

NATRONA COUNTY, WYOMING

FINANCIAL AND COMPLIANCE REPORT

June 30, 2016

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Natrona County, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Natrona County, Wyoming, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Natrona County, Wyoming's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Natrona County International Airport, a discretely presented component unit of Natrona County, which represents 70%, 77%, and 43%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Natrona County International Airport, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Natrona County, Wyoming, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the infrastructure assets reported using the modified approach, the pension information, and the budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We and other auditors have applied certain limited procedures to management's discussion and analysis and the pension information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The infrastructure assets reported using the modified approach and the budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the infrastructure assets reported using the modified approach and the budgetary comparison information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Natrona County, Wyoming's basic financial statements. The other supplementary information as listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal award are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2016 on our consideration of Natrona County, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Natrona County, Wyoming's internal control over financial reporting and compliance.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
December 29, 2016

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NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

This section of the Natrona County, Wyoming's (the "County") annual financial report presents our discussion and analysis of financial performance during the fiscal year ended June 30, 2016. The selected financial data presented was derived from the financial statements of the County, which were audited by Porter, Muirhead, Cornia & Howard, Certified Public Accountants. The Independent Auditor's Report, financial statements and accompanying notes and supplementary information should be read in conjunction with the following discussion.

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2016.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$239,167,544.
- Of this amount, the unrestricted net position available to meet the County's ongoing obligations to citizens and creditors is a balance of \$28,053,628.
- The County's total net position decreased by \$14,429,840.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$39,276,705, a decrease of \$3,041,950 in comparison with the prior year. Approximately 96% of this total amount, \$37,677,222, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,295,735, or 12% percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County'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.

Government-wide Financial Statements

The focus of the County's government-wide financial statements is on the overall financial position and activities of the Natrona County, Wyoming, similar to the focus of a private sector business. The County's government-wide financial statements include the statement of net position and statement of activities. The purpose of the statement of net position is to attempt to report all of the assets held and liabilities owed by the County. The County reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the County's total assets and total liabilities is titled net position and this difference is similar to the owner's equity presented by a private sector business. Although the purpose of the County is not to accumulate net position, this amount does indicate the financial position of the County.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

The purpose of the statement of activities is to present all the revenues and expenses of the County. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a private sector business in that revenues are recognized when earned or established criteria are satisfied, and expenses are reported when incurred by the County. Revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have been paid during the current period.

Although the statement of activities looks different from a private sector business' income statement, the statement is different only in format, not substance. Whereas the private sector reports its bottom line as net income, the County reports an amount described as change in net position, essentially the same thing.

The focus of the statement of activities is on the net cost of various activities provided by the County. The first column identifies the cost of each of the County's major functions. Another column identifies the specific revenues related to the classified governmental functions. The difference between the expenses and revenues related to specific programs computes the net cost or benefit of the program, which identifies the extent to which each function of the County draws from general revenues or is self-sufficient through fees, intergovernmental aid, and other sources of resources.

Both of these government-wide financial statements would distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (business-type activities). All of the County activities are governmental activities.

The government-wide financial statements include not only Natrona County itself, (known as the primary government), but also the following legally separate entities: Natrona County Weed and Pest Control, Natrona County Fair, Natrona County Public Library, Community Action Partnership of Natrona County, City of Casper/Natrona County Health Department and Natrona County International Airport. The County is financially accountable for these entities and appoints directors to their boards. Financial information for these component units is reported separately from the financial information presented for the primary government itself. Complete financial statements for Natrona County International Airport may be obtained from the entity's administrative offices.

The County's government-wide financial statements are presented on pages 16 through 18.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds – not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending. Except for the General Fund, a specific fund is established to satisfy legal requirements established by external parties or governmental statutes or regulations. The County establishes other funds to control and manage money for particular purposes or to show that it is properly using certain resources. The County's fund financial statements are divided into two broad categories, governmental funds and fiduciary funds.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and changes in fund balances. The statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements. All of the County programs are included in the governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out within a short period of time. For example, amounts reported on the balance sheet include items such as cash and receivables collectable within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid in a short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance. The fund balance generally indicates the amount that can be used to finance next year's activities. The operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid in cash, respectively, during the current period or very shortly after the end of the year. Consequently, the governmental funds statements provide a short-term view that helps determine if there are more or fewer financial resources to finance the County's programs. Because this information does not encompass the long-term focus of the government-wide statements, we provide an analysis at the bottom of the balance sheet reconciling the total fund balances to the amount of net position reported in the statement of net position. Also, there is an analysis at the bottom of the statement of revenues, expenditures, and changes in fund balances that reconciles to the change in net position presented in the government-wide statement of activities.

The County presents in separate columns the funds that are most significant to the County and all other governmental funds are aggregated and reported in a single column.

The County governmental fund financial statements are presented on pages 19 through 23.

Fiduciary funds are used to account for assets held by the County for the benefit of other parties. Fiduciary funds are not presented in the government-wide financial statements because the resources of these funds are not available to finance the County's activities. However, the financial statements of fiduciary funds are included in the County's financial statements because the County is financially accountable for these resources, even though they belong to other parties.

The fiduciary funds statements are presented on pages 24 through 26.

Notes to the Financial Statements

Notes to the basic financial statements provide additional information that is essential to a full understanding of data provided in the government-wide and fund statements. The notes are presented on pages 31 through 66.

Other Information

Required supplementary information is presented concerning infrastructure assets reported using the modified approach. The County also presents schedules concerning the changes in net pension liability as well as pension contributions. Last, the County adopts an annual budget for its general fund. A budgetary comparison schedule has been provided to demonstrate compliance with this budget. Required supplementary information is presented on pages 68 through 80.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

In addition to the required elements, we have included combining statements that provide details about our non-major governmental funds and fiduciary funds presented as single columns in the basic financial statements. Additionally, we have included fund financial statements and information about budgetary compliance for the discretely presented component units which do not issue separate financial statements. This information is presented as other supplementary information immediately following the required supplementary information. Other supplementary information is presented on pages 82 through 99.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. By far the largest portion of the County's net position (88%) reflects its investment in capital assets. The vast majority of these capital assets are the \$48 million in buildings, \$26 million investment in infrastructure assets, and \$122 million in hospital assets leased to the Wyoming Medical Center. These assets are not available for future spending. An additional \$1,543,300 of the County's net position (less than 1 percent) represents resources that are subject to external restrictions on how they may be used.

The County was able to report positive balances in all three categories of net position for the current year and in the prior year. The County has a balance of \$28,053,628 in unrestricted net position in the current year. The unrestricted balance is available to meet the County's ongoing obligations.

The government's net position decreased by \$14,429,840 during the current fiscal year.

The County's net position as of June 30, 2016 and 2015 was as follows:

	Primary Government		
	2016	2015	Variance
ASSETS			
Current assets	\$ 56,635,261	\$ 62,330,562	\$ (5,695,301)
Capital assets, net of accumulated depreciation	215,570,616	226,337,212	(10,766,596)
Other assets	8	2	6
Total assets	<u>272,205,885</u>	<u>288,667,776</u>	<u>(16,461,891)</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>6,244,660</u>	<u>2,555,118</u>	<u>3,689,542</u>
LIABILITIES			
Current liabilities	3,718,847	3,190,294	528,553
Due in more than one year	21,077,022	16,958,306	4,118,716
Total liabilities	<u>24,795,869</u>	<u>20,148,600</u>	<u>4,647,269</u>
DEFERRED INFLOWS OF RESOURCES	<u>14,487,132</u>	<u>17,476,910</u>	<u>(2,989,778)</u>
NET POSITION			
Net investment in capital assets	209,570,616	219,737,212	(10,166,596)
Restricted	1,543,300	5,504,398	(3,961,098)
Unrestricted	28,053,628	28,355,774	(302,146)
Total net position	<u>\$ 239,167,544</u>	<u>\$ 253,597,384</u>	<u>\$ (14,429,840)</u>

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

Governmental Activities

Governmental activities decreased the County's net position by \$14,429,840, approximately \$17 million less than the prior year increase. Key elements of this decrease are as follows:

- Decrease in tax revenues of \$2.3 million was comprised of a decrease of \$1.5 million in sales and use taxes, and also decrease of \$1.1 million in optional one percent sales taxes both due to economic downturn in fiscal year 2016 in comparison to fiscal year 2015. There also was an increase in property tax revenues of \$313,000 due to an increase in the property tax valuation.
- Increase in payments in lieu of taxes of \$602,000 was due to an increase in federal funding level in fiscal year 2016 and the collection of fiscal year 2015 funding of \$269,690.
- Increase in miscellaneous revenues of \$315,000 was mainly due to increase of \$486,000 in insurance premiums due to the receipt of a premium of \$534,900 from the Wyoming Medical Center and a decrease of \$120,000 in personnel reimbursements due to less worker's compensation from the State.
- Decrease in charges for services of \$578,000 was mainly due to decrease in prisoner care revenues from the City of Casper of \$333,000. Also, there was a decrease of \$189,000 in child support enforcement reimbursements. Building permits decreased by \$69,000 in fiscal year 2016 in comparison to fiscal year 2015 due to decreases in commercial building in the County.
- Increase in operating grants and contributions of \$378,000 was mainly due to the increase of \$356,000 in the State Legislature direct distribution of "over the cap" dollars to the County in fiscal year 2016 in comparison to fiscal year 2015.
- Decrease in capital grants and contributions of \$11 million in fiscal year 2016 in comparison to fiscal year 2015 was comprised of a decrease of \$10.9 million in assets purchased by the Wyoming Medical Center, a decrease of approximately \$518,000 in State Land and Investment Board grants, and an increase of approximately \$623,000 in State of Wyoming Business Council grants.
- Increase in general government expenditures of \$1.5 million due to the net pension liability for the Public Employees' Pension Plan increasing by \$2.5 million which created \$406,000 of additional pension expense. Additionally, large increases in worker's compensation premiums and liability insurance premiums added to this increase.
- Increase in public safety expenses of \$846,000 due to the net pension liability for the Law Enforcement Pension Plan more than doubling which created \$455,000 of additional pension expense. In addition the County gave the Natrona County Fire Protection District \$225,000 for the purchase of a new fire truck.
- Increase in public works expenses of \$3 million due to maintenance work on various roads.
- Decrease in culture and recreation expenses of \$546,000 due to completion of master plan implementation in the prior year.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

The following schedule illustrates the changes in net position for governmental activities:

Revenues	2016		2015	
General				
Taxes	\$ 30,234,436	57.10%	\$ 32,499,972	49.87%
Payments in lieu of taxes	3,766,071	7.11%	3,164,444	4.86%
Investment income	198,450	0.37%	213,668	0.33%
Miscellaneous revenue	1,552,198	2.93%	1,239,772	1.90%
Program revenues				
Charges for services	5,169,380	9.76%	5,747,922	8.82%
Operating grants and contributions	4,639,190	8.76%	4,176,951	6.41%
Capital grants and contributions	7,392,883	13.96%	18,129,569	27.82%
Total revenues	52,952,608	100.00%	65,172,298	100.00%
Expenses				
General government	13,580,568	20.15%	12,007,965	19.16%
Public safety	20,529,362	30.47%	19,683,338	31.41%
Public works	11,886,596	17.64%	8,830,447	14.09%
Health and welfare	2,595,306	3.85%	2,456,658	3.92%
Culture and recreation	4,843,898	7.19%	5,390,879	8.60%
Conservation of natural resources	412,671	0.61%	504,780	0.81%
Assets leased to hospital	13,383,377	19.86%	13,635,066	21.76%
Interest on long-term debt	150,670	0.22%	162,498	0.26%
Total expenses	67,382,448	100.00%	62,671,631	100.00%
Total changes in net position	(14,429,840)		2,500,667	
Beginning net position	253,597,384		251,096,717	
Ending net position	\$ 239,167,544		\$ 253,597,384	

Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds The County's activities are contained in the General, County Road Construction, Drug Court, Hall of Justice Joint Powers Board, and Jail Joint Powers Board funds. As previously mentioned, the focus on the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$39,276,705, a decrease of \$3,041,950 in comparison with the prior year. Of that, \$1,599,483 is subject to external restrictions or is not available for spending: (1) \$56,183 held in reserve for inventory, (2) \$83,718 for the Drug Court Fund, and (4) \$1,365,211 for Lake Alcova under an agreement with the Bureau of Reclamation, and (5) \$94,371 for water and sewer projects at the lake. The Drug Court Fund is restricted for use in the Drug Court program.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the general fund total fund balance reached \$39,928,322. Of that, \$12,021,817 has been committed by resolution of the Board of County Commissioners: (1) \$2,304,124 for perpetual care of one cent projects, (2) \$9,717,693 for the transportation department road funds. The Board of County Commissioners assigned by designation \$21,095,005 as follows: (1) \$7,324,833 for emergency reserves and (2) \$13,770,172 for future capital projects. The remaining \$5,295,730 is unassigned in the General Fund.

