,337	233,809
Accrued wages payable		11,273			11,273
Total current liabilities	<u>8,532</u>	<u>34,213</u>	-	<u>202,337</u>	<u>245,082</u>
<b>TOTAL LIABILITIES</b>	<u>8,532</u>	<u>34,213</u>	<u>-</u>	<u>202,337</u>	<u>245,082</u>
<b>NET POSITION</b>					
Invested in capital assets, net of related debt			289,915	232,137	522,052
Unrestricted	1,494,516	430,971	1,317,228	110,296	3,353,011
<b>TOTAL NET POSITION</b>	<u>\$ 1,494,516</u>	<u>\$ 430,971</u>	<u>\$ 1,607,143</u>	<u>\$ 342,433</u>	<u>\$ 3,875,063</u>

## Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds Year Ended December 31, 2012

	Employee Insurance	Fleet Management	Central Equipment	IT Services	Total
Operating revenues:					
Internal customers	\$ 1,702,483	\$ 1,185,056	\$ 40,400	\$ 360,365	\$ 3,288,304
Eternal customers		370,941			370,941
Total operating revenues	<u>1,702,483</u>	<u>1,555,997</u>	<u>40,400</u>	<u>360,365</u>	<u>3,659,245</u>
Operating expenses:					
Operations and maintenance	1,705,325	1,714,711	-	\$ 452,956	3,872,992
Depreciation			35,546	33,153	68,699
Total operating expenses	<u>1,705,325</u>	<u>1,714,711</u>	<u>35,546</u>	<u>486,109</u>	<u>3,941,691</u>
Operating income (loss)	<u>(2,842)</u>	<u>(158,714)</u>	<u>4,854</u>	<u>(125,744)</u>	<u>(282,446)</u>
Nonoperating revenues (expenses)					
Interest revenue	10,283	-	9,826	3,083	23,192
Total nonoperating revenues (expenses)	<u>10,283</u>	<u>-</u>	<u>9,826</u>	<u>3,083</u>	<u>23,192</u>
Income (loss) before transfers	7,441	(158,714)	14,680	(122,661)	(259,254)
Transfers in	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
Change in net assets	7,441	41,286	14,680	(122,661)	(59,254)
Net position at beginning of year	1,487,075	389,685	1,592,463	465,094	3,934,317
Fund position at end of year	<u>\$ 1,494,516</u>	<u>\$ 430,971</u>	<u>\$ 1,607,143</u>	<u>\$ 342,433</u>	<u>\$ 3,875,063</u>

## Combining Statement of Cash Flows Internal Service Funds Year Ended December 31, 2012

	<u>Employee Insurance</u>	<u>Fleet Management</u>	<u>Central Equipment</u>	<u>IT Services</u>	<u>Total</u>
<b>Cash flow from operating activities:</b>					
Cash received from internal customers	\$ 1,702,483	\$ 1,204,990	\$ 40,400	\$ 360,365	\$ 3,308,238
Cash received from external customers		341,885			341,885
Cash paid to suppliers for goods and services	(1,710,037)	(1,180,867)		(296,694)	(3,187,598)
Cash paid to employees		(483,565)			(483,565)
Net cash provided by operating activities	<u>(7,554)</u>	<u>(117,557)</u>	<u>40,400</u>	<u>63,671</u>	<u>(21,040)</u>
<b>Cash flow from noncapital financing activities:</b>					
Transfers from other funds		200,000			200,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets			(117,599)	(136,439)	(254,038)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(117,599)</u>	<u>(136,439)</u>	<u>(254,038)</u>
<b>Cash flows from investing activities</b>					
Interest on investments	10,503		10,019	3,129	23,651
Sale of investments	611,530		549,262	130,363	1,291,155
Purchase of investments	(326,142)		(270,711)	(61,587)	(658,440)
Net cash provided by investing activities	<u>295,891</u>	<u>-</u>	<u>288,570</u>	<u>71,905</u>	<u>656,366</u>
Increase (decrease) in cash and cash equivalents	288,337	82,443	211,371	(863)	581,288
Cash and cash equivalents - January 1	980,467	112,989	900,572	264,773	2,258,801
Cash and cash equivalents - December 31	<u>\$ 1,268,804</u>	<u>\$ 195,432</u>	<u>\$ 1,111,943</u>	<u>\$ 263,910</u>	<u>\$ 2,840,089</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>					
Operating income (loss)	\$ (2,842)	\$ (158,714)	\$ 4,854	\$ (125,744)	\$ (282,446)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation			35,546	33,153	68,699
Changes in assets and liabilities:					
Account receivable		(27,532)			(27,532)
Due from other governmental units		33,810			33,810
Materials and supplies		64,807			64,807
Accounts payable	1,732	(17,814)		156,262	140,180
Accrued wages payable	(6,444)	(12,114)			(18,558)
Net cash provided by operating activities	<u>\$ (7,554)</u>	<u>\$ (117,557)</u>	<u>\$ 40,400</u>	<u>\$ 63,671</u>	<u>\$ (21,040)</u>
<b>Noncash investing, capital, and financing activities:</b>					
Increase (decrease) in fair value of investments	\$ (220)		\$ (193)	\$ (46)	(459)



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**Statement of Changes in Fiduciary Fund Assets and Liabilities**  
**Agency Fund - Jackson Hole Energy Sustainability Project**  
**Year Ended June 30, 2012**

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>ASSETS:</b>				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 102,504</u>	<u>\$ (84,124)</u>	<u>\$ 18,380</u>
<b>LIABILITIES:</b>				
Due to other entities	<u>\$ -</u>	<u>\$ 102,504</u>	<u>\$ (84,124)</u>	<u>\$ 18,380</u>



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## Schedule of Revenues (Sources) and Expenditures (Uses)

### General Fund

### Year Ended June 30, 2012

	FY2008 Actual	FY2009 Actual	FY2010 Actual	FY2011 Actual	2012 Original Budget	2012 Amended Budget	FY2012 Actual	Variance with Final Budget
<b>Revenue and other sources - summary:</b>								
Taxes	\$ 5,371,493	\$ 5,264,194	\$ 4,588,671	\$ 4,670,538	\$ 5,005,932	\$ 5,005,932	\$ 5,226,081	\$ 220,149
Licenses & Permits	890,474	990,406	662,976	613,889	557,600	568,300	717,295	148,995
Intergovernmental Revenue	9,025,769	7,499,374	6,766,204	6,736,498	6,676,533	6,734,433	6,645,415	(89,018)
Charges for Services	24,792	22,405	332,325	320,342	513,500	515,000	523,665	8,665
Fines & Forfeitures	208,049	299,613	183,530	187,181	185,000	185,000	167,281	(17,719)
Miscellaneous Revenue	340,266	130,781	243,135	194,050	135,000	137,925	104,193	(33,732)
Other Financing Sources	-	-	-	37,940	-	-	-	-
Interfund Transfers	535,213	564,008	588,705	741,396	721,160	721,160	737,979	16,819
Total Revenues & Other Sources	16,396,056	14,770,781	13,365,546	13,501,834	13,794,725	13,867,750	14,121,909	254,159
<b>Revenue and other sources - detail:</b>								
Taxes								
Local option sales tax	4,921,587	4,776,445	4,112,968	4,201,202	4,071,132	4,071,132	4,217,347	146,215
Lodging tax							503,878	503,878
Franchise taxes								
Franchise tax - electric	100,607	106,886	113,427	113,732	120,000	120,000	117,584	(2,416)
Franchise tax - gas	92,927	114,776	97,127	93,977	100,000	100,000	107,355	7,355
Franchise tax - cable	123,047	127,895	124,200	121,464	125,000	125,000	128,188	3,188
Franchise tax - trash	103,579	107,164	114,775	106,877	108,000	108,000	126,819	18,819
Franchise tax - phone	27,697	29,383	24,381	30,749	30,000	30,000	23,043	(6,957)
Franchise tax - recycling	2,049	1,645	1,793	1,953	1,800	1,800	1,867	67
Licenses & Permits								
Business licenses	254,569	280,165	299,681	313,828	290,000	290,000	313,089	23,089
Liquor licenses	103,915	103,045	113,147	116,797	100,000	100,000	127,435	27,435
contractor licenses	11,370	10,930	6,325	11,885	4,000	4,000	8,400	4,400
COQ license renewal	4,082	7,700	7,851	5,804	3,000	3,000	6,600	3,600
Building permits	225,551	300,419	127,457	81,997	65,000	65,000	127,353	62,353
Sign permits	535	2,625	5,950	5,800	1,500	1,500	4,250	2,750
Mechanical permits	1,016	4,092	2,113	1,929	900	900	4,003	3,103
Plumbing permits	1,015	10,922	6,310	4,462	1,500	1,500	15,817	14,317
Excavation permits	17,050	-	200	-	-	-	100	100
Electrical permits	24,751	7,597	56	-	-	-	-	-
Development permits/fees	101,961	40,329	34,022	18,700	30,000	30,000	37,450	7,450
Variance permits	1,200	400	-	-	-	-	-	-
Final plat	1,000	-	2,500	-	-	-	-	-
Grading/erosion permits	2,800	19,300	2,400	700	1,000	1,000	700	(300)

continued...

