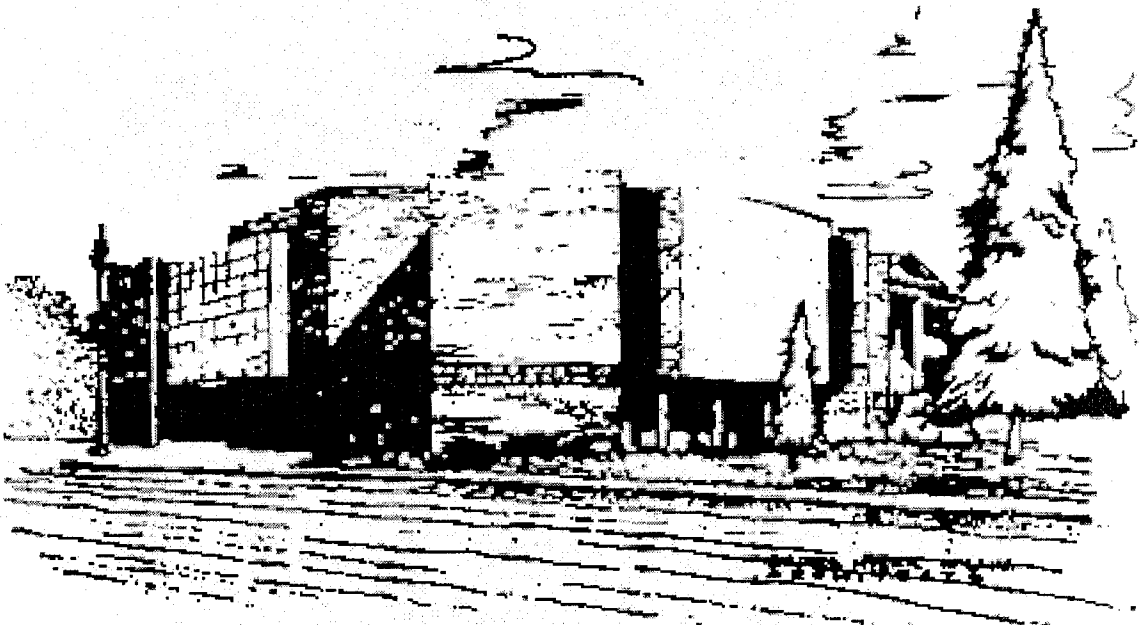


Goshen County Government 2014-2015 Management Report



**Including
Preliminary Financial Statements
for year ended June 30, 2015**

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Executive Summary

Management Highlights for the 2014-2015 and goals and objectives for 2015-2016 are summarized below:

Hail damage, repairs and ongoing insurance issues- Severe storms in the past two years caused damage to the majority of the County Buildings. We have collected \$1,284,988 in insurance proceeds and spent \$1,386,472 in repairs as of year-end 6/30/15. We have \$164,113.92 in Insurance fund cash on hand. There will be additional insurance loss payments received once final repair costs are determined. The wind and hail deductible has substantially increased to 5% of the claim with a minimum of \$100,000 per incident.

Consensus Block Grant-We decided to only spend half of our Consensus Block Grant money from the State of Wyoming. Our two year amount was \$1,109,416 and we used \$454,882 in the budget year 2014-2015. This leaves \$654,534 for qualifying projects in budget year 2015-2016. In previous years the entire amount was spent in the first year.

Health Facility Changes-The Goshen County Care Center is no longer leased to Banner Health. Banner terminated the lease and the Care Center Joint Powers Board was forced to find a new lease in Welcov. The amount of the monthly \$25,000 lease payment coming to Goshen County will be \$1000 for the Evergreen Court Assisted Living Center. The remaining \$24,000 will go to the Joint Powers Board. The final dissolution of the Banner Health lease is still ongoing. The Care Center Board has worked diligently to find funds to build a new kitchen and physical therapy area as required by Welcov.

Cash management -The reserve for Goshen County has increased. This is due to each department and each employee doing an outstanding job of managing their budgets. It is hoped this trend will continue although there is evidence there will be less money coming to the state from mineral royalties the 2016-2017 Budget Year. This will impact the amount distributed to every county.