The fund balance of the County's general fund increased \$2,221,626 during the current fiscal year. Key factors in this increase are as follows:

- Decrease in intergovernmental revenues of \$1 million due to a decrease in optional one percent sales taxes due to economic downturn in fiscal year 2016 in comparison to fiscal year 2015.
- Decrease in charges for services of \$394,000 was mainly due to decrease in prisoner care revenues from the City of Casper of \$333,000 due to delay in receipt of fiscal year 2016 reimbursement not collected until July 2016. Also, there was a decrease of \$189,000 in child support enforcement reimbursement due to 13 payments of \$90,474 received in fiscal year 2015 in comparison to 11 payments of \$90,474 received in fiscal year 2016. Boarding-Wyoming State Penitentiary Medical Reimbursement increased by \$118,000 in fiscal year 2016 in comparison to fiscal year 2015.
- Increase in general government expenditures of \$2.8 million primarily due to non-availability of SLIB funds for various large equipment purchases and an increase in worker's compensation premiums and liability insurance premiums.
- Increase of \$387,000 in public safety expenditures due to step and grade raises and filling vacancies within the Sheriff's office.
- Increase of \$1 million in public works expenditures due to maintenance work on various roads.
- Decrease of \$951,000 in culture and recreation due to the majority of the Master Plan Implementation expenses paid in the previous year.
- Decrease in capital outlay of \$1.2 million due to the following projects that were completed in the prior year: air compressor and front step replacement at the Courthouse, sprinklers at the Hall of Justice, boiler replacement at the AG building, repoint sealing at the Townsend Justice Center and snow machines for the Parks department.

The Road Construction fund is used to account for the acquisition and construction of major capital facilities other than those financed by the general fund. At the end of the current fiscal year, the fund balance decreased to (\$869,837). The fund balance of the County's road construction fund decreased \$5,161,343 during the current fiscal year due to expenditures outpacing revenues.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

The following schedule presents revenues and expenditures by source for all governmental funds.

	2016		2015	
Revenues				
Taxes	\$ 19,852,284	41.29%	\$ 20,737,494	41.90%
Licenses and permits	1,830,917	3.81%	2,007,643	4.06%
Intergovernmental revenues	21,324,924	44.36%	21,549,937	43.55%
Charges for services	3,337,426	6.94%	3,740,278	7.56%
Investment income	198,450	0.41%	213,668	0.43%
Miscellaneous revenues	1,533,746	3.19%	1,239,772	2.51%
Total revenues	48,077,747	100.00%	49,488,792	100.00%
Expenditures				
Current				
General government	12,631,820	24.71%	9,811,822	21.77%
Public safety	18,979,992	37.13%	18,592,960	41.26%
Public works	4,434,082	8.67%	3,420,476	7.59%
Health and welfare	2,452,937	4.80%	2,395,125	5.31%
Culture and recreation	3,836,569	7.51%	4,788,003	10.62%
Conservation of natural resources	399,149	0.78%	351,390	0.78%
Debt service				
Principal	600,000	1.17%	590,000	1.31%
Interest	160,136	0.31%	171,963	0.38%
Capital outlay	7,625,012	14.92%	4,942,753	10.97%
Total expenditures	\$ 51,119,697	100.00%	\$ 45,064,492	100.00%

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were approximately \$4 million summarized as follows:

Agriculture	\$ 12,000
Clerk	42,677
Coroner	1,804
Clerk of Court	538,896
Commissioners	1,860,330
One percent	1,575,000
Road and bridge	1,332
Sheriff	3,428
	\$ 4,035,467

The increases were possible because of additional anticipated and unanticipated revenues.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2016 amounted to \$215,570,616 (net of accumulated depreciation). This investment in capital assets includes infrastructure (consisting of land, roadways and bridges), land, site improvements, buildings and equipment. The total decrease in the County's investment in capital assets for the current fiscal year was 5 percent. The schedule below shows the changes in capital assets during the year:

	2016	2015	Variance
Capital assets, not being depreciated			
Land	\$ 16,241,656	\$ 16,241,656	\$ -
Infrastructure	25,698,770	25,698,770	-
Total capital assets not being depreciated	41,940,426	41,940,426	-
Capital assets being depreciated			
Buildings	145,489,605	145,489,605	-
Machinery and equipment	21,745,454	21,127,474	617,980
Hospital assets*	340,507,389	335,718,442	4,788,947
Total capital assets being depreciated	507,742,448	502,335,521	5,406,927
Less accumulated depreciation for			
Buildings	97,238,686	95,476,406	1,762,280
Machinery and equipment	18,170,396	17,142,530	1,027,866
Hospital assets*	218,703,176	205,319,799	13,383,377
Total accumulated depreciation	334,112,258	317,938,735	16,173,523
Total capital assets being depreciated, net	173,630,190	184,396,786	(10,766,596)
Capital assets, net	\$ 215,570,616	\$ 226,337,212	\$ (10,766,596)

* These assets are leased to the Wyoming Medical Center, Inc. under an operating lease.

The County's infrastructure assets are recorded at historical cost in the government-wide financial statements as required by GASB statement No. 34. The County has elected to use the modified approach for infrastructure reporting, and therefore does not depreciate its infrastructure assets. The infrastructure consists of a road and bridge system.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016

(Unaudited)

The County manages its road network by assessing the condition of all County roads annually with an assessment system developed by the County. The roads are rated as being in standard or substandard condition. To be rated standard, paved roads are not expected to need major repairs for another 8 to 20 years. Paved roads rated substandard need major repairs within 7 years. To be rated standard, gravel roads are not expected to need major repairs for at least 4 years. Gravel roads rated substandard are expected to need major repairs within 4 years due to not having the proper structural base.

It is the County's policy to maintain its paved roads with at least 25% rated as standard and to maintain its gravel roads with at least 21% rated as standard. Condition ratings of 70 and above are considered standard. The number of miles of paved and gravel rated standard and substandard are as follows:

2016 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	30	21.4%	1	0.4%	n/a	n/a
80 - 84	n/a	n/a	8	2.9%	n/a	n/a
70 - 85	29	20.7%	n/a	n/a	n/a	n/a
70 - 79	n/a	n/a	43	15.4%	n/a	n/a
Sub-standard						
Less than 70	76	54.3%	n/a	n/a	n/a	n/a
60 - 69	n/a	n/a	64	22.6%	n/a	n/a
40 - 59	n/a	n/a	110	38.9%	n/a	n/a
10 - 39	n/a	n/a	56	19.8%	n/a	n/a
Not evaluated	5	3.6%	n/a	n/a	n/a	n/a
Unimproved	n/a	n/a	n/a	n/a	352	100%
	<u>140</u>	<u>100%</u>	<u>282</u>	<u>100%</u>	<u>352</u>	<u>100%</u>

The County manages its bridge system using a modified approach. The County's bridges are classified in three categories. Those at 80% to 100% condition are acceptable and needing no repair, 50% to 80% condition needing some repair and less than 50% condition as structurally deficient and in need of repair. The County's policy is to maintain 55 percent of its bridges in the 50% to 100% acceptable condition.

Actual expenditures for the year ended June 30, 2016 on infrastructure for maintenance and preservation were \$8.2 million, compared to budgeted amounts of \$13.8 million.

Additional information on the County's capital assets can be found in Note 4 on pages 43 through 47 of this report.

Debt Administration

The County's total debt increased by \$4,114,403 (23 percent) during the current fiscal year. The increase reflects a decrease from principal payments of \$600,000 on the 2014 certificates of participation as well as an increase of \$4,710,436 in net pension liability. In addition, vacation and sick leave increased \$13,432 net. Additional information on the County's long term debt can be found in Note 5 on pages 48 through 50 of this report.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2016
(Unaudited)

Economic Factors and Next Year's Budget

The downturn in the state and local economy, decreases in property and sales tax revenues, and decreases in state funding are the main issues affecting development of the fiscal year 2017 budget. Excessive downturns in the coal and oil and gas industries will affect the State and Local economies for FY 2017 and at least in the near future. The main concern for FY 2017 because of the downturn in the economy will be the effect of property tax and sales tax revenues.

Based on current available data, the unemployment rate at the end of the fiscal year for Natrona County is 7.8% which is higher than the State of Wyoming unemployment rate of 5.7%. Fiscal year 2017 budgeted General Fund revenues are expected to be approximately \$4,277,000 lower than FY 2016 because of decreases in property and sales tax revenues. PILT is expected to be down by \$37,000 in FY 2017 in comparison to FY 2016.

Each County department cut their FY 2017 expenditure budgets by 10% or more in an effort to keep expenditures to a minimum.

Requests for Information

The above discussion and analysis is presented to provide additional information regarding the activities of the County and also to meet the disclosure requirements of GASB Statement No. 34. We believe that all requirements of GASB Statement No. 34 have been met as it applies to the County. The financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Natrona County Treasurer, Natrona County, Wyoming, 200 North Center, Casper, Wyoming 82601.

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BASIC FINANCIAL STATEMENTS

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NATRONA COUNTY, WYOMING

STATEMENT OF NET POSITION

June 30, 2016

	Primary Government		Component
	Governmental		Units
	Activities	Total	Total
ASSETS			
Cash and cash equivalents	\$ 28,610,140	\$ 28,610,140	\$ 2,987,027
Investments	9,921,604	9,921,604	2,815,257
Beneficial interest in assets held by others	-	-	249,995
Property taxes receivable	15,595,897	15,595,897	-
Accounts receivable	498,205	498,205	161,749
Accrued interest receivable	-	-	1,305
Due from other governments	1,953,232	1,953,232	865,524
Due from primary government	-	-	1,204,967
Inventory	56,183	56,183	137,082
Prepaid items	-	-	6,310
Capital assets not being depreciated	41,940,426	41,940,426	16,059,112
Capital assets being depreciated, net	173,630,190	173,630,190	26,611,211
Restricted cash and cash equivalents	8	8	139,913
Restricted investments	-	-	3,008,707
Total assets	<u>272,205,885</u>	<u>272,205,885</u>	<u>54,248,159</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	<u>6,244,660</u>	<u>6,244,660</u>	<u>2,902,200</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,774,714	1,774,714	784,643
Unearned revenues	63,000	63,000	120,040
Due to component units	1,204,967	1,204,967	-
Noncurrent liabilities			
Due within one year	676,166	676,166	86,791
Due in more than one year	21,077,022	21,077,022	10,170,218
Total liabilities	<u>24,795,869</u>	<u>24,795,869</u>	<u>11,161,692</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenues	14,207,171	14,207,171	1,179,033
Pension plan items	279,961	279,961	277,379
Total deferred inflows of resources	<u>14,487,132</u>	<u>14,487,132</u>	<u>1,456,412</u>
NET POSITION			
Net investment in capital assets	209,570,616	209,570,616	41,210,586
Restricted, expendable			
Restricted by statute and grantors	83,718	83,718	-
Restricted from passenger facility charges	-	-	165,967
Restricted for lake, water, and sewer	1,459,582	1,459,582	-
Restricted, nonexpendable			
Restricted by donors	-	-	3,008,707
Unrestricted	<u>28,053,628</u>	<u>28,053,628</u>	<u>146,995</u>
Total net position	<u>\$ 239,167,544</u>	<u>\$ 239,167,544</u>	<u>\$ 44,532,255</u>

See accompanying notes to the financial statements

NATRONA COUNTY, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 13,580,568	\$ 2,007,768	\$ 2,813,344	\$ -
Public safety	20,529,362	1,917,151	453,847	760,266
Public works	11,886,596	-	46,570	1,843,670
Health and welfare	2,595,306	1,119,616	459,135	-
Culture and recreation	4,843,898	124,845	-	-
Conservation of natural resources	412,671	-	866,294	-
Assets leased to hospital	13,383,377	-	-	4,788,947
Interest on long-term debt	150,670	-	-	-
Total governmental activities	<u>67,382,448</u>	<u>5,169,380</u>	<u>4,639,190</u>	<u>7,392,883</u>
Total primary government	<u>\$ 67,382,448</u>	<u>\$ 5,169,380</u>	<u>\$ 4,639,190</u>	<u>\$ 7,392,883</u>
Component units	<u>\$ 18,753,789</u>	<u>\$ 5,717,281</u>	<u>\$ 9,063,370</u>	<u>\$ 5,198,068</u>