**Schedule of Revenues (Sources) and Expenditures (Uses)**  
**General Fund**  
**Year Ended June 30, 2012** (continued)

	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>2012</b>	<b>2012</b>	<b>FY2012</b>	<b>Variance with</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Original</b>	<b>Amended</b>	<b>Actual</b>	<b>Final</b>
					<b>Budget</b>	<b>Budget</b>		<b>Budget</b>
Demo permits	500	1,400	500	300	-	-	1,000	1,000
Animal licenses	659	807	664	637	700	700	510	(190)
Encroachment fees	98,500	160,675	6,800	1,050	10,000	10,000	9,950	(50)
Rodeo contract fees	40,000	40,000	47,000	50,000	50,000	60,700	60,638	(62)
Intergovernmental Revenue								
State grant - tobacco compliance	4,250	11,965	1,615	5,815	10,000	10,000	3,060	(6,940)
State grant - alcohol compliance	6,460	6,832	7,308	4,375	11,000	11,000	5,865	(5,135)
State grants - police	13,536	2,171	16,075	21,116	32,625	56,625	49,294	(7,331)
DCI grant	23,802	19,671	-	-	-	-	-	-
Other state and federal grants	-	-	89,646	135,533	50,200	84,100	102,679	18,579
4% state sales tax	5,971,715	5,785,371	4,991,727	5,089,608	4,940,953	4,940,953	5,100,747	159,794
Gasoline tax	268,264	262,801	235,729	274,589	242,000	242,000	266,715	24,715
cigarette tax	58,485	54,897	46,477	44,005	46,000	46,000	41,678	(4,322)
Severance tax	393,866	363,545	376,081	361,547	356,687	356,687	351,448	(5,239)
Federal mineral royalties	480,123	471,832	468,269	471,689	479,430	479,430	482,070	2,640
Sales tax replacement	381,759	-	-	-	-	-	-	-
State shared - section 316	620,681	-	-	-	-	-	-	-
State shared - section 328	321,849	-	-	-	-	-	-	-
County reimbursement	180,971	199,317	190,721	164,964	231,342	231,342	116,129	(115,213)
County - split on joint departments	187,204	193,224	191,864	-	150,000	150,000	-	(150,000)
Victim witness grant	112,804	127,748	130,692	133,257	126,296	126,296	125,730	(566)
Charges for Services								
Special police services - airport					450,000	450,000	450,000	-
Special police services - SRO					45,000	45,000	45,000	-
Special police services - other					2,500	4,000	7,478	3,478
Alarm bond income	4,275	650	2,150	925	4,000	4,000	1,925	(2,075)
VIN inspections	5,347	5,283	4,708	4,880	4,500	4,500	4,378	(122)
Plan review fees	10,750	9,500	5,600	7,750	5,000	5,000	13,276	8,276
Cemetery fees	4,420	6,972	2,490	3,331	2,500	2,500	1,608	(892)
Fines & Forfeitures								
Enforcement fines & fees	15,162	19,596	24,658	20,487	20,000	20,000	16,688	(3,312)
Parking tickets	114,297	171,254	80,993	104,701	100,000	100,000	85,668	(14,332)
Summons & complaints	78,590	107,103	74,013	61,148	65,000	65,000	64,925	(75)
Court bonds/forfeitures	-	810	3,866	845	-	-	-	-
Miscellaneous Revenue								
Investment earnings	209,830	93,940	94,805	65,902	75,000	75,000	30,359	(44,641)

continued...

## Schedule of Revenues (Sources) and Expenditures (Uses)

### General Fund

### Year Ended June 30, 2012 (continued)

	FY2008 Actual	FY2009 Actual	FY2010 Actual	FY2011 Actual	2012 Original Budget	2012 Amended Budget	FY2012 Actual	Variance with Final Budget
Animal shelter equipment rentals	5,645	5,588	-	-	-	-	-	-
Parking garage rental			81,181	45,591	20,000	20,000	20,000	-
Public education reimbursement	13,184	-	2,974	1,540	-	-	-	-
Contributions & donations	40,354	1,600	1,863	-	5,000	5,000	-	(5,000)
Miscellaneous revenue	61,837	12,111	62,549	44,695	35,000	37,925	17,134	(20,791)
Cash over/(short)	16	747	(237)	322	-	-	-	-
Other Financing Sources								
Sale of fixed assets	-	-	-	37,940	-	-	-	-
Interfund Transfers								
Indirect cost allocations - utilities	498,686	539,042	520,364	634,930	676,420	676,420	697,240	20,820
Indirect cost allocations - Start bus	28,170	24,966	20,641	19,950	23,740	23,740	23,776	36
Special revenue funds	8,357	-	-	16,516	21,000	21,000	16,963	(4,037)
Capital project funds	-	-	47,700	70,000	-	-	-	-
Total revenues and other sources	<u>16,386,656</u>	<u>14,753,136</u>	<u>13,028,169</u>	<u>13,131,794</u>	<u>13,344,725</u>	<u>13,417,750</u>	<u>14,085,209</u>	<u>667,459</u>
<b>Expenditures and other uses - summary:</b>								
General government	2,876,804	2,700,038	2,617,875	2,388,460	2,494,046	2,634,071	2,573,112	(60,959)
Public safety	5,308,943	5,123,550	5,120,737	4,998,601	5,031,161	5,215,289	4,981,657	(233,632)
Public works	1,937,215	1,841,612	1,726,836	1,572,974	1,727,663	1,835,294	1,716,085	(119,209)
Health & welfare	583,890	587,161	530,687	486,339	503,214	503,214	499,922	(3,292)
Community development	567,169	394,439	348,844	324,625	207,447	219,147	214,330	(4,817)
Recreation and culture	1,457,274	1,348,799	1,218,018	1,087,989	1,113,299	1,113,299	987,292	(126,007)
General unallocated	210,955	108,334	95,539	82,601	105,890	117,990	99,772	(18,218)
Transfers out and other uses	5,201,087	2,438,917	1,612,716	2,069,042	2,577,928	2,545,428	2,545,428	-
Total expenditures and other uses	<u>18,143,337</u>	<u>14,542,850</u>	<u>13,271,252</u>	<u>13,010,631</u>	<u>13,760,648</u>	<u>14,183,732</u>	<u>13,617,598</u>	<u>(566,134)</u>
<b>Expenditures and other uses - divisions:</b>								
General government								
Mayor & town council	231,476	233,876	238,703	241,690	271,816	271,816	266,774	(5,042)
Town attorney	193,545	195,375	266,368	250,281	249,784	292,602	292,298	(304)
Municipal judge	95,893	103,466	107,909	102,920	106,991	108,539	104,675	(3,864)
Administration	253,664	207,523	239,086	216,614	234,695	255,335	239,284	(16,051)
Personnel & town clerk	402,242	382,695	347,635	361,700	342,404	386,441	382,418	(4,023)
Finance	445,260	475,333	450,370	410,212	435,554	441,424	431,884	(9,540)
Information technology	497,269	477,115	322,761	219,839	246,716	252,071	248,640	(3,431)
Planning	585,785	474,990	483,195	452,075	470,989	483,400	473,169	(10,231)

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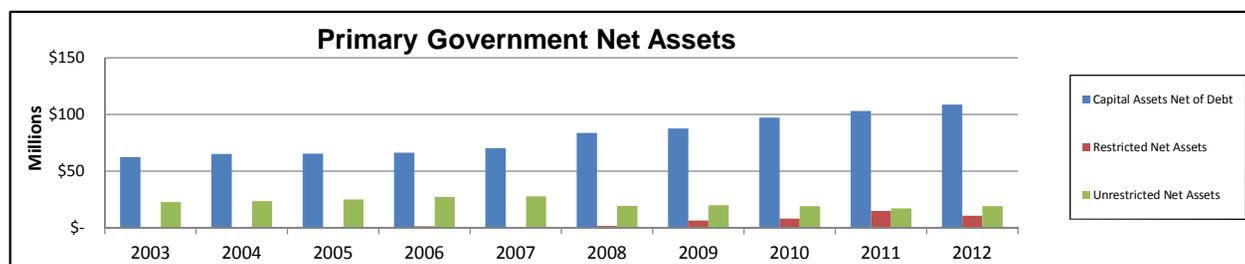
**Schedule of Revenues (Sources) and Expenditures (Uses)**  
**General Fund**  
**Year Ended June 30, 2012** (continued)