The fifth-penny tax-First approved in 2004 and then renewed in 2008, and 2012 is very important to Goshen County Government. Although the tax money is in with other tax dollars and government funds, the Commissioners feel it is necessary to keep track of how the fifth-penny tax is spent. An accounting of what fifth-penny tax supports is available at the Clerk's Office. Goshen County's share of the tax is approximately \$700,000. The Goshen County Commissioners are looking at a resolution to make the fifth-penny tax permanent.

Changes to Library & Fair Funding- With Goshen County's valuation increasing but the County general facing a budget crunch, it was decided that the Fair and the Library would receive the same amount of money they had received in the 2013-2014 Budget. The Goshen County Commissioners felt that a steady mill levy as in the past of .8 mills for the Fair and 1.7 mills for the Library would be an unfair increase in comparison to other Departments being asked to stay the same. It was found that a mill levy would have to be used, so calculations of the Fair receiving .705 mill and the Library of 1.498 mills were determined. In the 2015-2016 Budget the Fair and Library will present their budgets like all other departments. These budgets must be approved by the County Commissioners.

Courthouse Security-The 2015 Legislature authorized court security grants through the State Lands and Investment Board and Goshen County was approved for eight-four thousand six hundred eight-six dollars, (\$84,686.00) with a matching request of nine thousand four hundred nine dollars (\$9,409.00). The Court Security Committee has been busy planning the use of the funds.

Employee Wages and Benefits changes in the year beginning 7/1/2015 are listed below.

The Commissioner hiring freeze remains in effect

1. Retirement Benefits-.75% on Gross pay increase in contributions paid by the County
2. Health Insurance Benefits include increases of Employer Contributions including:
 - Increase of \$758.76 yearly for single person
 - Increase of \$1,667.40 yearly for employee plus spouse
 - Increase of \$1,591.68 yearly for employee plus Children
 - Increase of \$2,273.64 yearly for employee Family
3. One Time Employee Bonuses will be paid in September 2015:
 - Full time employee working over 35 hours per week \$1000 gross
 - Part time regular employee working over 25 hours per week \$500 gross

The employees have been paying 15% of their insurance premium. However, in the next year with the total county insurance premium increasing about \$80,000, it was decided by the Commissioners, that the employees would pay the same amount as they paid last year. We would pay the entire \$80,000 increase. Their deductible would increase to \$1,500 under new Silver Plan.

SECTION ONE

INTRODUCTION

This **Management Discussion and Analysis** report is prepared by Goshen County elected officials, department heads and Russell Business Services. It summarizes the county's business and financial activity for the year ended June 30, 2015 fiscal year. Since the financial information is un-audited, completion of the audit may alter some of the information in this report.

This report is intended to serve county management and the county's citizens by providing an overview of the costs to operate the County Government, management concerns, bring focus to financial issues, and identify changes in financial position. It also report changes and deviations from the adopted budgets. Goshen County covers approximately 2,100 square miles and lies in the southeastern corner of Wyoming. The county government serves 13,249 citizens as of the 2010 Census which is used for distribution of funds thru 2020. The median household income is approximately \$40,000. Primary industries are agriculture, education, health care and government.

County Commissioners' Overview

We are managing expenses focusing on four primary objectives:

1. We are struggling to maintain cash reserves. Our defined goal has been to maintain in reserve three months' worth of operating expenses. The chart below demonstrates equity balances by fund, with and without Capital Assets (Land, Buildings, Improvements, Vehicles and Equipment), the last column indicates the amount of working capital, including cash reserves on hand at year end.

Government Fund	Fund Balance Including Capital Assets	Net amount Booked for Capital Assets	Legally Restricted Funds - Balance	Unrestricted Fund Balance (Working Capital)
General Fund	\$ 14,401,878	\$ 12,162,841	\$ 1,164,306	\$ 1,074,731
Fair	\$ 3,122,811	\$ 2,880,405	\$ 268,433	\$ (26,027)
Library	\$ 317,886	\$ 41,101	\$ -	\$ 276,785
Weed & Pest	\$ 975,325	\$ 191,860	\$ 5,648	\$ 777,817
Health Fund	\$ 8,059,029	\$ 7,149,112	\$ -	\$ 909,917
Total All Funds	\$ 26,876,929	\$ 22,425,319	\$ 1,438,387	\$ 3,013,223

2. We have calculated the expected life of our capital assets and measure the amount of real depreciation on an annual basis (Column B below). We are focused on repairing and replacing capital assets in amounts roughly equal to the annual real depreciation of those assets. Column B below shows the amount of depreciation by fund. As you can see below the total government's net income after depreciation was a loss of \$1,367,447, after allowing \$1,155,185 for depreciation or replacement and improvement of assets.