General revenues
 Property taxes
 Sales taxes
 Other taxes
 Payments in lieu of taxes
 Unrestricted investment earnings
 Miscellaneous revenue
 Contributions to permanent endowment

Total general revenues

Change in net position

Net position - beginning of year,
 Prior period adjustment
 Net position - beginning of year, as restated
 Net position - end of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

<u>Primary Government</u>		<u>Component Units Totals</u>
<u>Governmental Activities</u>	<u>Total</u>	
\$ (8,759,456)	\$ (8,759,456)	\$ -
(17,398,098)	(17,398,098)	-
(9,996,356)	(9,996,356)	-
(1,016,555)	(1,016,555)	-
(4,719,053)	(4,719,053)	-
453,623	453,623	-
(8,594,430)	(8,594,430)	-
(150,670)	(150,670)	-
<u>(50,180,995)</u>	<u>(50,180,995)</u>	<u>-</u>
<u>(50,180,995)</u>	<u>(50,180,995)</u>	<u>-</u>
-	-	1,224,930
17,015,655	17,015,655	838,127
6,996,894	6,996,894	-
6,221,887	6,221,887	375,746
3,766,071	3,766,071	-
198,450	198,450	(59,682)
1,552,198	1,552,198	251,619
-	-	255,900
<u>35,751,155</u>	<u>35,751,155</u>	<u>1,661,710</u>
(14,429,840)	(14,429,840)	2,886,640
253,597,384	253,597,384	41,872,355
-	-	(226,740)
<u>253,597,384</u>	<u>253,597,384</u>	<u>41,645,615</u>
<u>\$ 239,167,544</u>	<u>\$ 239,167,544</u>	<u>\$ 44,532,255</u>

NATRONA COUNTY, WYOMING

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	Major Funds			Totals
	General Fund	County Road Construction Fund	Nonmajor Funds	
ASSETS				
Cash and cash equivalents	\$ 28,475,637	\$ -	\$ 134,502	\$ 28,610,139
Investments	9,921,604	-	-	9,921,604
Property taxes receivable	15,595,897	-	-	15,595,897
Accounts receivable	498,206	-	-	498,206
Due from other funds	786,119	-	83,718	869,837
Due from other governments	1,953,232	-	-	1,953,232
Inventory	56,183	-	-	56,183
Restricted cash	8	-	-	8
Total assets	\$ 57,286,886	\$ -	\$ 218,220	\$ 57,505,106
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,774,714	\$ -	\$ -	\$ 1,774,714
Unearned revenues	63,000	-	-	63,000
Compensated absences	9,451	-	-	9,451
Due to other funds	-	869,837	-	869,837
Due to component units	1,204,967	-	-	1,204,967
Total liabilities	3,052,132	869,837	-	3,921,969
DEFERRED INFLOWS OF RESOURCES				
Deferred grant revenue	81,149	-	-	81,149
Deferred property tax revenues	14,225,283	-	-	14,225,283
Total deferred inflows of resources	14,306,432	-	-	14,306,432
FUND BALANCES				
Nonspendable	56,183	-	-	56,183
Restricted	1,459,582	-	83,718	1,543,300
Unrestricted				
Committed	12,021,817	-	134,502	12,156,319
Assigned	21,095,005	-	-	21,095,005
Unassigned	5,295,735	(869,837)	-	4,425,898
Total fund balances (deficit)	39,928,322	(869,837)	218,220	39,276,705
Total liabilities, deferred inflows of resources, and fund balances	\$ 57,286,886	\$ -	\$ 218,220	\$ 57,505,106

See accompanying notes to the financial statements

NATRONA COUNTY, WYOMING

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

June 30, 2016

Total fund balances - governmental funds		\$ 39,276,705
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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 governmental fund statements. As capital assets used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in the governmental funds. This is the total of capital assets reported in the government-wide statements.		215,570,616
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Since the focus of governmental fund statements is on short-term financing, some assets will not be available to pay for current expenditures. Those assets are offset by deferred inflows in the governmental funds and are not included in the governmental fund balances.

Governmental funds - deferred property tax revenues	\$ 14,225,283		
Governmental funds - deferred grant revenue	81,149		
Government-wide - deferred property tax revenues	(14,207,171)		99,261

Deferred outflows and inflows for pension items are not available to pay for current period expenditures and therefore the underlying resources are not reported in the governmental funds.

Pension plan items - Deferred outflows of resources	6,244,660		
Pension plan items - Deferred inflows of resources	(279,961)		5,964,699

Some liabilities exceed the amount that is due and payable in the current period and therefore are not fully reported in the governmental funds. Long-term liabilities at year end consist of:

Certificates of participation	(6,000,000)		
Premium on certificates of participation	(93,075)		
Total compensated absences	(1,202,207)		
Compensated absences recorded in governmental funds	9,451		
Net pension liability	(14,457,906)		(21,743,737)

Net position of governmental activities		\$ 239,167,544
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NATRONA COUNTY, WYOMING

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2016**

	Major Funds			Totals
	General Fund	County Road Construction Fund	Nonmajor Funds	
Revenues				
Taxes	\$ 19,852,284	\$ -	\$ -	\$ 19,852,284
Licenses and permits	1,830,917	-	-	1,830,917
Intergovernmental revenues	20,094,462	866,624	363,838	21,324,924
Charges for services	3,311,076	-	26,350	3,337,426
Investment income	192,217	6,233	-	198,450
Miscellaneous revenues	1,492,282	-	41,464	1,533,746
Total revenues	<u>46,773,238</u>	<u>872,857</u>	<u>431,652</u>	<u>48,077,747</u>
Expenditures				
Current				
General government	12,631,820	-	-	12,631,820
Public safety	18,979,992	-	-	18,979,992
Public works	4,434,082	-	-	4,434,082
Health and welfare	1,999,109	-	453,828	2,452,937
Culture and recreation	3,836,569	-	-	3,836,569
Conservation of natural resources	399,149	-	-	399,149
Debt service				
Principal	600,000	-	-	600,000
Interest	160,136	-	-	160,136
Capital outlay	1,510,755	6,034,200	80,057	7,625,012
Total expenditures	<u>44,551,612</u>	<u>6,034,200</u>	<u>533,885</u>	<u>51,119,697</u>
Net change in fund balances	2,221,626	(5,161,343)	(102,233)	(3,041,950)
Fund balances - beginning of year	<u>37,706,696</u>	<u>4,291,506</u>	<u>320,453</u>	<u>42,318,655</u>
Fund balances - end of year	<u>\$ 39,928,322</u>	<u>\$ (869,837)</u>	<u>\$ 218,220</u>	<u>\$ 39,276,705</u>

See accompanying notes to the financial statements

NATRONA COUNTY, WYOMING

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

Net changes in fund balances - total governmental funds \$ (3,041,950)
Amounts reported for governmental activities in the statement of
activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Additionally, the County's assets increase from new capital assets purchased by the Wyoming Medical Center under the terms of their lease. These changes are detailed as follows:

Additions to capital assets in the governmental funds	\$ 895,082	
Contributions of capital assets from the Wyoming Medical Center	4,788,947	
Sales of capital assets include the effects of past depreciation when recorded in the statement of activities	(2,600)	
Depreciation expense for the year	<u>(16,448,025)</u>	(10,766,596)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on lease purchase obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on changes in net position. This is the effect of this difference in the treatment of long-term debt.

Amortization of debt premium	9,465	
Payment of principal on certificates of participation	600,000	
Prior year total compensated absences	1,188,775	
Prior year compensated absences - general fund short-term	(11,836)	
Current year total compensated absences	(1,202,207)	
Current year compensated absences - general fund short-term	<u>9,451</u>	593,648 (Continued)

NATRONA COUNTY, WYOMING

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2016

Pension expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Pension liability as of June 30, 2015	\$ 9,747,470	
Pension liability as of June 30, 2016	(14,457,906)	
Deferred outflows - pension items June 30, 2015	(2,555,118)	
Deferred outflows - pension items June 30, 2016	6,244,660	
Deferred inflows - pension items June 30, 2016	<u>(279,961)</u>	\$ (1,300,855)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Deferred grant revenue - governmental funds	81,149	
Deferred property taxes - governmental funds June 30, 2015	(17,490,258)	
Deferred property taxes - governmental activities June 30, 2015	17,476,910	
Deferred property taxes - governmental funds June 30, 2016	14,225,283	
Deferred property taxes - governmental activities June 30, 2016	<u>(14,207,171)</u>	<u>85,913</u>

Changes in net position of governmental activities \$ (14,429,840)

NATRONA COUNTY, WYOMING

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2016

	Agency Funds		
	Property Tax Fund	General Agency Fund	Fire Fighters of Natrona County
ASSETS			
Cash and cash equivalents	\$ -	\$ 19,047,882	\$ 7,145
Investments	-	-	96,604
Property taxes receivable	970,747	-	-
Total assets	<u>\$ 970,747</u>	<u>\$ 19,047,882</u>	<u>\$ 103,749</u>
LIABILITIES			
Due to other governments	\$ 970,747	\$ 19,047,882	\$ 103,749
Medical claims payable	-	-	-
Total liabilities	<u>\$ 970,747</u>	<u>\$ 19,047,882</u>	<u>\$ 103,749</u>
NET POSITION			
Restricted for			
Employees medical benefits			
Other governments and organizations			
Total net position			

See accompanying notes to the financial statements

Employee Benefit Trust Fund	Investment Pool Trust Fund	Total
\$ 2,716,342	\$ -	\$ 21,771,369
2,461	2,124,533	2,223,598
-	-	970,747
<u>2,718,803</u>	<u>2,124,533</u>	<u>24,965,714</u>
-	-	20,122,378
<u>332,500</u>	<u>-</u>	<u>332,500</u>
<u>332,500</u>	<u>-</u>	<u>20,454,878</u>
2,386,303	-	2,386,303
-	2,124,533	2,124,533
<u>\$ 2,386,303</u>	<u>\$ 2,124,533</u>	<u>\$ 4,510,836</u>

NATRONA COUNTY, WYOMING

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2016

	Employee Benefit Trust Fund	Investment Pool Trust Fund
Additions		
Contributions from pool participants	\$ -	\$ 1,943,801
Contributions from employer	5,833,302	-
Investment income	76	46,886
	5,833,378	1,990,687
Deductions		
Medical benefits paid	4,930,753	-
Distributions to pool participants	-	1,850,000
	4,930,753	1,850,000
Change in net position	902,625	140,687
Net position - beginning of year	1,483,678	1,983,846
Net position - end of year	\$ 2,386,303	\$ 2,124,533

See accompanying notes to the financial statements

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NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2016

	Natrona County Weed and Pest Control	Natrona County Public Library	Natrona County Fair
ASSETS			
Cash and cash equivalents	\$ 812,566	\$ 940,427	\$ 234,968
Investments	190,402	102,121	-
Beneficial interest in assets held by others	-	249,995	-
Accounts receivable	15,617	1,286	10,308
Accrued interest receivable	703	-	602
Due from other governments	-	-	-
Due from primary government	1,204,967	-	-
Inventory	98,141	-	-
Prepaid items	6,310	-	-
Capital assets not being depreciated	-	2,252,080	-
Capital assets being depreciated, net	372,553	1,241,326	3,857,728
Restricted cash and cash equivalents	-	-	-
Restricted investments	-	2,463,892	544,815
Total assets	<u>2,701,259</u>	<u>7,251,127</u>	<u>4,648,421</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	132,628	572,953	159,668
Total deferred outflows of resources	<u>132,628</u>	<u>572,953</u>	<u>159,668</u>
LIABILITIES			
Accounts payable and accrued liabilities	33,396	64,155	16,032
Unearned revenue	-	-	-
Noncurrent liabilities			
Due within one year	-	-	-
Due in more than one year	436,683	1,935,583	551,341
Total current liabilities	<u>470,079</u>	<u>1,999,738</u>	<u>567,373</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenues	1,179,033	-	-
Pension plan items	27,108	39,127	14,897
Total deferred inflows of resources	<u>1,206,141</u>	<u>39,127</u>	<u>14,897</u>
NET POSITION			
Net investment in capital assets	372,553	3,493,406	3,857,728
Restricted, expendable			
Restricted for passenger facility charges	-	-	-
Restricted, nonexpendable			
Restricted by donors	-	2,463,892	544,815
Unrestricted (deficit)	<u>785,114</u>	<u>(172,083)</u>	<u>(176,724)</u>
Total net position (deficit)	<u>\$ 1,157,667</u>	<u>\$ 5,785,215</u>	<u>\$ 4,225,819</u>