	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Actual</b>	<b>FY2011 Actual</b>	<b>2012 Original Budget</b>	<b>2012 Amended Budget</b>	<b>FY2012 Actual</b>	<b>Variance with Final Budget</b>
Planning commission/board of adjust	8,145	588	112	1,042	-	-	-	-
Energy coordinator (county service)	-	30,270	35,405	19,699	-	-	-	-
Town hall building	163,525	118,807	126,331	112,388	135,097	142,443	133,970	(8,473)
Public safety								
Police	3,203,486	-	-	-	-	-	-	-
Police - administration		340,132	353,948	345,141	361,693	370,630	355,481	(15,149)
Police - investigation		508,668	433,843	355,374	429,396	439,079	405,168	(33,911)
Police - patrol		1,786,996	1,884,738	1,884,550	1,949,547	2,066,103	1,964,728	(101,375)
Police - community service		338,306	281,768	279,251	286,820	297,957	289,283	(8,674)
Police - special operations		25,593	10,695	9,587	20,325	48,625	37,273	(11,352)
Fire/EMS (county service)	1,047,017	990,527	985,572	1,150,506	976,982	976,982	941,236	(35,746)
Dispatch (county service)	370,114	428,656	460,579	291,984	285,775	285,775	287,584	1,809
Victim services	169,492	185,312	207,931	201,290	212,634	215,581	203,277	(12,304)
Animal shelter/control	199,804	209,944	194,037	174,900	191,225	193,756	183,215	(10,541)
Building inspections	319,030	309,416	307,626	306,018	316,764	320,801	314,412	(6,389)
Public works								
Streets	1,249,990	1,188,106	1,154,773	1,076,067	1,182,272	1,261,366	1,164,401	(96,965)
Town engineer	459,473	439,783	420,652	336,530	347,429	370,966	358,740	(12,226)
Public works yard operations	134,568	106,446	106,347	111,090	136,862	141,862	134,748	(7,114)
Parking garage operations	22,534	45,157	32,326	31,674	38,600	38,600	34,613	(3,987)
Public restrooms	30,650	17,120	12,738	17,613	22,500	22,500	23,583	1,083
Recycling center & HHWCF	40,000	45,000	-	-	-	-	-	-
Health and welfare								
Social services	583,890	587,161	530,687	486,339	503,214	503,214	499,922	(3,292)
Community development								
Community promotion	567,169	394,439	348,844	324,625	207,447	219,147	214,330	(4,817)
Recreation and culture								
Parks & recreation (county service)	1,276,620	1,206,594	1,076,994	958,793	925,318	925,318	925,913	595
Pathways operations	163,634	122,651	120,358	114,361	164,568	164,568	47,643	(116,925)
Memorial park (cemetery)	17,020	19,554	20,666	14,835	23,413	23,413	13,736	(9,677)
General unallocated								
Town-wide services	191,593	85,109	72,631	59,519	77,390	86,390	69,267	(17,123)
Insurances	19,362	23,225	22,908	23,082	28,500	31,600	30,505	(1,095)
Transfers out and other uses								
Transfers out	5,201,087	2,438,917	1,612,716	2,069,042	2,577,928	2,545,428	2,545,428	-
Total expenditures & other uses	<u>\$ 18,143,337</u>	<u>\$ 14,542,850</u>	<u>\$ 13,271,252</u>	<u>\$ 13,010,631</u>	<u>\$ 13,760,648</u>	<u>\$ 14,183,732</u>	<u>\$ 13,617,598</u>	<u>\$ (566,134)</u>
<b>Revenue over/(under) expenditures</b>	<u>\$ (1,747,281)</u>	<u>\$ 227,931</u>	<u>\$ 94,294</u>	<u>\$ 491,203</u>	<u>\$ 34,077</u>	<u>\$ (315,982)</u>	<u>\$ 504,311</u>	<u>820,293</u>

## Net Position by Component Last Ten Fiscal Years

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 35,962,516	\$ 38,273,356	\$ 38,801,623	\$ 39,850,369	\$ 43,876,416	\$ 56,621,493	\$ 59,591,928	\$ 68,564,888	\$ 71,416,975	\$ 75,155,230
Restricted	49,241	305,410	979,856	1,627,405	1,048,307	1,827,361	6,494,722	8,234,179	14,968,402	10,904,378
Unrestricted	13,334,905	13,913,942	14,660,262	15,685,472	16,032,378	8,701,716	10,096,293	10,360,174	9,654,537	11,816,446
<b>Total governmental net position</b>	<b>\$ 49,346,662</b>	<b>\$ 52,492,708</b>	<b>\$ 54,441,741</b>	<b>\$ 57,163,246</b>	<b>\$ 60,957,101</b>	<b>\$ 67,150,570</b>	<b>\$ 76,182,943</b>	<b>\$ 87,159,241</b>	<b>\$ 96,039,914</b>	<b>\$ 97,876,054</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 26,616,687	\$ 26,894,838	\$ 26,874,345	\$ 26,597,738	\$ 26,501,605	\$ 27,316,665	\$ 28,081,609	\$ 28,691,920	\$ 31,698,375	\$ 33,619,804
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	9,506,709	9,955,359	10,616,756	11,689,953	11,803,246	10,901,750	9,946,124	8,756,112	7,557,834	7,291,106
<b>Total business-type net position</b>	<b>\$ 36,123,396</b>	<b>\$ 36,850,197</b>	<b>\$ 37,491,101</b>	<b>\$ 38,287,691</b>	<b>\$ 38,304,851</b>	<b>\$ 38,218,415</b>	<b>\$ 38,027,733</b>	<b>\$ 37,448,032</b>	<b>\$ 39,256,209</b>	<b>\$ 40,910,910</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 62,579,203	\$ 65,168,194	\$ 65,675,968	\$ 66,448,107	\$ 70,378,021	\$ 83,938,158	\$ 87,673,537	\$ 97,256,808	\$ 103,115,350	\$ 108,775,034
Restricted	49,241	305,410	979,856	1,627,405	1,048,307	1,827,361	6,494,722	8,234,179	14,968,402	10,904,378
Unrestricted	22,841,614	23,869,301	25,277,018	27,375,425	27,835,624	19,603,466	20,042,417	19,116,286	17,212,371	19,107,552
<b>Total primary government net position</b>	<b>\$ 85,470,058</b>	<b>\$ 89,342,905</b>	<b>\$ 91,932,842</b>	<b>\$ 95,450,937</b>	<b>\$ 99,261,952</b>	<b>\$ 105,368,985</b>	<b>\$ 114,210,676</b>	<b>\$ 124,607,273</b>	<b>\$ 135,296,123</b>	<b>\$ 138,786,964</b>



Note: The town implemented GASB 34 for the financial reporting period ending June 30, 2003.

## Changes in Net Position Last Ten Fiscal Years

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
General government	\$ 3,044,764	\$ 3,093,907	\$ 3,440,105	\$ 3,148,272	\$ 3,160,824	\$ 3,203,993	\$ 3,003,909	\$ 2,920,512	\$ 2,664,684	\$ 3,342,700
Public safety	3,531,761	3,574,060	3,830,914	4,345,111	5,556,415	5,510,599	5,268,728	5,174,757	5,123,051	5,222,958
Public works	2,938,396	3,416,536	3,204,796	3,218,403	3,167,186	4,399,793	4,142,743	3,996,195	4,377,783	4,966,166
Transit	1,392,961	1,615,091	1,753,644	2,123,532	2,618,091	3,102,306	3,167,104	3,142,687	3,100,877	3,618,916
Health and welfare	309,123	365,160	407,851	465,926	1,548,727	596,007	594,989	535,072	490,038	504,468
Community development	314,104	407,820	471,795	472,935	563,644	618,939	434,698	376,726	337,094	226,279
Recreation and culture	1,144,812	1,333,739	1,402,333	1,503,689	1,746,321	2,001,727	1,723,113	1,583,738	1,452,482	1,388,666
Interest on long-term debt	143,211	96,412	85,677	87,356	84,465	81,371	76,838	72,170	50,896	
Total governmental activities expenses	12,819,132	13,902,725	14,597,115	15,365,224	18,445,673	19,514,735	18,412,122	17,801,857	17,596,905	19,270,153
Business-type activities										
Water utility	1,193,238	1,380,862	1,315,052	1,387,884	1,486,522	1,226,527	1,253,732	1,271,880	1,232,130	1,279,050
Sewer utility	1,592,010	1,781,203	1,726,630	1,798,989	1,920,157	1,667,979	1,654,881	1,661,537	1,752,203	1,764,479
Total business-type activities expenses	2,785,248	3,162,065	3,041,682	3,186,873	3,406,679	2,894,506	2,908,613	2,933,417	2,984,333	3,043,529
Total primary government expenses	\$ 15,604,380	\$ 17,064,790	\$ 17,638,797	\$ 18,552,097	\$ 21,852,352	\$ 22,409,241	\$ 21,320,735	\$ 20,735,274	\$ 20,581,238	\$ 22,313,682
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 512,370	\$ 689,014	\$ 631,718	\$ 629,232	\$ 694,202	\$ 644,564	\$ 572,075	\$ 556,197	\$ 599,146	\$ 619,015
Public safety	614,243	287,391	360,398	446,813	269,459	555,174	816,569	671,320	603,916	851,165
Public works	141,916	64,569	-	-	-	17,050	-	81,381	45,591	20,100
Transit	216,994	288,083	353,811	475,422	462,620	676,350	701,317	597,600	671,092	682,083
Community development	58,946	72,730	18,378	128,563	73,093	180,237	116,912	80,579	20,749	50,486
Recreation and culture	179,944	202,882	239,723	215,108	242,426	376,469	231,863	294,716	224,836	131,632
Operating grants and contributions	1,278,909	1,601,051	1,478,244	1,667,488	3,273,890	2,072,332	2,042,877	1,944,070	2,084,233	2,276,769
Capital grants and contributions	229,126	965,474	1,143,712	1,691,873	2,536,860	2,170,728	3,257,105	5,365,169	3,358,088	2,376,944
Total governmental activities program revenues	3,232,448	4,171,194	4,225,984	5,254,499	7,552,550	6,692,904	7,738,718	9,591,032	7,607,651	7,008,194
Business-type activities:										
Charges for services:										
Water utility	1,178,455	1,231,322	1,215,638	1,211,759	1,223,758	1,165,971	1,255,643	1,195,369	1,242,499	1,590,161
Sewage utility	1,385,589	1,727,576	1,190,094	1,076,951	1,125,438	1,139,658	1,199,646	1,102,032	1,128,407	1,386,759
Operating grants and contributions	-	-	-	-	-	-	-	29,700	-	-
Capital grants and contributions	39,134	71,552	1,026,999	1,071,392	510,578	516,335	520,387	313,874	2,914,818	2,360,946
Total business-type activities program revenues	2,603,178	3,030,450	3,432,731	3,360,102	2,859,774	2,821,964	2,975,676	2,640,975	5,285,724	5,337,866
Total primary government program revenues	\$ 5,835,626	\$ 7,201,644	\$ 7,658,715	\$ 8,614,601	\$ 10,412,324	\$ 9,514,868	\$ 10,714,394	\$ 12,232,007	\$ 12,893,375	\$ 12,346,060

(continued)