Government Fund	A Net Income before Depreciation	B 2014/2015 Depreciation	C Net Income After Depreciation
General Fund	(\$65,368)	\$802,683	(\$868,051)
Fair	(\$83,230)	\$77,311	(\$160,541)
Library	\$26,993	\$5,062	\$21,931
Weed & Pest	\$148,461	\$22,357	\$126,104
Health Fund	(\$239,117)	\$247,772	(\$486,889)
Total All Funds	(\$212,262)	\$1,155,185	(\$1,367,447)

3. We continue to focus on maximizing the use of grants to improve our infrastructure including equipment, vehicles & County facilities, allowing us to make improvements with a minimal direct impact on the County taxpayers. Federal Grant Revenue this year was \$221,415 and State Grant Revenue was \$399,954 for a total Grant Revenue of \$621,369.

Grant Income by Department - 4 Year History				
	2014-2015	2013-2014	2012-2013	2011-2012
Commissioners	\$ 118,770	\$ 696,362	\$ 193,387	\$ 577,293
Sheriff	\$ 20,808	\$ 87,932	\$ 48,831	\$ 100,875
Clerk	\$ 40,380	\$ 50,813	\$ 0	\$ 0
Elections	\$ 10,895	\$ 7,073	\$ 0	\$ 0
Treasurer	\$ 32,862	\$ 100,866	\$ 0	\$ 0
Coroner	\$ 17,500	\$ 0	\$ 0	\$ 0
Courthouse	\$ 9,615	\$ 11,256	\$ 0	\$ 0
Sheriff/Jail	\$ 11,338	\$ 0	\$ 0	\$ 638
Sheriff/Emergency Management	\$ 32,450	\$ 35,677	\$ 24,821	\$ 15,736
Road & Bridge	\$ 20,307	\$ 142,895	\$ 0	\$ 0
Road Projects	\$ 0	\$ 370,397	\$ 43,915	\$ 3,815,808
Victims of Crime	\$ 30,788	\$ 32,657	\$ 32,042	\$ 31,540
Public Health	\$ 94,878	\$ 105,826	\$ 105,551	\$ 210,245
Energy	\$ 0	\$ 0	\$ 0	\$ 30,486
Information Technoigy	\$ 178,995	\$ 12,773	\$ 163,554	\$ 0
Recreation Director	\$ 0	\$ 0	\$ 0	\$ (24,595)
Fire Warden	\$ 1,783	\$ 0	\$ 0	\$ 0
TOTAL GRANT INCOME	\$ 621,369	\$ 1,654,527	\$ 612,101	\$ 4,758,026