See accompanying notes to the financial statements

City of Casper/ Natrona County Health Department	Community Action Partnership of Natrona County	Natrona County International Airport	Total
\$ 488,785	\$ 128,333	\$ 381,948	\$ 2,987,027
523,760	-	1,998,974	2,815,257
-	-	-	249,995
3,623	8,989	121,926	161,749
-	-	-	1,305
204,641	116,059	544,824	865,524
-	-	-	1,204,967
-	-	38,941	137,082
-	-	-	6,310
-	-	13,807,032	16,059,112
172,031	88,624	20,878,949	26,611,211
-	-	139,913	139,913
-	-	-	3,008,707
<u>1,392,840</u>	<u>342,005</u>	<u>37,912,507</u>	<u>54,248,159</u>
<u>699,866</u>	<u>340,813</u>	<u>996,272</u>	<u>2,902,200</u>
<u>699,866</u>	<u>340,813</u>	<u>996,272</u>	<u>2,902,200</u>
24,215	149,029	497,816	784,643
20,639	4,424	94,977	120,040
1,048	3,332	82,411	86,791
<u>2,300,586</u>	<u>955,664</u>	<u>3,990,361</u>	<u>10,170,218</u>
<u>2,346,488</u>	<u>1,112,449</u>	<u>4,665,565</u>	<u>11,161,692</u>
-	-	-	1,179,033
130,469	19,495	46,283	277,379
<u>130,469</u>	<u>19,495</u>	<u>46,283</u>	<u>1,456,412</u>
172,031	88,624	33,226,244	41,210,586
-	-	165,967	165,967
-	-	-	3,008,707
<u>(556,282)</u>	<u>(537,750)</u>	<u>804,720</u>	<u>146,995</u>
<u>\$ (384,251)</u>	<u>\$ (449,126)</u>	<u>\$ 34,196,931</u>	<u>\$ 44,532,255</u>

NATRONA COUNTY, WYOMING

**COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS**

Year Ended June 30, 2016

Component Units	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Natrona County Weed and Pest Control	\$ 1,510,694	\$ 182,695	\$ 138,869	\$ -
Natrona County Public Library	3,143,717	44,510	2,968,027	-
Natrona County Fair	1,749,002	880,223	612,050	307,472
City of Casper/Natrona County Health Department	3,484,582	827,979	2,701,533	-
Community Action Partnership of Natrona County	2,311,443	35,357	2,005,021	-
Natrona County International Airport	6,554,351	3,746,517	637,870	4,890,596
	\$ 18,753,789	\$ 5,717,281	\$ 9,063,370	\$ 5,198,068

General revenues
Property taxes
Other taxes
Unrestricted investment earnings
Miscellaneous revenues
Contributions to permanent endowment
Total general revenues

Change in net position

Net position (deficit) - beginning of year
as previously reported
Prior period adjustment
Net position (deficit) - beginning of year
as restated

Net position (deficit) - end of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

Natrona County Weed and Pest Control	Natrona County Public Library	Natrona County Fair	City of Casper/ Natrona County Health Department	Community Action Partnership of Natrona County	Natrona County International Airport	Totals
\$ (1,189,130)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,189,130)
-	(131,180)	-	-	-	-	(131,180)
-	-	50,743	-	-	-	50,743
-	-	-	44,930	-	-	44,930
-	-	-	-	(271,065)	-	(271,065)
-	-	-	-	-	2,720,632	2,720,632
<u>(1,189,130)</u>	<u>(131,180)</u>	<u>50,743</u>	<u>44,930</u>	<u>(271,065)</u>	<u>2,720,632</u>	<u>1,224,930</u>
838,127	-	-	-	-	-	838,127
281,636	-	-	-	-	94,110	375,746
1,967	(85,278)	3,920	16,371	-	3,338	(59,682)
2,506	64,565	-	47,016	137,532	-	251,619
-	255,900	-	-	-	-	255,900
<u>1,124,236</u>	<u>235,187</u>	<u>3,920</u>	<u>63,387</u>	<u>137,532</u>	<u>97,448</u>	<u>1,661,710</u>
(64,894)	104,007	54,663	108,317	(133,533)	2,818,080	2,886,640
1,222,561	5,681,208	4,171,156	(520,944)	(311,480)	31,629,854	41,872,355
-	-	-	28,376	(4,113)	(251,003)	(226,740)
<u>1,222,561</u>	<u>5,681,208</u>	<u>4,171,156</u>	<u>(492,568)</u>	<u>(315,593)</u>	<u>31,378,851</u>	<u>41,645,615</u>
<u>\$ 1,157,667</u>	<u>\$ 5,785,215</u>	<u>\$ 4,225,819</u>	<u>\$ (384,251)</u>	<u>\$ (449,126)</u>	<u>\$ 34,196,931</u>	<u>\$ 44,532,255</u>

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NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Nature of Operations and Significant Accounting Policies

Natrona County, Wyoming (the County) provides a broad range of services to its citizens, including general government, public safety, transportation, roads and bridges, health, cultural, recreational, conservation and social services.

Financial Reporting Entity

The County (primary government) is a municipal corporation governed by five elected commissioners. The County provides the following services as authorized by statute: public safety, road and bridge maintenance and operation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from those units is combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combining statements for component units to emphasize it is legally separate from the County. Each blended and discretely presented component unit has a June 30 year end.

Blended Component Units

The following entities are considered blended component units of the County:

Hall of Justice Joint Powers Board – accounts for funds received from the County and the City of Casper for continuing maintenance of the Hall of Justice. The Hall of Justice Joint Powers Board's governing body is not substantially the same as the County. However, the County is financially accountable for the Hall of Justice Joint Powers Board as the County is responsible for the financial burden of the Hall of Justice. In addition, the Hall of Justice Joint Powers Board is fiscally dependent upon the County. The Hall of Justice Joint Powers Board is reported as a special revenue fund of the County.

Natrona County Jail Joint Powers Board – accounts for funds received from the County and the City of Casper for continuing maintenance of the Jail. The Jail Joint Powers Board's governing body is not substantially the same as the County. However, the County is financially accountable for the Jail Joint Powers Board as the County is responsible for the financial burden of the Jail. In addition, the Jail Joint Powers Board is fiscally dependent upon the County. The Natrona County Jail Joint Powers Board is reported as a special revenue fund of the County.

Discretely Presented Component Units

The combining statements for the discretely presented component units identify the County's other component units and include their financial data. On the statement of net position and the statement of activities, these discretely presented component units are reported in separate columns to emphasize that they are legally separate from the County. The governing boards of these component units are appointed by the Board of County Commissioners, except for the Health Department's board, which is appointed by the County Commissioners and the City Council of the City of Casper, Wyoming.

The Natrona County Weed and Pest Control District was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. The District is fiscally dependent upon the County because the Board of Commissioners approves the District's budget and levies taxes (if necessary) on behalf of the District. The District does not issue separate external financial statements.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Discretely Presented Component Units (Continued)

The Natrona County Public Library maintains and manages the operations of the County Library and the library system. The Library is fiscally dependent upon the County because the Board of Commissioners approves the Library's budget, levies taxes (if necessary) and must approve any debt issuances. The Library's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Library does not issue separate external financial statements.

The Natrona County Public Library Foundation (the Foundation) is reported as a component unit of the Natrona County Public Library as it raises and holds economic resources for the direct benefit of the Natrona County Public Library. The Foundation is a legally separate entity which does not issue separate financial statements.

The Natrona County Fair maintains and manages the operations of the County Fair and conducts agricultural, industrial and other fairs and exhibitions within the County. The Fair is fiscally dependent upon the County because the Board of Commissioners approves the Fair's budget, levies taxes (if necessary) and must approve any debt issuances. The Fair's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Fair does not issue separate external financial statements.

The Central Wyoming Sports Foundation Executrust (the Executrust) is reported as a component unit of the Natrona County Fair as it raises and holds economic resources for the direct benefit of the Natrona County Fair. The Executrust is a legally separate entity which does not issue separate financial statements.

The City of Casper/Natrona County Health Department serves all the citizens of the County. The Board was established to provide effective review and evaluation of health service programs within the County as well as to provide coordination between services and a procedure for contracting funding for services in the County. The Health Department does not issue separate external financial statements.

The Community Action Partnership of Natrona County (CAP) is a nine member tri-partite board with board members equally representing the public, at-large and low-income population of Natrona County. The primary goals of CAP are to reduce poverty, revitalize low-income communities, empower low-income families and individuals to become self-sufficient, reduce delinquency and crime, promote mental health, prevent substance abuse and family violence and encourage cooperation with educational, health, and other anti-poverty programs. CAP is fiscally dependent upon the County because the Board of Commissioners approves the budget and must approve any debt issuances. CAP does not issue separate financial statements.

The Friends of Community Action Partnership is reported as a component unit of CAP as it raises and holds economic resources for the direct benefit of CAP. The Friends of Community Action Partnership is a legally separate entity which does not issue separate financial statements.

The Natrona County International Airport (the Airport) is a facility which provides air travel and freight services to all the citizens of the County. The Airport is a legally separate municipal corporation formed under Wyoming State Statutes. The Airport is governed by a five member board of trustees who are appointed by the County Board of Commissioners. The Commissioners also approve the Airport's annual budget. Under the empowering statutes the Airport is a body corporate, empowered to sue and be sued under its own name. The Airport issues separate external financial statements, which may be obtained at the Airport's administrative offices.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. 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 or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The County's financial statements are designed to present the information in a format more closely resembling that of the private sector and to provide the user with more managerial analysis regarding the financial results and the County's financial outlook.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

For this purpose, the government considers revenues 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 compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so 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 government.

The government reports the following major governmental funds:

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.

County road construction fund is a capital projects fund and is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The County's fiduciary fund type includes Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations, and Trust Funds, with a measurement focus upon determination of change in financial position similar to the accounting utilized in governmental fund types.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The County considers all demand deposits and highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

Investments

Wyoming Statutes authorize the types of investments in which the District may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts, mutual funds and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government. The County's investments consist of certificates of deposit, and U.S. Agencies' obligations, which are carried at fair value, and participation in the Wyoming Government Investment Fund (WGIF). WGIF is a comprehensive cash management program available to Wyoming public entities. WGIF provides a full range of programs to meet participants' needs. The fund employs a team of professionals to manage the investments which are comprised of governmental securities meeting state statutory requirements. The value of the County's investments in WGIF equals the value of its WGIF shares.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Investments (Continued)

The County maintains an investment pool that is available for use by all funds and component units, as well as outside governmental entities. Each fund's share of the pool balance is reported in the financial statements as investments. Earnings from the pooled investments are allocated monthly to each participant based on a formula that takes into consideration each participant's average investment in the pool.

The County reviews statements of investments on a monthly basis to identify significant downturns which might affect the fair value measurements of investments. Investments of certificates of deposit are reported at amortized cost, which is the equivalent of fair value.

Endowments

Restricted nonexpendable net position as of June 30, 2016 represents the principal of permanent endowments restricted to investment in perpetuity by donors of the library and fair foundations. Investment earnings, except for changes in fair market value, are expendable to support the purposes designated by the donors.

Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds". All other outstanding balances between funds are reported as "due to/due from" the entities and funds involved. Transfers and interfund transactions between governmental funds are eliminated in the government-wide financial statements.

Advances between funds, if reported in the fund financial statements, are offset by a non-spendable fund balance account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

Property taxes attach as an enforceable lien on the property on January 1. Property taxes are levied at the second Commissioners meeting in August, and are due in two installments. The first becomes due on November 10 and delinquent on the next business day; the second becomes due on May 10 and delinquent on the next business day. If the entire amount is paid by December 31, the interest on the first installment will be waived. Delinquent taxes have been recognized as revenue to the extent they have been collected within 60 days after the fiscal year end, with the net balance considered unavailable and, therefore, deferred.