## Changes in Net Position Last Ten Fiscal Years

(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (expense)/revenue										
Governmental activities	\$ (9,586,684)	\$ (9,731,531)	\$ (10,371,131)	\$ (10,110,725)	\$ (10,893,123)	\$ (12,821,831)	\$ (10,673,404)	\$ (8,210,825)	\$ (9,989,254)	\$ (12,261,959)
Business-type activities	(182,070)	(131,615)	391,049	173,229	(546,905)	(72,542)	67,063	(292,442)	2,301,391	2,294,337
Total primary government net expense	<u>\$ (9,768,754)</u>	<u>\$ (9,863,146)</u>	<u>\$ (9,980,082)</u>	<u>\$ (9,937,496)</u>	<u>\$ (11,440,028)</u>	<u>\$ (12,894,373)</u>	<u>\$ (10,606,341)</u>	<u>\$ (8,503,267)</u>	<u>\$ (7,687,863)</u>	<u>\$ (9,967,622)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Local option sales taxes	\$ 3,764,707	\$ 3,866,923	\$ 4,074,087	\$ 4,447,724	\$ 4,673,695	\$ 4,921,587	\$ 4,776,445	\$ 4,112,968	\$ 4,201,202	\$ 4,217,347
Specific purpose excise taxes	252,540	657,359	629,395	911,755	660,694	1,843,785	4,674,158	5,642,600	5,698,739	828,968
Lodging Tax									584	503,878
Franchise taxes	365,824	394,942	387,482	410,338	456,751	449,906	487,749	475,703	468,752	504,856
Unrestricted grants and contributions	5,559,742	5,314,514	6,625,049	6,788,694	7,788,470	9,372,899	8,735,877	7,829,117	7,042,430	7,071,170
Investment earnings	500,099	366,653	341,417	449,338	900,124	659,512	434,807	547,243	407,435	175,402
Other	116,709	182,068	259,863	97,823	137,308	135,648	60,431	67,455	391,295	102,932
Gain on sale of capital assets						1,090,309			29,819	
Transfers	80,641	72,102	2,869	(273,442)	69,936	541,655	536,310	512,037	629,671	693,546
Total governmental activities	<u>10,640,262</u>	<u>10,854,561</u>	<u>12,320,162</u>	<u>12,832,230</u>	<u>14,686,978</u>	<u>19,015,301</u>	<u>19,705,777</u>	<u>19,187,123</u>	<u>18,869,927</u>	<u>14,098,099</u>
Business-type activities										
Investment earnings	361,851	292,031	252,725	349,917	634,002	527,761	278,565	224,778	136,457	53,910
Extraordinary gain-debt extinguishment		638,487								
Transfers	(80,641)	(72,102)	(2,869)	273,442	(69,936)	(541,655)	(536,310)	(512,037)	(629,671)	(693,546)
Total business-type activities	<u>281,210</u>	<u>858,416</u>	<u>249,856</u>	<u>623,359</u>	<u>564,066</u>	<u>(13,894)</u>	<u>(257,745)</u>	<u>(287,259)</u>	<u>(493,214)</u>	<u>(639,636)</u>
Total primary government	<u>\$ 10,921,472</u>	<u>\$ 11,712,977</u>	<u>\$ 12,570,018</u>	<u>\$ 13,455,589</u>	<u>\$ 15,251,044</u>	<u>\$ 19,001,407</u>	<u>\$ 19,448,032</u>	<u>\$ 18,899,864</u>	<u>\$ 18,376,713</u>	<u>\$ 13,458,463</u>
<b>Changes in Net Position</b>										
Governmental activities	\$ 1,053,578	\$ 1,123,030	\$ 1,949,031	\$ 2,721,505	\$ 3,793,855	\$ 6,193,470	\$ 9,032,373	\$ 10,976,298	\$ 8,880,673	\$ 1,836,140
Business-type activities	99,140	726,801	640,905	796,588	17,161	(86,436)	(190,682)	(579,701)	1,808,177	1,654,701
Total primary government	<u>\$ 1,152,718</u>	<u>\$ 1,849,831</u>	<u>\$ 2,589,936</u>	<u>\$ 3,518,093</u>	<u>\$ 3,811,016</u>	<u>\$ 6,107,034</u>	<u>\$ 8,841,691</u>	<u>\$ 10,396,597</u>	<u>\$ 10,688,850</u>	<u>\$ 3,490,841</u>

Note: The city implemented GASB 34 for the financial reporting period ending December 31, 2003.

## Fund Balances of Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Nonspendable	\$ -	\$ -	\$ 61,962	\$ 65,437	\$ 78,709	\$ 7,691	\$ 86,154	\$ 75,093	\$ 73,293	\$ 69,328
Restricted	-	-	-	-	-	8,356	10,366	10,383	23,303	20,643
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	3,436,883	3,436,883	3,388,540	3,892,853	4,646,555	2,970,292	3,109,394	3,214,732	3,694,815	4,205,751
Total general fund	<u>\$ 3,436,883</u>	<u>\$ 3,436,883</u>	<u>\$ 3,450,502</u>	<u>\$ 3,958,290</u>	<u>\$ 4,725,264</u>	<u>\$ 2,986,339</u>	<u>\$ 3,205,914</u>	<u>\$ 3,300,208</u>	<u>\$ 3,791,411</u>	<u>\$ 4,295,722</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,237,186	1,293,114	1,785,940	1,782,147	1,826,600	2,037,561	6,484,356	9,893,479	14,945,099	10,883,735
Committed	-	-	-	-	-	575,000	575,000	575,000	675,000	325,000
Assigned	7,822,886	8,425,797	9,425,292	11,593,399	10,548,992	3,881,887	2,908,612	1,984,491	1,790,680	3,982,793
Unassigned	-	-	-	-	-	(436,937)	-	(551,161)	(39,549)	-
Total all other governmental funds	<u>\$ 10,060,072</u>	<u>\$ 9,718,911</u>	<u>\$ 11,211,232</u>	<u>\$ 13,375,546</u>	<u>\$ 12,375,592</u>	<u>\$ 6,057,511</u>	<u>\$ 9,967,968</u>	<u>\$ 11,901,809</u>	<u>\$ 17,371,230</u>	<u>\$ 15,191,528</u>

Note: The city implemented GASB 34 for the financial reporting period ending December 31, 2003.

## Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
General Taxes	\$ 4,383,072	\$ 4,919,225	\$ 5,090,964	\$ 5,769,817	\$ 5,791,140	\$ 7,215,278	\$ 9,938,352	\$ 10,231,271	\$ 10,369,277	\$ 6,055,049
Special Assessments	126,533									
Licenses and permits	767,820	769,785	804,070	943,777	760,883	1,315,047	1,135,525	835,156	650,406	800,467
Intergovernmental	6,837,730	8,106,313	8,664,130	9,811,232	11,687,943	13,182,488	13,316,969	12,671,205	12,236,185	11,638,830
Charges for services	552,188	568,325	528,242	652,343	702,135	701,142	723,722	929,925	991,434	1,205,748
Fines and forfeitures	282,803	229,735	141,240	137,745	200,012	208,049	299,613	183,530	187,181	167,281
Investment earnings	640,018	366,653	341,417	449,338	900,124	612,140	387,748	451,621	349,196	152,210
Other revenues	217,297	373,565	438,727	279,253	1,420,290	733,365	529,139	617,788	976,170	369,970
Total revenues	13,807,461	15,333,601	16,008,790	18,043,505	21,462,527	23,967,509	26,331,068	25,920,496	25,759,849	20,389,555
<b>Expenditures</b>										
General government	2,469,453	2,330,067	2,348,223	2,499,098	2,851,978	2,970,429	2,784,424	2,783,949	2,482,128	2,709,676
Public Safety	3,329,709	3,402,969	3,784,014	4,256,556	4,920,524	5,314,651	5,143,462	5,155,231	5,022,523	5,001,835
Public Works	1,286,044	1,503,685	1,474,155	1,334,889	1,472,076	1,592,788	1,532,404	1,726,836	1,572,974	1,716,085
Transit	1,266,505	1,431,060	1,513,704	1,841,298	2,247,790	2,662,753	2,638,341	2,425,175	2,374,293	2,692,903
Health and welfare	314,104	407,820	471,795	472,935	367,501	583,890	587,161	530,687	486,339	499,922
Community development	309,123	365,160	407,851	465,926	448,225	607,169	429,439	373,844	334,625	224,330
Culture and recreation	771,158	976,385	1,044,979	1,146,335	2,301,898	1,448,723	1,348,097	1,218,018	1,087,989	987,292
Other	284,090	364,056	359,814	357,883	353,817	256,097	155,274	95,539	82,601	99,772
Capital outlay	2,583,996	5,596,050	3,924,042	5,023,486	7,567,950	15,613,322	6,098,430	10,251,674	5,820,069	9,126,677
Debt service										
Principal	1,437,136	105,000	60,000	60,000	65,000	70,000	70,000	80,000	935,000	-
Interest	119,212	93,969	90,503	88,013	85,253	81,818	77,888	73,445	68,295	-
Other charges	36,854									
Total all other governmental funds	14,207,384	16,576,221	15,479,080	17,546,419	22,682,012	31,201,640	20,864,920	24,714,398	20,266,836	23,058,492
Excess (deficiency) of revenues over (under) expenditures	(399,923)	(1,242,620)	529,710	497,086	(1,219,485)	(7,234,131)	5,466,148	1,206,098	5,493,013	(2,668,937)
<b>Other financing sources (uses)</b>										
Transfers in	4,698,913	3,671,176	3,853,468	5,650,062	9,842,982	6,715,599	3,871,745	7,176,421	3,906,470	5,321,124
Transfers out	(4,236,464)	(3,190,202)	(3,392,683)	(5,419,482)	(9,245,643)	(7,546,830)	(5,226,969)	(6,354,384)	(3,476,799)	(4,827,578)
Sale of capital assets		509,295	515,445	1,679,052	4,050	-	27,464	-	37,940	-
Total other financing sources (uses)	462,449	990,269	976,230	1,909,632	601,389	(831,231)	(1,327,760)	822,037	467,611	493,546
Net change in fund balances	\$ 62,526	\$ (252,351)	\$ 1,505,940	\$ 2,406,718	\$ (618,096)	\$ (8,065,362)	\$ 4,138,388	\$ 2,028,135	\$ 5,960,624	\$ (2,175,391)
Debt service as % of noncapital expenditures	13.4%	1.8%	1.3%	1.2%	1.0%	1.0%	1.0%	1.1%	6.9%	0.0%

Note: The city implemented GASB 34 for the financial reporting period ending December 31, 2003.