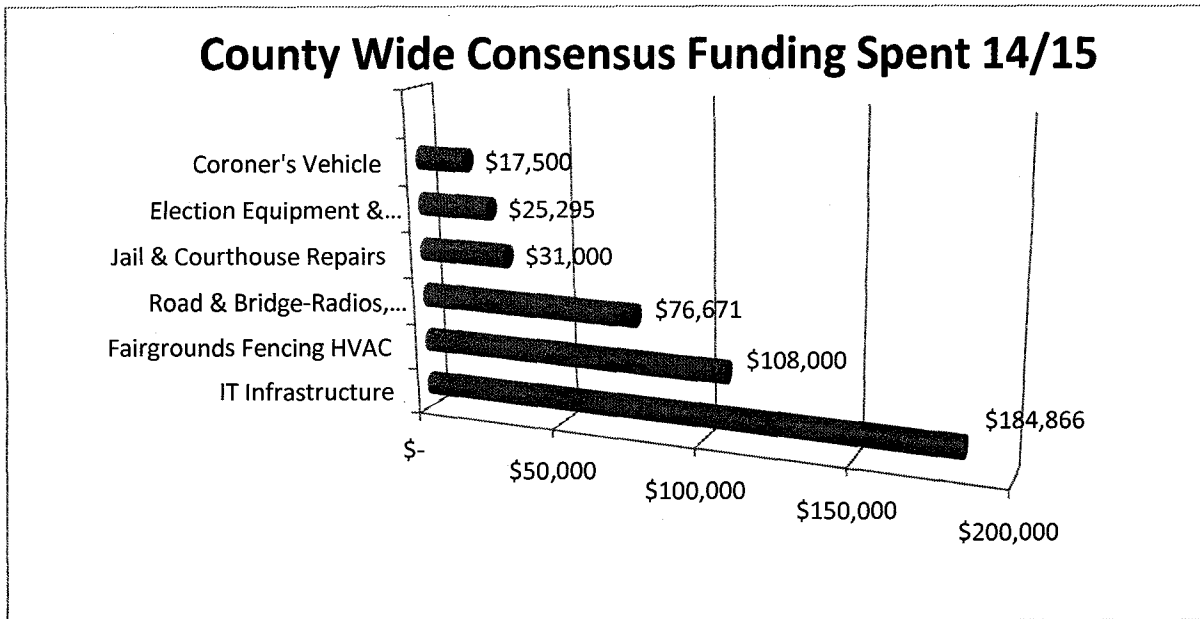
Countywide Consensus Grants

The Consensus Block Grant Program started by the Wyoming Legislature in 2007 is provided for out of severance taxes that the legislature approves in its regular budget session. Each county is allocated a set amount, the commissioners, representatives of the municipalities and special districts are required to come to a consensus of how the funds will be allocated between themselves. Applications must then be submitted to the Office of State Land and Investments for approval. The funds must be used for capital construction or certain types of equipment. Historical allocations have been as follows:

- 2013-14 Biennium Goshen County \$2,138,341 County General was \$ 791,740.
- 2015-16 Biennium Goshen County \$2,606,472 County General was \$1,109,416.

The County Commissioners elected to spread its allocation over two years, committing \$443,332 in 2014-2015 leaving \$666,084 for fiscal year 2015-2016. Funding for 2014-2016 follows:

Total Goshen County	2014-2016	Goshen County Govt. Uses	2014-15 Year
County Government	\$ 1,109,416	IT Infrastructure	\$ 184,866
Special Districts	\$ 115,000	Fairgrounds Fencing HVAC	\$ 108,000
Town of Ft. Laramie	\$ 49,271	Road & Bridge-Radios, Mower	\$ 76,671
Town of LaGrange	\$ 85,513	Jail & Courthouse Repairs	\$ 31,000
Town of Lingle	\$ 89,929	Election Equipment & License	\$ 25,295
Town of Torrington	\$ 1,120,568	Coroner's Vehicle	\$ 17,500
Town of Yoder	\$ 35,575		
Consensus Block Grant Funding	\$ 2,606,472		\$ 443,332