The County is permitted by Wyoming Statutes to levy up to 12 mils of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2016, was 12 mils, which means the County has levied to the maximum amount available.

Major Taxpayers

The County's 10 largest taxpayers account for over 37% of the County's total assessed property valuation. Eight of the 10 taxpayers are involved in mineral extraction industries. A utility company and a transportation company make up the other two major taxpayers. The County received approximately 30% of its total tax revenues from these taxpayers.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Inventory

Inventory consists of expendable supplies held for consumption and is reported at cost (first-in, first-out). The cost is recorded as an expenditure at the time individual inventory items are used. Inventory is offset by a non-spendable fund balance account which indicates it is not an "available spendable resource."

Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are recorded at historical cost or at estimated historical cost if the actual historical cost is not available in the government-wide financial statements. Infrastructure assets include roads, bridges, water/sewer, drainage systems and flood control. The County's capitalization level for buildings, improvements, equipment, vehicles, furniture and fixtures is \$5,000. The County's capitalization level for infrastructure assets is \$100,000. Depreciation on property and equipment is provided on the straight-line basis over the following useful lives:

Primary Government	Years
Buildings	40
Machinery and equipment	5
Hospital assets	5 - 40
Component Units	
Buildings and improvements	10 - 40
Machinery and equipment	5 - 20
Library collection	3 - 15
Airport water and sewage system	20

In accordance with the alternative approach to depreciating infrastructure assets permitted by GASB Statement No. 34, the County has elected to expense all infrastructure related expenditures, except for those expenditures related to additions to or improvement of infrastructure assets, in lieu of depreciating infrastructure assets. In order to utilize the alternative system, the County must maintain an asset management system which assesses asset condition and must maintain infrastructure assets at the condition level established by the County.

Capital asset purchases are accounted for as expenditures of the general fund and road construction fund in the governmental fund financial statements. Other costs for repairs and maintenance are accounted for as expenditures as incurred.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Wyoming Retirement System ("WRS") plans and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the financial statements may include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a decrease of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements may include a separate section for deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an increase of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County reports deferred outflows and deferred inflows of resources as follows:

Unavailable Revenues - Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wise statement of net position, only property tax revenue is reported as a deferred inflow of resources in the year the taxes are levied.

Pension-Related Amounts – In the government-wide statement of net position, a deferred outflow or deferred inflow of resources is reported for the unrecognized items not yet charged to pension expense related to the pension liability. This includes the unamortized portion of the net difference between projected and actual earnings on pension plan investments and other differences between expected and actual experience, as well as changes in assumptions. Deferred outflows for the difference between projected and actual investment earnings are recognized over a period of five years, while the deferred inflows or deferred outflows for the differences between expected and actual experience for economic/demographic assumptions are recognized over the remaining service life for all active and inactive members.

Compensated Absences

All regular, full-time employees are entitled to vacation leave and all regular part-time employees accumulate vacation leave on a prorated basis. Employees accumulate vacation leave hours monthly based on number of years of service with the County. Upon termination of employment, employees will be paid for any unused vacation leave at their salary rate up to a maximum of 192 accumulated hours. Regular employees accrue sick leave of one day per month. Accumulation of sick leave is limited to 480 hours/60 days. Employees with 10 or more years of service will be paid for one-third (1/3) of their unused sick leave not to exceed 10 days upon termination of employment.

A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Budgets

The County Commissioners annually adopt a budget and approve the related appropriations for the funds in accordance with provisions of the Wyoming Statutes. The legally adopted budget consist of the primary government general fund, the capital projects fund, the special revenue funds, and the discretely presented component units. Annual appropriated budgets are prepared on a basis of estimated cash receipts and cash disbursements. In the case of the general fund, the capital projects fund, the special revenue funds, and the discretely presented component units, unexpended and unencumbered budgeted amounts and budget appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing year.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Budgets (Continued)

The County Commissioners exercise legal spending control at the department level. Any over-expenditures or transfers of appropriations must be approved by them, as are all departmental budget amendments. Management control is exercised at budgetary line item levels. The County Commissioners and the governing boards of the component units may also amend the budget after it is approved, using the same procedures necessary to approve the original budget. The budgetary data presented in the financial statements reflects all approved budget amendments. Supplemental budget appropriations of \$4,035,467 were approved for the general fund during the year.

Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Non-spendable fund balances include amounts which cannot be spent because they are not in spendable form. Restrictions on fund balances have been externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions. Commitments of fund balances were imposed by resolution of the Board of County Commissioners; these balances may be redeployed with appropriate due process. Assignments of fund balances express the intent of the County, as designated by the Board of County Commissioners, to utilize the funds for specific purposes. Unassigned fund balance of the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. While the County has not adopted a formal policy, when committed, assigned, or unassigned amounts are available for use, the County intends to utilize committed resources first, then assigned resources, and finally, unassigned resources as they are needed.

Restricted Net Position

For the government-wide financial statements, net position is reported as restricted when constraints placed on the net position is either: (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislation.

Collections

The Natrona County Library owns a collection of rare historical books on Wyoming, as well as its complete collection of library books. These items are not considered to be held for financial gain. All books in the collection are protected, kept unencumbered, and preserved. The Library has capitalized this collection, but does not depreciate the rare books collection. The library collection has a limited life and is available to be borrowed by the general public. The library collection is capitalized and depreciated.

Short-term Financing

The County did not issue any tax anticipation notes or use any other type of short-term financing for the year ended June 30, 2016.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 1. Nature of Operations and Significant Accounting Policies (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Accounting Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual amounts could differ from estimates.

Note 2. Deposits and Investments

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that the County's deposits in excess of Federal depository insurance must be collateralized. At June 30, 2016, the County's deposits were fully insured or collateralized as required by statutes.

Investments

As of June 30, 2016, the primary government had the following investments:

Investment Type	Fair Value	Interest Rate	Investment Maturities in Years				Rating
			Less Than 1	1 - 5	6 - 10	More Than 10	
External							
investment pool	\$ 2,747,209	n/a	\$ 2,747,209	\$ -	\$ -	\$ -	n/a
WGIF	4,364,505	n/a	4,364,505	-	-	-	AAAm
WGIF - CD	650,000	n/a	650,000	-	-	-	n/a
U.S. government							
agency mortgage backed securities	2,159,890	2% to 2.25%	-	-	-	2,159,890	AA+
Total	\$ 9,921,604		\$ 7,761,714	\$ -	\$ -	\$ 2,159,890	

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 2. Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2016, the component units of the County had the following investments:

Investment Type	Fair Value	Interest Rate	Investment Maturities in Years				Rating
			Less Than 1	1 - 5	6 - 10	More Than 10	
U.S. government agency securities	\$ 90,072	.625% to .75%	\$ 25,025	\$ 65,047	\$ -	\$ -	Aaa
U.S. government agency mortgage backed securities	146,370	.5% to 1.5%	19,999	126,371	-	-	Aaa to AA+
Mutual funds	1,919,044	n/a	1,919,044	-	-	-	n/a
External investment pool	625,881	n/a	625,881	-	-	-	n/a
Municipal bonds	25,034	1.55%	-	25,034	-	-	Aa2
Certificates of deposit	<u>3,017,563</u>	.50% to 1.45%	<u>2,598,898</u>	<u>418,665</u>	<u>-</u>	<u>-</u>	n/a
Total	<u>\$ 5,823,964</u>		<u>\$ 5,188,847</u>	<u>\$ 635,117</u>	<u>\$ -</u>	<u>\$ -</u>	

Investments of the component units are reported under the following captions:

Investments	\$ 2,815,257
Restricted investments	<u>3,008,707</u>
	<u><u>\$ 5,823,964</u></u>

Mutual funds, corporate bonds, and common stocks may be held by the Central Wyoming Sport Foundation Executrust and the Natrona County Public Library Foundation; these entities are not subject to the state statutes which restrict investments to governmental securities. The mutual funds noted above are not rated by Moody's or Standard and Poor's.

Credit Risk

Generally, credit risk is the risk that 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. State law does not allow governments to invest in corporate bonds, stocks or mutual funds and limits investments in commercial paper to short term maturities (not greater than 270 days) and to the top ratings issued by nationally recognized statistical rating organizations (Moody's and Standard and Poor's). Obligations of the U.S. Government and obligations specifically guaranteed by the U.S. Government are backed by the full faith and credit of the U.S. Government. The U.S. Government agency securities and obligations specifically guaranteed by the U. S. Government held in the County's investment pool are rated Aaa/AA+ by Standard and Poor's and Moody's. Under investment agreements with WGIF, the County has invested in a pool of short term funds which offers complete liquidity; this pool is rated AAAM by Standard and Poor's.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Concentration of Credit Risk

The County does not have a formal policy that allows for or limits an investment in any one issuer to a specified percentage of the County's total investments. Excluding external investment pools and investments issued by or explicitly guaranteed by the U.S. Government, no single amount or issuer represents 5 percent or more of total investments.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The only significant exposure is for securities held by securities brokers or other banks. Management believes the stability and reputation of these brokers or other banks serves to limit its custodial credit risk.

Fair Value of Investments

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2016.

External investment pools: Valued at the net asset value (NAV) of shares held at year end, based on quoted prices for identical or similar assets in active markets.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the component units are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Municipal bonds, U.S. government agency, and U.S. government agency mortgage backed securities: Valued using quoted prices for identical or similar assets in active markets.

Primary government investments

	Investments at Fair Value as of June 30, 2016			
	Level 1	Level 2	Level 3	Total
External investment pools	\$ -	\$ 7,111,714	\$ -	\$ 7,111,714
U.S. government agency mortgage backed securities	-	2,159,890	-	2,159,890
	\$ -	\$ 9,271,604	\$ -	9,271,604
Other investments reported in the following classifications				
WGIF - Certificates of deposit				650,000
				\$ 9,921,604

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Fair Value (Continued)

Component unit investments

	Investments at Fair Value as of June 30, 2016			
	Level 1	Level 2	Level 3	Total
External investment pool	\$ -	\$ 625,881	\$ -	\$ 625,881
Mutual funds	1,919,044	-	-	1,919,044
Municipal bonds	-	25,034	-	25,034
U.S. government agency securities	-	90,072	-	90,072
U.S. government agency mortgage backed securities	-	146,370	-	146,370
	\$ 1,919,044	\$ 887,357	\$ -	2,806,401
Other investments reported in the following classifications				
Certificates of deposit				3,017,563
Total component unit investments				\$ 5,823,964

At June 30, 2016, the County's investment portfolio includes mortgage backed securities that have fair values highly sensitive to interest rate changes. When interest rates fall, mortgages are refinanced and paid off early. The reduced stream of future interest payments diminishes the value of the investment.

Note 3. Interfund Balances

Interfund and intra-entity receivables and payables at June 30, 2016 are as follows:

	Receivable	Payable
General Fund	\$ 786,119	\$ 1,204,967
County Road Construction Fund	-	869,837
Drug Court Fund	83,718	-
Component Units	1,204,967	-
	\$ 2,074,804	\$ 2,074,804

Interfund balances result from the time lag between dates that (1) interfund goods and services were provided or reimbursable expenses occurred, (2) transactions were recorded in the accounting systems, and (3) payments between funds were made.

Transfers, if any, are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, if needed, as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 4. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 16,241,656	\$ -	\$ -	\$ 16,241,656
Infrastructure	25,698,770	-	-	25,698,770
Total capital assets not being depreciated	<u>41,940,426</u>	<u>-</u>	<u>-</u>	<u>41,940,426</u>
Capital assets being depreciated				
Buildings	145,489,605	-	-	145,489,605
Machinery and equipment	21,127,474	895,082	(277,102)	21,745,454
Hospital assets*	335,718,442	4,788,947	-	340,507,389
Total capital assets being depreciated	<u>502,335,521</u>	<u>5,684,029</u>	<u>(277,102)</u>	<u>507,742,448</u>
Less accumulated depreciation for				
Buildings	95,476,406	1,762,280	-	97,238,686
Machinery and equipment	17,142,530	1,302,368	(274,502)	18,170,396
Hospital assets*	205,319,799	13,383,377	-	218,703,176
Total accumulated depreciation	<u>317,938,735</u>	<u>16,448,025</u>	<u>(274,502)</u>	<u>334,112,258</u>
Total capital assets being depreciated, net	<u>184,396,786</u>	<u>(10,763,996)</u>	<u>(2,600)</u>	<u>173,630,190</u>
Capital assets, net	<u>\$ 226,337,212</u>	<u>\$ (10,763,996)</u>	<u>\$ (2,600)</u>	<u>\$ 215,570,616</u>

* These assets are leased to the Wyoming Medical Center, Inc. under an operating lease.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 4. Capital Assets (Continued)

Primary Government (Continued)

Depreciation expense was charged to the functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 1,292,459
Public safety	1,268,702
Public works	416,388
Health and welfare	25,000
Conservation of natural resources	62,099
Hospital	13,383,377
Total depreciation expense - governmental activities	\$ 16,448,025

Component Units

Capital asset activity for each component unit for the year ended June 30, 2016 follows.