## Tax Revenues by Source Last Ten Fiscal Years

(modified accrual basis of accounting)

Year	1% Local Sales and Use Tax (1)	Franchise Tax (2)	Specific Purpose Excise Tax (3)	Lodging Tax (4)	Property Tax (5)	Total	Unrealized Property Tax Revenue (6)
2003	\$ 3,764,707	\$ 365,824	\$ 252,540	\$ -	\$ -	\$ 4,383,071	\$ 1,251,822
2004	3,866,923	394,492	657,358	-	-	4,918,773	1,371,743
2005	4,074,087	387,482	629,395	-	-	5,090,964	1,527,322
2006	4,447,724	410,338	911,755	-	-	5,769,817	1,705,159
2007	4,673,695	456,751	660,694	-	-	5,791,140	2,228,102
2008	4,921,587	449,906	1,843,785	-	-	7,215,278	2,228,102
2009	4,776,445	487,749	4,674,158	-	-	9,938,352	2,325,856
2010	4,112,968	475,703	5,642,600	-	-	10,231,271	2,004,180
2011	4,201,202	468,752	5,335,203	584	-	10,005,741	1,877,111
2012	4,217,347	504,856	828,968	503,878	-	6,055,049	1,690,931
Change 2003-2012	12.0%	38.0%	228.3%	---	---	38.1%	35.1%

- Notes:
- (1) The local option sales and use tax is divided between the General and Capital Projects funds.
  - (2) Franchise fees are 5% of gross revenues for gas, electric, cable, telephone, and trash collection.
  - (3) Specific Purpose Excise Taxes are restricted to specific voter approved projects.
  - (4) The lodging tax consists of 10% general use revenue and 30% visitor impact revenue.
  - (5) The town does not levy property taxes.
  - (6) The property tax revenue that could be raised by levying 8 mills on the town's assessed valuation.

Source: Administration and Finance

## Unrestricted State Intergovernmental Revenues Last Ten Fiscal Years

(modified accrual basis of accounting)

Year	4% Sales & Use Tax (1)	Gasoline Tax (2)	Cigarette Tax (3)	Severance Tax (4)	Mineral Royalties	Backfill, Over-the-cap etc.	Total
2003	\$ 4,395,097	\$ 260,063	\$ 58,680	\$ 389,476	\$ 456,426	\$ -	\$ 5,559,742
2004	4,521,981	283,056	51,230	376,982	451,692	-	5,684,941
2005	4,620,406	260,803	58,702	386,294	473,076	-	5,799,281
2006	5,404,858	272,783	59,752	403,516	479,422	-	6,620,331
2007	5,667,962	236,364	59,788	413,112	479,818	1,183,979	8,041,023
2008	5,971,715	268,263	58,465	393,865	480,123	1,632,856	8,805,287
2009	5,785,371	262,801	54,897	363,545	471,832	1,397,433	8,335,879
2010	4,991,727	235,729	46,477	376,081	468,269	1,328,249	7,446,532
2011	5,089,608	274,589	44,005	361,547	471,689	636,028	6,877,466
2012	5,100,747	266,715	41,678	351,448	482,070	712,383	6,955,041
Change 2003-2012	16.1%	2.6%	-29.0%	-9.8%	5.6%	---	25.1%

- Notes: (1) As of June 30, 2004, the 4% state sales and use tax is distributed 69% to the state and 31% to cities, towns and counties proportionately to population.  
(2) The gasoline tax is distributed 57.5% to the state, 13.5% and 14% to counties, and 15% to cities and towns. City and town distributions are based 75% on proportionate sales in cities and towns and 25% on proportionate populations for the same.  
(3) The cigarette tax is distributed 33 1/3% to incorporated cities, towns, and counties proportionately to sales derived in each. The remaining 66 2/3% is distributed 38 1/4% to the state's general fund and the remaining 61 3/4% is distributed in the preceding manner.  
(4) The severance tax distribution to cities and towns is 9.25% of the total in the state severance tax distribution tax account (up to \$155,000,000) in proportion to population.

Source: Administration and Finance

## Direct and Overlapping Governmental Activities Debt As of June 30, 2012

(Unaudited)

Teton County assessed valuation	1,130,998,383
Town of Jackson assessed valuation	211,366,434
Town of Jackson percent of total	18.7%

	Total Debt 6/30/2012 (1)	Percent Applicable	Town's Share of Debt 6/30/2012 (2)
<u>Direct and overlapping debt governmental activity debt</u>			
Teton County	\$ 4,825,000	18.7%	\$ 901,719
Town of Jackson	-	100.0%	-
St. John's Hospital	-	18.7%	-
Total direct and overlapping governmental activities debt	<u>\$ 4,825,000</u>		<u>\$ 901,719</u>

Ratio to assessed valuations

Direct debt	0.00%
Total direct and overlapping debt	0.43%

Notes: (1) Excludes enterprise revenue debt, specific purpose excise tax supported debt and capital lease obligations.

(2) Overlapping governments are those that coincide, at least in part, with geographic boundaries of the town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire burden borne by residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, therefore responsible for repaying the debt, of each overlapping government.

Source: Administration and Finance  
Teton County  
Teton County School District  
St. John's Hospital

## Schedule of Revenue Bond Coverage

### Water Fund

(Unaudited)

Year	Gross Revenues (1)	Operating Expenses(2)	Net Revenue Available for Debt Service	Debt Service Requirements(3)			Coverage
				Principal	Interest	Total	
2003	\$ 1,404,053	\$ 818,277	\$ 585,776	\$ 22,680	\$ 35,855	\$ 58,535	10
2004	1,370,173	984,842	385,331	23,737	34,830	58,567	7
2005	1,331,884	921,562	410,322	24,848	33,719	58,567	7
2006	1,437,891	987,579	450,312	26,012	32,555	58,567	8
2007	1,508,357	1,367,030	141,327	27,236	31,331	58,567	2
2008	1,399,798	1,112,365	287,433	28,523	30,044	58,567	5
2009	1,384,494	1,134,890	249,604	22,902	18,343	41,245	6
2010	1,306,456	1,126,120	180,336	23,818	17,427	41,245	4
2011	1,316,855	1,101,379	215,476	24,771	16,474	41,245	5
2012	1,616,785	1,204,220	412,565	25,762	15,484	41,246	10

Notes: (1) Total revenues including interest.

(2) Total operating expenses excluding depreciation.

(3) Excludes note payable for water storage facilities, which at fiscal year end had not been fully drawn against.

Source: Administration and Finance

## Ratios of Outstanding Debt by Type Last Ten Fiscal Years

(modified accrual basis of accounting)

Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	General Obligation Bonds	Revenue Bonds	Notes Payable (1)	Sewage Notes	Water Notes	Capital Leases			
2003	\$ -	\$ -	\$ 1,434,537	\$ -	\$ 776,034	\$ -	\$ 2,210,571	0.14%	\$ 248
2004	-	1,340,000	-	-	707,938	-	2,047,938	0.12%	225
2005	-	1,280,000	-	-	683,091	-	1,963,091	0.10%	214
2006	-	1,220,000	-	-	657,079	-	1,877,079	0.09%	200
2007	-	1,155,000	-	-	629,843	-	1,784,843	0.07%	185
2008	-	1,085,000	-	-	458,576	-	1,543,576	0.05%	157
2009	-	1,015,000	-	-	435,674	-	1,450,674	0.05%	146
2010	-	935,000	-	-	411,856	-	1,346,856	0.06%	141
2011	-	-	-	-	419,974	-	419,974	0.02%	43
2012	-	500,000	-	-	1,476,423	-	1,976,423	n/a	204

Notes: (1) Wyoming Farm Loan Board Loan promissory note on the ice arena was refinanced with revenue bonds.  
(2) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Source: Administration and Finance