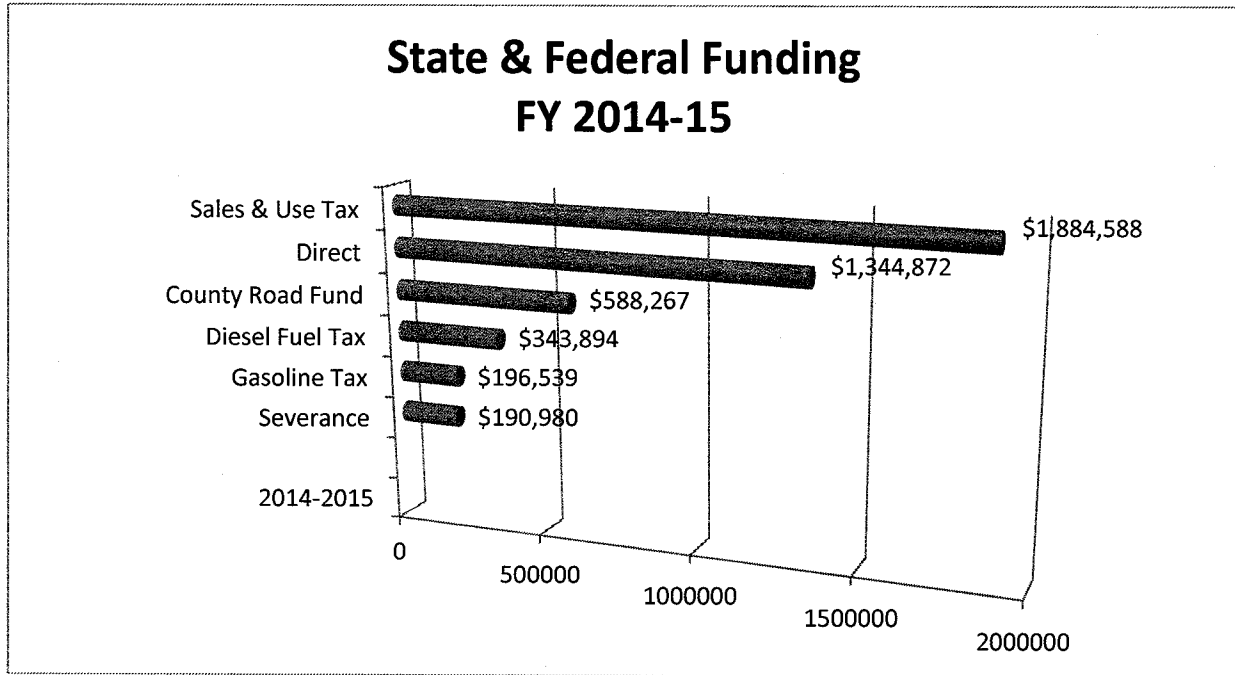
4. We have worked to keep salaries competitive allowing us to maintain our exceptional workforce of County employees. Payroll with benefits continues to be the largest single expense line, representing 47% of the counties total expenses over the past year.

Payroll and Benefits County General - 3 Year History			
Expense in dollars	2014-2015	2013-2014	2012-2013
Wages	\$ 3,183,952	\$ 3,316,767	\$ 3,178,556
Payroll Taxes	\$ 317,018	\$ 337,066	\$ 276,719
Health Ins.-(Includes Fair & Library)	\$ 601,869	\$ 621,766	\$ 563,509
Retirement	\$ 504,344	\$ 502,794	\$ 483,629
TOTAL PERSONNEL EXPENSE	\$ 4,607,183	\$ 4,740,392	\$ 4,502,413
Percentage increase or decrease compared to previous year			
Wages	-4.00%	4.35%	1.50%
Payroll Taxes	-5.95%	21.81%	-1.80%
Health Insurance	-3.20%	10.34%	0.20%
Retirement	0.31%	3.96%	13.30%
TOTAL PERSONNEL EXPENSE	-2.81%	5.29%	2.20%

2014-2015 FISCAL YEAR MANAGEMENT HIGHLIGHTS

State & Federal Funding

State & Federal funding provided for 45 percent of the actual income for FY 2014-15. PILT (Payment In Lieu of Taxes on federal land) is the only direct Federal funding, although other Federal Funds are received in the form of grants such as TANF & Homeland Security. Federal Funds are also received from WYDOT on participation in highway projects. We have provided graphical presentations on the State & Federal funding in 2014-2015 year.



FY 2015-2016 Budget

The State Constitution requires that a balanced budget be adopted by the Commission, and has to be approved prior to knowing the final outcome of the previous fiscal year. This requires a significant amount of guessing and looking at historical trends. The direct State funding that can be used in the general budget for 2015-16 will be \$237,548 more than actual receipts for 2014-15. The total assessed valuation of the county increased \$5,343,833, increasing the county general's portion of property taxes by \$69,700. Generally Accepted Accounting Principal (GAAP) rules require you must be able to prove that you have the cash available to meet the obligation which is very difficult when you have to approve a budget prior to knowing the amount of the last month's expenses of the previous fiscal year.

ACCOUNTING GROUPS OVERVIEW

The Goshen County government is made up of several components including several general government departments; the general Government restricted use funds, Library, Weed & Pest, Fair and the Health Facility Fund.

This report is laid out presenting Goshen County's financial condition in two different ways.

Section One of the report analyzes expenses by service type provided. A narrative describing the services provided by each department is accompanied by financial information relating to each department and is organized by service type. At the conclusion of each service type discussion, a historical expense summary is reported.