Capital asset activity for the Natrona County Weed and Pest Control for the year ended June 30, 2016 was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Buildings and improvements	\$ 419,077	\$ -	\$ -	\$ 419,077
Machinery and equipment	560,185	52,969	(20,835)	592,319
Total capital assets being depreciated	979,262	52,969	(20,835)	1,011,396
Less accumulated depreciation for				
Buildings and improvements	154,299	11,704	-	166,002
Machinery and equipment	451,681	41,995	(20,835)	472,841
Total accumulated depreciation	605,980	53,699	(20,835)	638,843
Capital assets, net	\$ 373,282	\$ (730)	\$ -	\$ 372,553

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 4. Capital Assets (Continued)

Component Units (Continued)

Capital asset activity for the Natrona County Public Library for the year ended June 30, 2016 was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 1,545,080	\$ -	\$ -	\$ 1,545,080
Rare book collection	620,600	86,400	-	707,000
Total capital assets not being depreciated	<u>2,165,680</u>	<u>86,400</u>	<u>-</u>	<u>2,252,080</u>
Capital assets being depreciated				
Machinery and equipment	779,469	5,295	-	784,764
Library collection	3,286,969	289,096	(139,264)	3,436,801
Total capital assets being depreciated	<u>4,066,438</u>	<u>294,391</u>	<u>(139,264)</u>	<u>4,221,565</u>
Less accumulated depreciation for				
Machinery and equipment	557,508	66,585	-	624,093
Library collection	2,162,702	332,708	(139,264)	2,356,146
Total accumulated depreciation	<u>2,720,210</u>	<u>399,293</u>	<u>(139,264)</u>	<u>2,980,239</u>
Total capital assets being depreciated, net	<u>1,346,228</u>	<u>(104,902)</u>	<u>-</u>	<u>1,241,326</u>
Capital assets, net	<u>\$ 3,511,908</u>	<u>\$ (18,502)</u>	<u>\$ -</u>	<u>\$ 3,493,406</u>

Capital asset activity for the Natrona County Fair for the year ended June 30, 2016, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Buildings and improvements	\$ 6,419,647	\$ 160,946	\$ -	\$ 6,580,593
Machinery and equipment	1,553,961	140,710	(50,539)	1,644,132
Total capital assets being depreciated	<u>7,973,608</u>	<u>301,656</u>	<u>(50,539)</u>	<u>8,224,725</u>
Less accumulated depreciation for				
Buildings and improvements	3,235,431	162,503	-	3,397,934
Machinery and equipment	960,004	59,598	(50,539)	969,063
Total accumulated depreciation	<u>4,195,435</u>	<u>222,101</u>	<u>(50,539)</u>	<u>4,366,997</u>
Capital assets, net	<u>\$ 3,778,173</u>	<u>\$ 79,555</u>	<u>\$ -</u>	<u>\$ 3,857,728</u>

Buildings and improvements for the Natrona County Fair includes a facility that was acquired under capital leases in the amount of \$3,421,693, with associated accumulated amortization of \$1,325,906. The related amortization expense of \$85,542 has been included in annual depreciation expense.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 4. Capital Assets (Continued)

Component Units (Continued)

Capital asset activity for the City of Casper/Natrona County Health Department for the year ended June 30, 2016, was as follows:

	Beginning Balance Restated	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Machinery and equipment	\$ 522,078	\$ 103,170	\$ (24,950)	\$ 600,298
Total capital assets being depreciated	<u>522,078</u>	<u>103,170</u>	<u>(24,950)</u>	<u>600,298</u>
Less accumulated depreciation for				
Machinery and equipment	424,933	28,284	(24,950)	428,267
Total accumulated depreciation	<u>424,933</u>	<u>28,284</u>	<u>(24,950)</u>	<u>428,267</u>
Capital assets, net	<u>\$ 97,145</u>	<u>\$ 74,886</u>	<u>\$ -</u>	<u>\$ 172,031</u>

Capital asset activity for the Community Action Partnership of Natrona County for the year ended June 30, 2016, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Building improvements	\$ 82,003	\$ -	\$ -	\$ 82,003
Machinery and equipment	185,675	-	-	185,675
Total capital assets being depreciated	<u>267,678</u>	<u>-</u>	<u>-</u>	<u>267,678</u>
Less accumulated depreciation for				
Building improvements	16,844	1,857	-	18,701
Machinery and equipment	153,888	6,465	-	160,353
Total accumulated depreciation	<u>170,732</u>	<u>8,322</u>	<u>-</u>	<u>179,054</u>
Capital assets, net	<u>\$ 96,946</u>	<u>\$ (8,322)</u>	<u>\$ -</u>	<u>\$ 88,624</u>

Equipment for the Community Action Partnership of Natrona County includes equipment that was acquired under capital leases in the amount of \$16,500, with associated accumulated amortization of \$9,900. The related amortization expense of \$3,300 has been included in annual depreciation expense.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 4. Capital Assets (Continued)

Component Units (Continued)

Capital asset activity for the Natrona County International Airport for the year ended June 30, 2016, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 4,146,968	\$ -	\$ -	\$ 4,146,968
Construction in progress	5,232,908	5,454,259	(1,027,103)	9,660,064
Total capital assets not being depreciated	<u>9,379,876</u>	<u>5,454,259</u>	<u>(1,027,103)</u>	<u>13,807,032</u>
Capital assets being depreciated				
Buildings and improvements	81,906,247	1,118,134	(426,856)	82,597,525
Machinery and equipment	5,488,106	107,973	(25,622)	5,570,457
Water and sewage system	801,206	24,359	-	825,565
Total capital assets being depreciated	<u>88,195,559</u>	<u>1,250,466</u>	<u>(452,478)</u>	<u>88,993,547</u>
Less accumulated depreciation for				
Buildings and improvements	61,614,356	1,990,380	(426,856)	63,177,880
Machinery and equipment	3,829,245	346,374	(25,622)	4,149,997
Water and sewage system	782,382	4,339	-	786,721
Total accumulated depreciation	<u>66,225,983</u>	<u>2,341,093</u>	<u>(452,478)</u>	<u>68,114,598</u>
Total capital assets being depreciated, net	<u>21,969,576</u>	<u>(1,090,627)</u>	<u>-</u>	<u>20,878,949</u>
Capital assets, net	<u>\$ 31,349,452</u>	<u>\$ 4,363,632</u>	<u>\$ (1,027,103)</u>	<u>\$ 34,685,981</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 5. County Debt

The Wyoming Constitution (Article 16 §3) limits the amount of indebtedness for any County to be not more than two percent of the last general assessment. This limit was \$29,261,525 at June 30, 2016. The County had no outstanding debt subject to this limitation.

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2016:

	Balance June 30, 2015	New Debt Incurred	Debt Retired	Balance June 30, 2016	Due Within One Year
Primary Government					
Certificates of participation	\$ 6,600,000	\$ -	\$ 600,000	\$ 6,000,000	\$ 610,000
Original issue premium	102,540	-	9,465	93,075	9,465
Compensated absences	1,188,775	1,202,207	1,188,775	1,202,207	56,701
Net pension liability	9,747,470	4,710,436	-	14,457,906	-
	<u>\$ 17,638,785</u>	<u>\$ 5,912,643</u>	<u>\$ 1,798,240</u>	<u>\$ 21,753,188</u>	<u>\$ 676,166</u>

Certificates of participation, notes payable and compensated absences of the primary government are generally liquidated by the general fund.

	Restated Balance June 30, 2015	New Debt Incurred	Debt Retired	Balance June 30, 2016	Due Within One Year
Component Units					
Note payable	\$ 1,539,486	\$ -	\$ 79,749	\$ 1,459,737	\$ 82,411
Capital lease obligations	10,562	-	3,293	7,269	3,332
Compensated absences	545,636	522,287	545,636	522,287	1,048
Net pension liability	5,995,181	2,272,535	-	8,267,716	-
	<u>\$ 8,090,865</u>	<u>\$ 2,794,822</u>	<u>\$ 628,678</u>	<u>\$ 10,257,009</u>	<u>\$ 86,791</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 5. County Debt (Continued)

Primary Government, Certificates of Participation

During 2014, the County issued Certificates of Participation for a current refunding of Certificates of Participation previously issued in 2004 to finance the expansion and renovations of the Natrona County Detention Center. The refunding was undertaken to reduce future debt service payments; reducing interest requirements by approximately \$981,000, the 2004 certificates were redeemed and fully discharged with the refunding. A summary of the outstanding Certificates of Participation as of June 30, 2016 is as follows:

Certificates of participation series 2014, due in annual installments of \$590,000	\$ 6,000,000
to \$735,000 through June 2025, interest at 3.0% to 4.0%, original amount	
issued \$7,900,000 at premium of \$113,584.	\$ 6,000,000
	\$ 6,000,000

Scheduled principal and interest requirements as of June 30, 2016 are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 610,000	\$ 147,175	\$ 757,175
2018	625,000	134,975	759,975
2019	635,000	122,475	757,475
2020	650,000	109,775	759,775
2021	665,000	96,775	761,775
2022-2025	2,815,000	206,819	3,021,819
	\$ 6,000,000	\$ 817,994	\$ 6,817,994

The balances above do not include the unamortized premium in the amount of \$93,075 that is reported as a component of the certificates of participation.

Component Units, Note Payable

A summary of the note payable for the Natrona County International Airport as of June 30, 2016 is as follows:

Note payable to a government agency, with interest at 5%, payable in annual installments of \$155,397 due each January, through January 2029	\$ 1,459,737
	\$ 1,459,737

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 5. County Debt (Continued)

Component Units, Note Payable (Continued)

Scheduled principal and interest requirements as of June 30, 2016 are as follows:

Fiscal year ending, June 30	Principal	Interest	Total
2017	\$ 82,410	\$ 72,987	\$ 155,397
2018	86,531	68,866	155,397
2019	90,858	64,539	155,397
2020	95,400	59,997	155,397
2021	100,171	55,226	155,397
2022 thru 2026	581,181	195,806	776,987
2027 thru 2029	423,186	43,006	466,192
	\$ 1,459,737	\$ 560,427	\$ 2,020,164

Component Units, Capital Lease Payable

A summary of the capital leases for Community Action Partnership of Natrona County (CAP) as of June 30, 2016 is as follows:

Lease/buy back obligation on copier, due in monthly installments of \$283, including interest at 1.18%, through August 2018, collateralized by the copier	\$ 7,269
	\$ 7,269

Future minimum lease payments as of June 30, 2016 are as follows:

Fiscal year ending, June 30	
2017	\$ 3,400
2018	3,400
2019	566
Total minimum lease payments	7,366
Less: interest	97
Present value minimum lease payments	\$ 7,269

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 6. Revenue Bonds

In February 2011, the Wyoming Medical Center (the Center) issued \$20,000,000 aggregate principal amount of its Revenue Bonds, Series 2011, dated February 17, 2011 through Natrona County, Wyoming. The bond issuance resulted in net proceeds to the Center of approximately \$20,039,244, including a premium of \$39,244. The Series 2011 Bonds are special, limited obligations of the Center and the Board of Trustees of the Memorial Hospital of Natrona County, equally and ratably payable from the "Net Pledged Revenues" and certain funds held under the Indenture. As of June 30, 2016, \$17,650,000 of principal on the Series 2011 was outstanding. This obligation is not included on the balance sheet of the County since it is not obligated in any manner for repayment of the bonds.

Note 7. Natrona County Memorial Hospital Lease

On August 11, 1986, the Center entered into a lease with the Board of Trustees of Memorial Hospital of Natrona County (Landlord) with the approval and consent of the Board of County Commissioners of Natrona County, Wyoming. The lease was amended May 16, 1995. The lease provides that the certain capital assets of the Landlord be leased to the Center.