## Legal Debt Margin Information Last Ten Fiscal Years

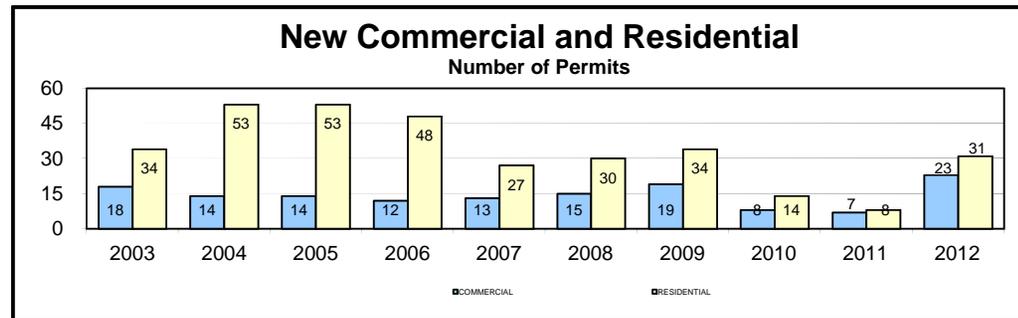
(Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Assessed market value	\$ 148,163,404	\$ 156,477,759	\$ 171,467,873	\$ 190,915,199	\$ 213,144,860	\$ 278,512,754	\$ 290,732,029	\$ 253,080,760	\$ 253,080,760	\$ 211,366,434
Total debt	\$ 2,166,223	\$ 2,047,938	\$ 1,963,091	\$ 1,877,079	\$ 1,784,843	\$ 1,543,576	\$ 1,450,674	\$ 1,346,856	\$ 1,346,856	\$ 411,856
Deductions:										
Debt -										
Notes payable - water fund	731,676	707,938	683,091	657,079	629,843	458,576	435,674	411,856	411,856	1,476,423
Notes payable - arena	1,434,547									
Revenue bonds		1,340,000	1,280,000	1,220,000	1,155,000	1,085,000	1,015,000	935,000	935,000	
Debt service funds:										
Cash, securities, and restricted cash							-	-	-	-
Less amount applicable to excluded bonds							-	-	-	-
Total net debt applicable to debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt limit is 4% of assessed value	\$ 5,926,536	\$ 6,259,110	\$ 6,858,715	\$ 7,636,608	\$ 8,525,794	\$ 11,140,510	\$ 11,629,281	\$ 10,123,230	\$ 10,123,230	\$ 8,454,657
Legal Debt Margin	\$ 5,926,536	\$ 6,259,110	\$ 6,858,715	\$ 7,636,608	\$ 8,525,794	\$ 11,140,510	\$ 11,629,281	\$ 10,123,230	\$ 10,123,230	\$ 8,454,657
Total net debt applicable to limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

# Construction and Bank Deposits Last Ten Years

(Unaudited)

Year	BUILDING PERMITS				Bank Deposits	
	New Commercial	New Residential	All Other	Total	Total	Percent of Change
2003	18	34	130	182	\$ 761,000,000	9.7%
2004	14	53	120	187	858,000,000	12.7%
2005	14	53	138	205	993,000,000	15.7%
2006	12	48	99	159	1,160,000,000	16.8%
2007	13	27	80	120	1,350,000,000	16.4%
2008	15	30	86	131	1,435,000,000	6.3%
2009	19	34	70	123	1,460,300,000	1.8%
2010	8	14	83	105	1,451,200,000	-0.6%
2011	7	8	80	95	1,395,508,000	-3.8%
2012	23	31	72	126	1,461,341,000	4.7%

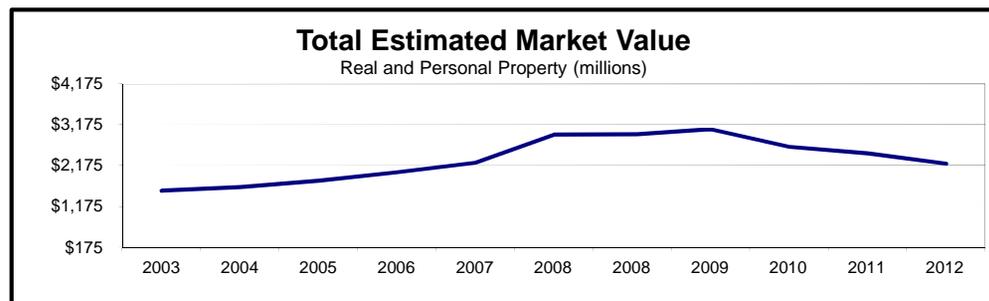


Source: Building Official, FDIC

## Tax Capacity and Estimated Market Value of all Taxable Property Last Ten Fiscal Years

(Unaudited)

Year	Real Property		Personal Property		Total		% of Market Value
	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value	
2003	\$ 142,167,201	\$ 1,496,496,853	\$ 5,996,203	\$ 63,117,926	\$ 148,163,404	\$ 1,559,614,779	9.5%
2004	149,996,349	1,578,908,937	6,481,410	68,225,368	156,477,759	1,647,134,305	9.5%
2005	164,621,369	1,732,856,516	6,846,504	72,068,463	171,467,873	1,804,924,979	9.5%
2006	183,761,885	1,934,335,632	7,153,314	75,298,042	190,915,199	2,009,633,674	9.5%
2007	206,198,880	2,170,514,526	6,945,980	73,115,579	213,144,860	2,243,630,105	9.5%
2008	272,195,947	2,865,220,495	6,316,807	66,492,705	278,512,754	2,931,713,200	9.5%
2008	272,195,947	2,865,220,495	6,316,807	66,492,705	278,512,754	2,931,713,200	9.5%
2009	284,362,340	2,993,287,789	6,369,689	67,049,358	290,732,029	3,060,337,147	9.5%
2010	244,243,907	2,570,988,495	6,278,622	66,090,758	250,522,529	2,637,079,253	9.5%
2011	228,266,880	2,402,809,263	6,371,975	67,073,421	234,638,855	2,469,882,684	9.5%
2012	205,405,333	2,162,161,400	5,961,101	62,748,432	211,366,434	2,224,909,832	9.5%



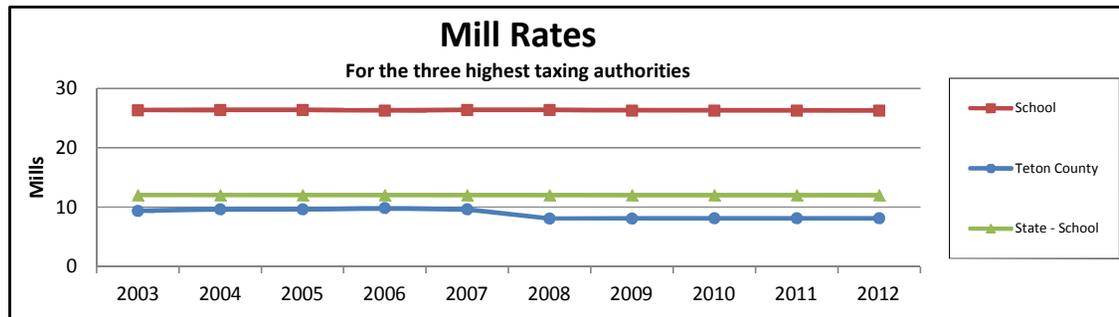
Note: The Town of Jackson does not levy a property tax. State statutes gives the town authority to levy taxes up to 8 mills (.008) on assessed valuation.

Source: County Assessor

## Property Tax Rates - All Direct and Overlapping Governments Last Ten Fiscal Years

(Unaudited)

Year	Mill Rates							Total
	Town	School District	Teton County	State - School	County School	Hospital	Other	
2003	0.00	26.35	9.36	12.00	6.00	3.00	1.73	58.44
2004	0.00	26.40	9.64	12.00	6.00	3.00	1.65	58.69
2005	0.00	26.40	9.62	12.00	6.00	3.00	1.67	58.69
2006	0.00	26.30	9.82	12.00	6.00	3.00	1.57	58.69
2007	0.00	26.40	9.60	12.00	6.00	3.00	1.99	58.99
2008	0.00	26.40	8.07	12.00	6.00	3.00	1.45	56.92
2009	0.00	26.30	8.07	12.00	6.00	3.00	1.45	56.82
2010	0.00	26.30	8.10	12.00	6.00	3.00	1.45	56.85
2011	0.00	26.30	8.10	12.00	6.00	3.00	1.45	56.85
2012	0.00	26.30	8.10	12.00	6.00	3.00	1.70	57.09



Notes: The Town does not levy any mills for property taxes. It has statutory authorization to levy a maximum of 8 mills.

## Taxable Sales by Major Business Class, Teton County Last Ten Years

(Unaudited)

Category	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Ag., forestry, etc	\$ 2,360,975	\$ 1,605,350	\$ 905,725	\$ 418,625	\$ 450,700	\$ 371,150	\$ 333,125	\$ 265,175	\$ 279,650	\$ 300,625
Mining	814,800	1,007,050	1,690,850	977,275	1,626,125	1,604,200	2,280,375	1,123,250	702,575	1,105,150
Utilities	-	-	26,548,650	29,704,900	30,521,950	35,243,000	31,445,050	34,759,250	33,388,650	34,269,825
Construction	11,230,225	9,950,475	9,314,000	10,668,725	15,437,100	16,788,025	18,977,400	13,243,300	8,937,000	7,029,700
Manufacturing	23,715,050	10,079,600	13,384,200	14,807,125	14,553,675	13,154,075	14,481,475	9,580,600	9,565,975	9,491,325
Transport & comm.	40,682,000	55,317,200	-	-	-	-	-	-	-	-
Wholesale trade	39,374,450	31,830,325	28,658,350	26,755,600	38,882,750	45,502,650	41,921,325	30,866,050	37,226,050	41,635,600
Retail trade	376,799,125	405,649,950	328,649,150	357,201,600	349,615,475	352,245,825	323,386,950	290,959,200	292,983,175	312,290,500
Transportation/warehse	-	-	3,118,800	3,827,950	3,498,850	3,998,450	3,792,750	5,168,225	4,455,200	3,782,150
Information	-	-	24,021,150	24,313,375	21,335,475	20,185,350	24,439,650	26,264,050	27,789,575	18,906,775
Finance/Ins./real estate	3,231,775	6,782,950	-	-	-	-	-	-	-	688,525
Services	216,160,550	213,006,900	-	-	-	-	-	-	-	-
Government	25,893,475	25,890,125	-	-	-	-	-	-	-	-
Finance and insurance	-	-	219,400	818,025	257,225	311,925	435,100	382,575	306,750	-
Real estate, rental & lease	-	-	44,363,150	50,599,750	60,633,125	61,324,525	59,994,425	52,299,850	53,030,350	44,337,225
Professional & technical	-	-	10,781,400	12,023,825	10,729,650	10,731,925	10,168,700	9,363,050	8,572,725	7,597,275
Management	-	-	-	-	-	-	-	-	-	2,712,875
Admin., support & waste	-	-	2,085,425	3,002,750	2,826,600	2,644,900	3,409,625	2,460,100	2,159,750	-
Educational services	-	-	65,475	89,975	25,200	59,400	17,875	33,000	51,425	1,057,700
Health and social assist	-	-	111,675	144,075	(208,125)	36,100	38,200	38,725	74,575	21,400
Arts, entertainment, & rec	-	-	7,605,300	9,084,325	8,962,875	14,187,650	13,782,225	11,537,325	14,102,400	7,121,700
Accommodations	-	-	258,948,625	287,535,875	302,652,775	337,130,700	326,127,600	296,270,200	301,523,200	317,216,400
Other services	-	-	20,711,300	23,668,625	26,216,800	27,920,700	26,909,375	23,454,975	22,100,450	21,820,875
Public administration	-	-	27,582,825	28,061,150	30,018,950	29,117,000	19,335,125	16,448,325	18,117,750	23,596,600
	<u>\$ 740,262,425</u>	<u>\$ 761,119,925</u>	<u>\$ 808,765,450</u>	<u>\$ 883,703,550</u>	<u>\$ 918,037,175</u>	<u>\$ 972,557,550</u>	<u>\$ 921,276,350</u>	<u>\$ 824,517,225</u>	<u>\$ 835,367,225</u>	<u>\$ 854,982,225</u>

Note: Sales are derived by dividing sales tax collections by the 4% sales tax rate in each industry classification (SIC coding for 2005-2009 and NAICS coding for 2002-2004).

Source: Wyoming Department of Revenue

## Principal Employers Current Year and Seven Years Ago

(Unaudited)

Employer	2012		Percentage of Total Employment	2006		Percentage of Total Employment
	Employees	Rank		Employees	Rank	
Teton County School Dist.	482	1	3.33%	286	2	1.88%
St. John's Hospital	374	2	2.59%	367	1	2.41%
Teton County	255	3	1.76%	280	3	1.84%
Snow King Resort	190	4	1.31%	195	4	1.28%
Town Square Inns	125	5	0.86%			
The Wort Hotel	120	6	0.83%	125	7	0.82%
Town of Jackson	122	7	0.84%	116	8	0.76%
Smith Food and Drug	125	8	0.86%	90	9	0.59%
K Mart Corporation	88	9	0.61%	85	10	0.56%
Albertsons Food Center	110	10	0.76%	190	5	1.25%
Shaw Construction				137	6	0.90%
	<u>1,991</u>		<u>13.72%</u>	<u>1,871</u>		<u>12.27%</u>

Source: Administration and Finance

Note: The city implemented GASB 34 for the financial reporting period ending December 31, 2003. The data, produced by survey, varies by the respondent providing the information. Data is only available for the last seven years.

## Demographic and Economic Statistics Last Ten Years

(Unaudited)

<u>Year</u>	<u>Pop- ulation (1)</u>	<u>Unemploy- ment rate (2)</u>	<u>School Enrollment (3)</u>	<u>Personal Income (4) (thousands)</u>	<u>Per Capita Personal Income (5)</u>	<u>Education Level in Years of Formal Schooling</u>	<u>Median Age</u>
2003	8,918	3.0%	2,248	\$ 1,566,176	\$ 60,974	n/a	n/a
2004	9,085	2.9%	2,296	1,696,737	64,615	n/a	n/a
2005	9,176	2.7%	2,270	1,956,375	72,655	n/a	n/a
2006	9,378	2.5%	2,265	2,168,757	79,019	n/a	n/a
2007	9,638	2.4%	2,219	2,670,198	94,407	n/a	n/a
2008	9,861	1.9%	2,270	2,807,180	95,469	n/a	n/a
2009	9,915	6.4%	2,294	2,761,064	90,187	n/a	n/a
2010	9,577	6.2%	2,317	2,170,525	69,406	n/a	31.9
2011	9,656	5.2%	2,456	2,268,465	72,065	n/a	n/a
2012	9,710	5.1%	2,449	n/a	n/a	n/a	n/a

Sources: (1) State of Wyoming

(2) Wyoming Department of Employment

(3) Wyoming Department of Education

(4) &amp; (5) U. S. Department of Commerce - Bureau of Economic Analysis releases county statistical area data 15 months after year end.

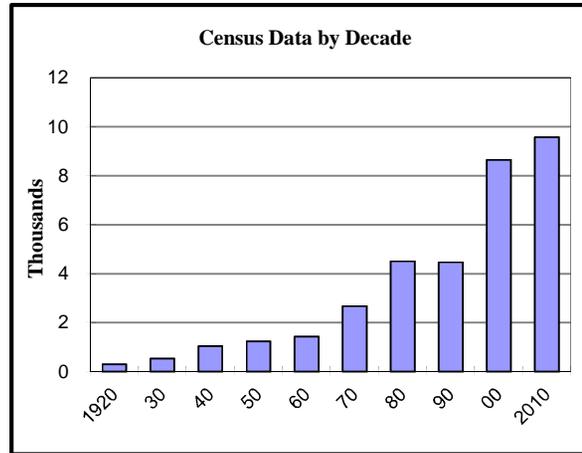
# Demographic Statistics

## U.S. Census Data

(Unaudited)

Population Changes:

1920	307
1930	533
1940	1,046
1950	1,244
1960	1,437
1970	2,688
1980	4,511
1990	4,472
2000	8,647
2010	9,577



Age Characteristics:	2000		2010	
	Total	% Total	Total	% Total
Under 5 years	469	5%	624	7%
5-9 years	424	4%	469	5%
10-14 years	437	5%	390	4%
15-19 years	465	5%	384	4%
20-24 years	1,005	10%	969	10%
25-34 years	2,226	23%	2,602	27%
35-44 years	1,550	16%	1,584	17%
45-54 years	1,091	11%	1,197	12%
55-59 years	296	3%	441	5%
60-64 years	183	2%	327	3%
65-74 years	262	3%	339	4%
75-84 years	153	2%	161	2%
85 years and older	86	1%	90	1%
<b>Total</b>	<b>8,647</b>	<b>100%</b>	<b>9,577</b>	<b>100%</b>

Population Characteristic:	1990	% Total	2000	% Total	2010	% Total
Under 20	1,094	24%	1,795	21%	1,867	19%
20 and over	3,378	76%	6,852	79%	7,710	81%
	4,472	100%	8,647	100%	9,577	100%

Miscellaneous:	1990	2000	2010
Median Age:	32.0 years	30.8 years	31.9 years
Household size:	2.33 people	2.35 people	2.42 people
Number of households:	1,884 units	3,631 units	3,964 units

Source: U.S. Census Bureau

## Full-time Equivalent Employees by Function/Program Last Ten Fiscal Years

(Unaudited)

Function	Full-time Equivalent Employees as of June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Government:</b>										
Town Attorney	2.00	2.00	1.00	1.00	1.30	1.30	1.30	1.30	1.50	2.00
Municipal Judge	0.83	0.50	0.50	0.50	1.50	1.50	1.00	1.00	1.00	1.00
Administration	3.00	3.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Town Clerk/Personnel	3.00	3.00	3.00	3.00	3.00	3.00	3.50	3.00	2.80	2.80
Finance	7.50	7.10	6.30	4.30	4.40	4.40	4.50	4.25	4.00	3.80
Planning	6.00	5.00	5.00	5.00	4.70	4.70	4.70	4.70	4.30	4.00
Information Technology	0.00	0.00	0.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
Town Hall Building	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Public Safety:</b>										
Police	30.25	30.75	29.25	27.33	28.42	30.42	29.50	28.00	28.25	30.25
Building Inspection	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Victim Witness	0.00	0.00	2.50	2.50	2.50	2.50	2.00	2.50	2.50	2.50
Animal Shelter	2.28	2.17	2.17	2.17	2.47	2.75	2.75	2.75	2.55	2.55
<b>Public Works</b>										
Streets	8.50	8.50	8.50	8.50	9.42	9.89	8.50	7.58	7.58	8.00
Town Engineer	3.50	3.00	3.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Water O&M	3.50	4.00	4.00	4.00	4.00	4.00	4.00	3.50	3.25	3.25
Water Billing & Accounting	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Sewer Plant Operation	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.50	3.50	4.50
Sewer O&M	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25
Sewer Billing & Accounting	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Fleet Management	5.00	5.00	5.00	5.00	6.00	6.00	6.00	5.60	5.60	5.60
<b>Transit</b>										
Start Bus	24.42	25.45	25.37	29.47	29.20	31.20	33.07	33.26	32.00	36.50
<b>Culture &amp; Recreation:</b>										
Pathways Operations	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total Full-Time Equivalents</b>	<b>112.77</b>	<b>113.47</b>	<b>111.59</b>	<b>115.77</b>	<b>119.90</b>	<b>124.65</b>	<b>122.82</b>	<b>117.44</b>	<b>114.58</b>	<b>122.50</b>

Source: Administration and Finance

## Operating Indicators by Function Last Ten Fiscal Years

(Unaudited)

Function	Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Special events	na	na	52	50	48	63	61	59	62	63
Police										
Total arrests	579	652	721	675	603	678	812	582	533	419
Total part 1 offenses	99	47	65	80	90	63	63	61	42	277
DUI arrests	128	137	242	125	99	203	218	86	79	103
UCR Incidents reported	291	375	213	na	406	365	459	345	276	464
Fire/EMS										
Medical calls	933	815	848	979	1,139	1,068	1,022	946	1,004	1,099
Fire calls	58	39	30	57	32	48	57	56	69	46
Hazardous materials calls	21	40	35	43	27	38	30	26	32	40
Service calls	31	42	58	23	30	56	30	19	28	29
False alarms	77	54	82	107	42	118	75	68	73	61
Water Utility										
Annual Tap water billed (millions)	593	859	683	893	934	869	896	784	813	874
Number of water meters billed	2,953	3,064	3,211	3,347	3,472	3,526	3,562	3,601	3,633	3,639
Transit										
Revenue miles	347,379	431,627	441,945	475,857	519,536	605,118	606,359	557,440	599,180	709,069
Passengers	342,030	400,270	505,832	589,369	650,052	811,807	870,416	782,521	831,602	852,927
Accidents	3	11	7	6	12	8	12	3	5	7
Accidents/100,000 miles	0.80	2.55	1.58	1.26	2.31	1.32	1.98	0.51	0.83	0.99

Source: Various town departments

Note: The city implemented GASB 34 for the financial reporting period ending December 31, 2003.