The amended lease is for a primary term of ten years with two optional ten year renewals. In the event of expiration, termination, or default of the lease, substantially all of the assets under the operating lease will revert to the Board of Trustees of Memorial Hospital of Natrona County.

Under this lease, the Center is responsible for all costs, expenses, and obligations of every kind and nature relating to the use and occupancy of the leased premises. The Center is required to comply with all covenants imposed on the County and/or Landlord by the Bond Indenture (Note 6) and is required to meet certain financial covenants, as defined in the lease.

In consideration of the lease, the Center agrees to provide medically necessary hospital care without charge to residents of Natrona County, Wyoming, who have no means to pay for such care. As further consideration for this lease, as amended, the Center agrees to assume all costs and expenses for services provided by the Center in excess of \$120,000 per year for prisoner medical care and involuntary hospitalizations. In addition, the Center is required to pay the principal, premium, interest, and all other obligations required by the Bond Indenture.

Payments in lieu of rent for the years ended June 30 are as follows:

	<u>2016</u>	<u>2015</u>
Indigent and prisoner care	\$ 18,347,422	\$ 18,774,549
Property insurance	534,945	456,455
	<u>\$ 18,882,367</u>	<u>\$ 19,231,004</u>

The operating lease provides that creating any lien, encumbrance, mortgage, or assignment by the Center requires the approval of the Landlord and the Board of County Commissioners of Natrona County, Wyoming.

All assets and liabilities related to the Wyoming Medical Center, Inc. are to revert to the County upon expiration or termination of the agreement. The County has retained title to all property and equipment originally transferred to the Center and additions purchased with the proceeds of all bond issues.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 8. Beneficial Interest in Assets Held by Others

In the past, the Library Foundation transferred investments to the Wyoming Community Foundation specifying itself as the beneficiary. The Library Foundation receives distributions from the Wyoming Community Foundation which approximate the earnings on the investments held on the Library Foundation's behalf. The Wyoming Community Foundation may substitute another beneficiary in place of the Library Foundation, should the Library Foundation cease to exist or if the governing board of the Wyoming Community Foundation votes that support of the Library Foundation is not necessary, or is inconsistent with the needs of the community. No other explicit variance power was granted in conjunction with the transfer. Financial Accounting Standards Board (FASB) ASC 958-605-50-4 requires those transferred assets to be reported on the Library Foundation's books at fair value, which was \$249,995 as of June 30, 2016, as beneficial interest in assets held by others.

Note 9. Defined Benefit Pension Plans

All eligible County employees are covered under one of the following pension plans:

Law Enforcement Pension Plan

The County participates in the Law Enforcement Pension Plan ("LEPP"), a state-wide, cost-sharing, multiple-employer defined benefit, contributory plan administered by the State of Wyoming Retirement System Board. The LEPP covers any county sheriff, deputy county sheriff, municipal police officer, Wyoming correctional officer, Wyoming law enforcement academy instructor, University of Wyoming campus police officer, detention officer or dispatcher for law enforcement agencies and certain investigators of the Wyoming Livestock Board. The LEPP statutorily provides retirement, disability and death benefits according to predetermined amounts primarily determined by salary, age and years of service of the participant. The LEPP also statutorily provides for a percentage increase in the benefit amounts beginning July 1, after two full years of retirement by 2% each year. State statutes provide for future annual percent increases in the benefit amount to be the greater of the cost of living as determined by the Board or the percentage determined actuarially sound by the System's actuary, up to 2% each year. Participants may withdraw from the LEPP at any time and receive refunds of participant contributions plus accumulated interest.

The LEPP is funded by amounts withheld from participating employees' salaries and by contributions from the County. These contributions are determined by state statutes and as of June 30, 2016, the percentages to be contributed on compensation were 8.60% for the employees and the same for the County. Currently, the County pays 13.42%, while employees pay 3.78%.

For the years ended June 30, 2016, 2015, and 2014, total contributions for the LEPP were \$1,277,699, \$1,283,134, and \$1,274,661 respectively, equal to the required contributions for each year. The County's portion of these contributions was \$996,903, 143, \$1,001,143, and \$994,532, while the employees' portion was \$280,796, \$281,991, and \$280,129, equal to the required contributions for each year.

Public Employees' Pension Plan

The County participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer defined benefit, contributory retirement plan administered by the State of Wyoming Retirement System Board. Substantially all County full-time employees are eligible to participate. The PEPP provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 9. Defined Benefit Pension Plans (Continued)

Public Employees' Pension Plan (Continued)

Through legislation passed during the 2014 legislative session, two tiers of benefits were established for participants of this plan. For Tier 1 (first contribution before 9/1/2012), the plan allows 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 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60. For Tier 2, (first contribution on or after 9/1/2012), the plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65. All employees may also retire on the basis that the sum of the member's age and service is at least 85.

The PEPP provides retirement, disability, and death benefits according to predetermined formulas and allows retirees to select one of seven methods for receiving benefits, including two joint and survivor 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. Any cost of living adjustment provided to retirees must be granted by the State Legislature. In addition, a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through the date of termination or, if they are vested, they may elect to remain in the plan and be eligible for unreduced retirement benefits at age 50 (Tier 1 employee) or 56 (Tier 2 employee).

PEPP members are required to contribute 8.25% of their annual covered salary and the County is required to contribute 8.37%, of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The County currently pays 15.37% and employees pay 1.25%. The County's contributions to the PEPP for the years ended June 30, 2016, 2015, and 2014, were \$1,283,431, \$1,209,766, and \$1,086,925, while the employees' portion was \$104,378, \$103,434, and \$92,931, respectively, equal to the required contributions for each year.

The Weed and Pest, the Fair and the Health Department component units currently pay all of the required employee's contribution. The Library pays 16.12% of the required contribution and the employees pay 0.50%. Community Action Partnership pays 14.565% of the required contribution and the employees pay 2.055%. The component units' contributions to the System, excluding the Airport, for the years ended June 30, 2016, 2015, and 2014, were \$753,540, \$698,499, and \$616,719, while the employees' portion was \$22,730, \$20,768, and \$16,626, respectively, equal to the required contributions for each year for regular employees.

The Airport's contributions to the System for the years ended June 30, 2016, 2015, and 2014, were \$174,032, \$170,491, and \$155,424, respectively, equal to the required contributions for each year for regular employees, respectively, for each year. The Airport also pays 100 percent of the full required contribution which is 16.62% for regular employees.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 9. Defined Benefit Pension Plans (Continued)

Paid Firemen's Pension Fund

The Natrona County International Airport ("Airport") participates in the Paid Firemen's Pension Fund ("Fund"), a statewide cost-sharing multiple-employer defined benefit, contributory retirement plan administered by the State of Wyoming Retirement System Board. All paid Airport firemen are eligible to participate. The Fund is comprised of two plans. Plan A relates to members hired prior to July 1, 1981 and Plan B relates to members hired on or after July 1, 1981 (and any earlier hires electing this plan).

Plan A statutorily required participants to contribute 8% of their salary, while employers were required to contribute 21% of their salary. Effective April 1, required contributions were suspended as Plan A had been determined to be actuarially over-funded. This plan is being reviewed to determine the appropriate measures to take to ensure this plan is adequately funded, as it is a closed plan.

Plan A statutorily provides retirement, disability and death benefit according to a percentage of a fireman first class salary. Plan A also statutorily provides for an annual percentage increase in the benefit amounts beginning in the year following twelve (12) months of payments, by at least 3%. In the event the current actuarial valuation indicates the fair value of assets is greater than one hundred fifteen percent (115%) of the actuarial value of liabilities, the Board may increase the benefit by an amount determined affordable by the actuary but not greater than five percent (5%) of the benefit. Participants may withdraw from Plan A at any time and receive refunds of participant contributions without interest.

Plan B provides retirement, disability and death benefits according to predetermined formulas. Any costs of living adjustment provided to retirees must be granted by the State Legislature. In addition, a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded. Participants may withdraw from the plan at any time and receive refunds of participant contributions without interest.

Under Plan B, participants contribute 9.245% of their gross monthly salary and the employer contributes 12% of the participant's gross monthly salary. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The Airport currently pays 100% of the required employee's contribution. The Airport's contributions to the plan for the years ended June 30, 2016, 2015, and 2014, were \$100,999, \$96,864, and \$95,065, respectively, which were equal to the required contributions for those years.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 9. Defined Benefit Pension Plans (Continued)

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

At June 30, 2016, the County reported a liability of \$14,457,905 for its proportionate share of the net pension liability. The County's component units: Weed and Pest, Library, Fair, Health Department, Community Action Partnership, and Airport reported \$406,424, \$1,849,487, \$513,488, \$2,204,394, \$921,521, and \$2,372,402, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation January 1, 2016. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating governmental entities, actuarially determined. At December 31, 2015, the County's liability as well as their proportion and increase or decrease from its proportion measured at December 31, 2014 were as follows for each plan in which the county participates:

	Pension liability at June 30, 2016	Proportion at December 31, 2015	Increase (decrease) from December 31, 2014
Primary Government			
Public Employees' Pension Plan	\$ 10,910,696	0.468401280%	-0.002708723%
Law Enforcement Pension Plan	3,547,210	4.722061512%	-0.144365865%
	<u>\$ 14,457,906</u>		
Component Units			
Public Employees' Pension Plan			
Natrona County Weed and Pest Control	\$ 406,424	0.017447965%	-0.001569802%
Natrona County Public Library	1,849,487	0.079399399%	0.000215640%
Natrona County Fair Board	513,488	0.022044287%	-0.000341474%
Natrona County City of Casper Health Department	2,204,394	0.094635664%	-0.007109844%
County Community Action Partnership of Natrona County	921,521	0.039561313%	0.004634645%
Natrona County International Airport	1,404,769	0.060307348%	-0.001217002%
Paid Firemen's Retirement Plan A			
Natrona County International Airport	443,485	0.239134445%	0.003101341%
Paid Firemen's Retirement Plan B			
Natrona County International Airport	524,148	1.714325603%	0.037801853%
	<u>\$ 8,267,716</u>		

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 9. Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2016, the County and its component units Weed and Pest, Library, Fair, Health Department, Community Action Partnership, and the Airport recognized pension expense of \$3,966,362 and \$1,705,644, respectively. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PEPP		Law Enforcement		Total	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
Primary Government						
Net difference between projected and actual earnings on pension plan investments	\$ 2,674,806	\$ -	\$ 2,174,962	\$ -	\$ 4,849,768	\$ -
Difference between actual and expected experience rate	-	230,821	64,504	-	64,504	230,821
Change in employer's proportion	-	31,939	-	17,201	-	49,140
Amortizing deferred outflows and deferred inflows	2,674,806	262,760	2,239,466	17,201	4,914,272	279,961
Contributions subsequent to the measurement date	689,032	-	641,356	-	1,330,388	-
Total	<u>\$ 3,363,838</u>	<u>\$ 262,760</u>	<u>\$ 2,880,822</u>	<u>\$ 17,201</u>	<u>\$ 6,244,660</u>	<u>\$ 279,961</u>

The component units of the County reported deferred outflows and deferred inflows related to pensions from the following sources:

	Natrona County Weed and Pest		Natrona County Public Library		Natrona County Fair	
	Control		PEPP		PEPP	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
Net difference between projected and actual earnings on pension plan investments	\$ 101,231	\$ -	\$ 452,678	\$ -	\$ 126,117	\$ -
Difference between actual and expected experience rate	-	8,598	-	39,127	-	10,863
Change in employer's proportion	-	18,510	2,541	-	-	4,034
Amortizing deferred outflows and deferred inflows	101,231	27,108	455,219	39,127	126,117	14,897
Contributions subsequent to the measurement date	31,397	-	117,734	-	33,551	-
Total	<u>\$ 132,628</u>	<u>\$ 27,108</u>	<u>\$ 572,953</u>	<u>\$ 39,127</u>	<u>\$ 159,668</u>	<u>\$ 14,897</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 9. Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	City of Casper/Natrona County Health Department		Community Action Partnership of Natrona County	
	PEPP		PEPP	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
Net difference between projected and actual earnings on pension plan investments	\$ 547,538	\$ -	\$ 220,638	\$ -
Difference between actual and expected experience rate	-	46,635	-	19,495
Change in employer's proportion	-	83,834	54,647	-
Amortizing deferred outflows and deferred inflows	547,538	130,469	275,285	19,495
Contributions subsequent to the measurement date	152,328	-	65,528	-
Total	<u>\$ 699,866</u>	<u>\$ 130,469</u>	<u>\$ 340,813</u>	<u>\$ 19,495</u>