# Capital Assets Statistics by Function

## Last Seven Fiscal Years

(Unaudited)

Function	Year Ending June 30,						
	2006	2007	2008	2009	2010	2011	2012
General government							
Town halls	1	1	1	1	1	1	1
Public safety							
Stations	1	1	1	1	1	1	1
Streets							
Street (miles)	33.8	33.8	33.8	33.8	33.8	33.8	34.0
Paved alleyways	0.8	0.8	0.8	0.8	0.8	0.8	0.9
Gravel alleyways	4.3	4.3	4.3	4.3	4.3	4.3	4.2
Parking garages			1	1	1	1	1
Recreation and culture							
Parks	12	12	12	12	12	12	12
Indoor ice arenas	1	1	1	1	1	1	1
Aquatics center	1	1	1	1	1	1	1
Water utility							
Well pump stations	7	7	7	7	7	7	7
Water mains (miles)	64.0	64.0	64.0	64.0	64.0	64.0	64.0
Water tanks	3	3	3	3	3	3	3
Fire hydrants	433	433	433	433	433	433	435
Sewage utility							
Sanitary sewers (miles)	57.1	57.1	57.1	57.1	57.1	57.1	57.2
Maximum daily treatment capacity (thousands of gallons)	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Lift stations	5	5	5	5	5	5	5
Manholes	1,203	1,203	1,203	1,203	1,203	1,203	1,203

Note: Records prior to 2006 were unavailable.

Source: Various town departments



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## Thompson, Palmer & Associates, PC

CERTIFIED PUBLIC ACCOUNTANTS  
PO BOX 4158  
JACKSON, WY 83001

275 E Broadway  
Tel: (307) 733-5160  
Fax: (307) 733-1415

### Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable Mayor and Members of the Town Council of  
Jackson, Wyoming:

We have audited the basic financial statements of Town of Jackson, Wyoming, as of and for the year ended June 30, 2012 and have issued our report thereon dated November 30, 2012. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether Town of Jackson, Wyoming's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have direct or 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 that are required to be reported under Government Auditing Standards. However, we noted certain matters that we reported to management of the Town of Jackson, Wyoming in a separate letter dated November 30, 2012.

#### Internal control over financial reporting

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

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.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Town Council, Administration, Wyoming Department of Audit and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



Thompson, Palmer and Associates, PC

November 30, 2012

## Thompson, Palmer & Associates, PC

CERTIFIED PUBLIC ACCOUNTANTS  
PO BOX 4158  
JACKSON, WY 83001

275 E Broadway  
Tel: (307) 733-5160  
Fax: (307) 733-1415

### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Mayor and Members of the Town Council of Jackson, Wyoming:

#### Compliance

We have audited the Town of Jackson, Wyoming's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Jackson's major federal programs for the year ended June 30, 2012. The Town of Jackson's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town of Jackson's management. Our responsibility is to express an opinion on the Town of Jackson'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 Town of Jackson'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 the Town of Jackson, Wyoming's compliance with those requirements.

In our opinion, the Town of Jackson, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

#### Internal control over compliance

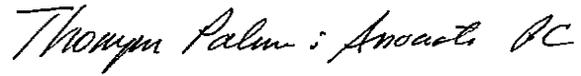
Management of the Town of Jackson is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Jackson, Wyoming's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Jackson's internal control over compliance.

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

November 30, 2012

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

This report is intended solely for the information and use of management, Town Council, others within the entity, 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.

A handwritten signature in cursive script that reads "Thompson Palmer & Associates, PC".

Thompson, Palmer and Associates, PC

TOWN OF JACKSON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012

SUMMARY OF AUDIT RESULTS

1. The auditor's report issued an unqualified opinion on the basic financial statements on the Town of Jackson, as of June 30, 2012.
2. The audit disclosed no items considered a reportable condition in internal controls.
3. The audit disclosed no instances of noncompliance that were material to the financial statements taken as a whole.
4. The auditor's report on compliance for the major federal award programs for the Town of Jackson expresses an unqualified opinion on all major federal programs.
5. The audit did not disclose any audit findings relating to major programs which are required to be reported.
6. The programs tested as major programs were:
  - US Department of Transportation – Federal Highway Administration – Wyoming Department of Transportation – Rural Public Transit Program CFDA # 20.509
  - US Department of Transportation-Federal Highway Administration – Wyoming Department of Transportation – Rural Public Transit Program Capital Investment Program CFDA # 20.500
  - US Department of Transportation – Federal Highway Administration - Wyoming Department of Transportation National Scenic Byways Grant CFDA # 20.205
  - US Department of Energy – Wyoming Business Council State Energy Office – Facility Energy and Efficiency Grant – Building Retrofit Grant #1 CFDA # 81.041
7. The threshold for distinguishing Types A and B programs was \$300,000.
8. The Town of Jackson was considered to be a low risk auditee.

TOWN OF JACKSON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2012

<u>GRANTOR/GRANT TITLE</u>	<u>CFDA NUMBER</u>	<u>TOTAL AWARD AMOUNT</u>	<u>EXPENDITURES</u>
<b>GENERAL FUND</b>			
US Department of Justice passed through the Wyoming Division of Victim Services			
VOCA Program	16.575	\$ 113,983	\$ 53,051
VAWA Program	16.588	39,283	18,274
US Department of Justice ARRA - COPS Hiring Program	16.710	191,740	60,278
US Department of Justice passed through the Wyoming Association of Sheriffs & Chiefs			
Enforcing Underage Drinking	16.727	21,375	20,002
Enforcing Underage Drinking	16.727	13,276	1,150
US Department of Justice Bureau of Justice Assistance			
Justice Assistance Grant FY2010	16.738	18,199	18,199
Justice Assistance Grant FY2011	16.738	11,568	11,568
National Highway Transportation Safety Administration passed through the Wyoming Association of Sheriffs & Chiefs			
Selective Traffic Enforcement Program - Non DUI	20.600	9,600	4,075
Selective Traffic Enforcement Program - DUI	20.601	10,000	4,900
Selective Traffic Enforcement Program - Non DUI	20.600	6,600	3,600
Selective Traffic Enforcement Program - DUI	20.601	12,000	4,000
Selective Traffic Enforcement Program - Camera	20.607	5,000	-
US Department of Homeland Security passed through Wyoming Office of Homeland Security			
Law Enforcement & Terrorism Prevention	97.067	20,309	19,528
Law Enforcement & Terrorism Prevention	97.067	21,106	4,674
Total General Fund		<u>\$ 494,039</u>	<u>\$ 223,299</u>

(continued)

TOWN OF JACKSON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2012

<u>GRANTOR/GRANT TITLE</u>	<u>CFDA NUMBER</u>	<u>TOTAL AWARD AMOUNT</u>	<u>EXPENDITURES</u>
SPECIAL REVENUE FUND			
US Department of Transportation Federal Transit Administration passed through the Wyoming Department of Transportation			
Wyoming Rural Public Transit Funding Capital Investment Program			
Sketch Plan Schematic Design	20.500	\$ 500,000	\$ 332,909
Bus Pullout Project & Maintenance	20.500	418,400	68,996
Preventative Maintenance	20.500	432,240	183,614
FTA 10035 Section 5311 Administration and Operating Expenses	20.509	965,951	270,699
FTA 11035 Section 5311	20.509	1,208,802	980,971
FTA - American Recovery and Reinvestment Act ARRA - Purchase replacement buses	20.509	100,000	12,695
US Department of Transportation Federal Transit Administration passed through the Idaho Transportation Department - Division of Public Transportation			
ID 18X 027	20.509	33,000	3,395
ID 18X 030	20.509	33,221	17,120
ID 18X 004	20.509	77,850	8,703
Total Special Revenue Fund		<u>\$ 3,769,464</u>	<u>\$ 1,879,102</u>

(continued)

TOWN OF JACKSON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2012

<u>GRANTOR/GRANT TITLE</u>	<u>CFDA NUMBER</u>	<u>TOTAL AWARD AMOUNT</u>	<u>EXPENDITURES</u>
<b>CAPITAL PROJECTS FUND</b>			
US Department of Transportation Federal Highway Administration passed through the Wyoming Department of Transportation National Scenic Byways Grant	20.205	\$ 2,633,309	\$ 855,126
US Department of Environmental Quality passed through the Wyoming Department of Environmental Quality Karns Meadows Wetland Grant	66.460	770,154	105,159
US Department of Energy passed through Wyoming Business Council State Energy Office Facility Energy Efficiency Grant ARRA - Building Retrofit Grant #1	81.041	450,742	356,360
US Department of Energy passed through Wyoming Business Council State Energy Office Energy Efficiency & Conservation Block Grant ARRA - Building Retrofit Grant #2	81.128	79,040	77,913
Total Capital Projects Fund		<u>\$ 3,933,245</u>	<u>\$ 1,394,558</u>
Total Federal Awards		<u>\$ 8,196,748</u>	<u>\$ 3,496,959</u>

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Town of Jackson, Wyoming and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.



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