	Natrona County International Airport					
	PEPP		Fire A		Fire B	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
Net difference between projected and actual earnings on pension plan investments	\$ 347,943	\$ -	\$ 27,145	\$ -	\$ 173,699	\$ -
Difference between actual and expected experience rate	-	29,718	-	-	1,812	-
Difference due to changes in assumptions	-	-	-	-	304,448	-
Change in employer's proportion	-	14,350	-	-	-	2,215
Amortizing deferred outflows and deferred inflows	347,943	44,068	27,145	-	479,959	2,215
Contributions subsequent to the measurement date	90,603	-	-	-	50,622	-
Total	<u>\$ 438,546</u>	<u>\$ 44,068</u>	<u>\$ 27,145</u>	<u>\$ -</u>	<u>\$ 530,581</u>	<u>\$ 2,215</u>

Natrona County International Airport reported total deferred outflows of \$996,272 and total deferred inflows of \$46,283 at June 30, 2016.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 9. Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The County and its component units reported \$1,330,388 and \$541,974, respectively, as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Primary Government

Year ended June 30,	Deferred Outflows	Deferred Inflows
2017	\$ 1,306,697	\$ 94,520
2018	1,306,697	94,520
2019	1,306,698	86,728
2020	994,180	4,193
	\$ 4,914,272	\$ 279,961

Componet Units

Year ended June 30,	Natrona County Weed and Pest Control		Natrona County Public Library		Natrona County Fair	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
	2017	\$ 27,027	\$ 9,304	\$ 121,203	\$ 13,429	\$ 33,553
2018	27,027	9,304	121,203	13,429	33,554	5,110
2019	27,028	8,500	121,127	12,269	33,554	4,677
2020	20,148	-	91,687	-	25,456	-
	\$ 101,230	\$ 27,108	\$ 455,220	\$ 39,127	\$ 126,117	\$ 14,897

Year ended June 30,	City of Casper/Natrona County Health Department		Community Action Partnership of Natrona County		Natrona County International Airport	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
	2017	\$ 146,086	\$ 44,779	\$ 77,074	\$ 6,691	\$ 187,895
2018	146,086	44,779	77,074	6,691	187,895	15,455
2019	146,086	40,911	75,454	6,113	186,612	14,149
2020	109,282	-	45,684	-	151,866	330
2021	-	-	-	-	41,637	330
Thereafter	-	-	-	-	99,145	564
	\$ 547,540	\$ 130,469	\$ 275,286	\$ 19,495	\$ 855,050	\$ 46,283

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 9. Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions

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

Actuarial Assumptions and Methods

Valuation date	1/1/2016
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent or level dollar open
Remaining amortization period	10 to 30
Asset valuation method	5-year
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases (includes inflation)	4.25% to 8.00%
Assumed inflation rate	3.25%
Mortality	RP-2000 Combined Mortality Table, fully generational

The current actuarial assumptions and methods used in the January 1, 2016 valuation were based on an experience study that covered a five-year period ending December 31, 2011. Differences between assumptions and actual experience since the prior valuation are identified as actuarial gains and losses. These gains and losses impact the unfunded actuarial liability and future funding requirements determined in subsequent valuations.

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

For each major asset class that is included in the pension plans' target allocation as of January 1, 2016, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.50%	0.25%
Fixed income	15.00%	0.87%
Equity	59.00%	5.13%
Marketable alternatives	15.50%	4.75%
Private markets	8.00%	5.84%
Total	<u>100.00%</u>	

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 9. Defined Benefit Pension Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions for participating governmental entities will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. However, for the Paid Firemen's Retirement Fund Plan B, the discount rate was changed from 7.75% in the prior valuation to 6.52% for the current valuation. The discount rate for the Paid Fireman's Retirement Fund Plan A is 4.25%.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	6.75%	7.75%	8.75%
Primary Government			
Public Employees' Pension Plan	\$ 15,663,898	\$ 10,910,965	\$ 6,897,281
Wyoming Law Enforcement Retirement Plan	7,197,212	3,547,210	531,070
Component Units			
Natrona County Weed and Pest Public Employees' Pension Plan	583,481	406,424	256,738
Natrona County Library Public Employees' Pension Plan	2,655,211	1,849,488	1,168,321
Natrona County Fair Board Public Employees' Pension Plan	737,187	531,488	324,370
Natrona County City of Casper Health Department Public Employees' Pension Plan	3,164,730	2,204,394	1,392,515
Natrona County Community Action Partnership Public Employees' Pension Plan	1,322,978	921,521	582,124
Natrona County International Airport Public Employees' Pension Plan	2,016,750	1,404,768	887,391
	<u>3.25%</u>	<u>4.25%</u>	<u>5.25%</u>
Fire Pension Plan A	554,472	443,485	354,448
	<u>5.52%</u>	<u>6.52%</u>	<u>7.52%</u>
Fire Pension Plan B	898,905	524,148	213,547

Payables to the pension plans – At June 30, 2016, the County reported \$219,648 as payable to the pension plans; Natrona County Weed and Pest reported \$5,154 as payable to the pension plans.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 10. Deferred Compensation Plans

As required by the Governmental Accounting Standards Board Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the County does not include assets in deferred compensation plans in the County's financial statements. The County's 457 plan document, in compliance with the Internal Revenue Code, requires all assets of the two deferred compensation plans offered to its employees to be held in trust for the exclusive benefit of the participants and their beneficiaries. The plans, available to all full-time employees (except for employees of the Weed and Pest Control), permit employees to defer a portion of their salary. The plans are fully funded by the County. The deferred compensation and accumulated earnings thereon is not available to employees until termination, retirement, death, or unforeseeable emergency.

Note 11. County Equity

The following table outlines the specific purpose details of the governmental fund balances of the County:

	General Fund	County Road Construction Fund	Other Nonmajor Funds	Totals
Fund balances				
Nonspendable				
Inventory	\$ 56,183	\$ -	\$ -	\$ 56,183
Restricted for				
Drug court	-	-	83,718	83,718
Lake water and sewer	94,371	-	-	94,371
Bureau of Reclamation lake	1,365,211	-	-	1,365,211
Committed to				
Perpetual care of one cent projects	2,304,124	-	-	2,304,124
Natrona County Detention Center Joint Powers Board	-	-	48,346	48,346
Hall of Justice Joint Powers Board	-	-	86,156	86,156
Transportation Department Road Funds	9,717,693	-	-	9,717,693
Assigned to				
Emergency reserves	7,324,833	-	-	7,324,833
Planned capital projects	13,770,172	-	-	13,770,172
Unassigned	5,295,735	(869,837)	-	4,425,898
Totals	<u>\$ 39,928,322</u>	<u>\$ (869,837)</u>	<u>\$ 218,220</u>	<u>\$ 39,276,705</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 12. Commitments and Contingencies

Contingencies

There are several lawsuits pending against the County for various reasons. The outcome and eventual liability to the County, if any, in these cases is not known at this time; however, management and legal counsel estimate the potential claims against the County, not covered by insurance, resulting from such litigation would not materially affect the basic financial statements of the County.

Note 13. Risk Management Programs

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. As a result of these and other risks, the County participates in Wyoming Association of Risk Management (WARM), a management risk pool and WARM property insurance pool. Assessments for premiums or retroactive premiums are based on each member's payroll costs in relation to the total payroll costs of all members. Historically, the County's payroll has represented approximately 13.2% of the total payroll of all participants in the pool. The Coverage limit is \$10,000,000, which also includes various sub-limits. Claims have not exceeded coverage amounts in any of the last three years. Premiums paid to WARM by the County totaled \$481,530 and \$484,319 for the years ended June 30, 2016 and 2015, respectively.

The County also participates in two other state sponsored, risk management programs under the Workers' Compensation Act and Unemployment Compensation Act.

Wyoming Statute §27-14-101 created the Wyoming Workers' Compensation Act which is administered as an enterprise fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan with only a few exceptions. This Act provides for the payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the County. The County makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and is a split rate between hazardous and non-hazardous positions. Amounts paid by the County to the State for Workers' Compensation during fiscal year 2016 and 2015 were approximately \$206,831 and \$193,979, respectively.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 13. Risk Management Programs (Continued)

The County also provides health care benefits for primary government and component unit employees. Under this program, the County is insured under a stop-loss policy for individual claims exceeding \$100,000 per year. Premiums paid for stop-loss insurance were \$351,426 and \$372,857 respectively, for the years ended June 30, 2016 and 2015. Estimated medical claims are calculated by the plan administrator based on past historical experience and current economic events. Claims are usually paid within one year of submission. Changes in the County's health care risk management liability during the years ended June 30, 2016 and 2015 are as follows:

	2016	2015
Health care risk management liability, beginning of year	\$ 232,500	\$ 532,500
Claims incurred	(4,012,376)	(4,906,811)
Claims paid	4,112,376	4,606,811
Health care risk management liability, end of year	\$ 332,500	\$ 232,500

Insurance settlements during the last three fiscal years have not exceeded the County's insurance coverage. There has been no significant change in insurance coverage or the County's risk management programs during the year ended June 30, 2016.

Note 14. Investment Pool

The Natrona County Investment Pool makes investments on behalf of many governmental entities. Investments made on behalf of the County or the component units are reported in the appropriate individual fund. Only investments held for external participants are reported in the Investment Pool Trust Fund.

Following is the condensed financial information for the Natrona County Investment Pool:

	Primary Government	Component Units	External Participants	Total
Statement of Net Position				
Investments	\$ 2,846,247	\$ 625,881	\$ 2,124,533	\$ 5,596,661
Net position, restricted for external pool participants	-	-	2,124,533	2,124,533
Net position, unrestricted	2,846,247	625,881	-	3,472,128
Total net position	\$ 2,846,247	\$ 625,881	\$ 2,124,533	\$ 5,596,661

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 14. Investment Pool (Continued)

	Primary Government	Component Units	External Participants	Total
Statement of Changes in Net Position				
Investment income	\$ 323,864	\$ 19,378	\$ (49,112)	\$ 294,130
Contributions from participants	-	-	1,943,801	1,943,801
Distributions to participants	-	-	(1,850,000)	(1,850,000)
Change in net position	323,864	19,378	44,689	387,931
Net position, beginning	2,522,383	606,503	2,079,844	5,208,730
Net position, ending	<u>\$ 2,846,247</u>	<u>\$ 625,881</u>	<u>\$ 2,124,533</u>	<u>\$ 5,596,661</u>

All investments of the Natrona County Investment Pool are reported at fair value which is determined at least annually through market quotes. Each participant's position in the investment pool is calculated by the proportion of the cost of their contribution to the total funds invested in the pool multiplied by the pool's total fair value as of any specific date. During the year ended June 30, 2016, the County did not provide or obtain any legally binding guarantees to support the value of the participant's shares. The following schedule summarizes the holdings of the investment pool as of June 30, 2016:

	Carrying Value	Fair Value
Cash deposits	\$ 2,304,294	\$ 2,304,294
FHLB notes, interest rates at 1.5 %, maturing 2027	199,906	199,869
FNMA mortgage backed securities, interest rates from 1.25% to 2.50%, maturing 2019 to 2032	2,753,350	2,773,355
FHLMC note, interest at 1.0%, maturing 2021	250,000	250,160
GNMA pass thru pool, interest at 4.5%, maturing 2023	67,974	67,296
FNMA pass thru pool, interest at 6.5%, maturing 2026	1,459	1,687
Total investments	<u>\$ 5,576,983</u>	<u>\$ 5,596,661</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 15. Related Organizations

The County provided revenues to various component units during the fiscal year ended June 30, 2016. Following are the amounts provided and the associated amounts payable to these component units as of June 30, 2016.

	Revenues Provided	Amounts Payable June 30, 2016
Natrona County Weed and Pest Control	\$ -	\$ 1,204,967
Natrona County Fair	919,523	-
Natrona County Public Library	2,775,556	-
City of Casper/Natrona County Health Department	650,000	-
Community Action Partnership of Natrona County	203,666	-

Note 16. Implementation of Governmental Accounting Standards Board Statements 72 and 82

Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*, defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. The County implemented this standard effective July 1, 2015.

Governmental Accounting Standards Board Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, is designed to improve consistency in the application of the pension standards clarifying or amending related areas of existing guidance. This standard is effective for reporting periods beginning after June 15, 2016. The County early implemented this standard.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

Note 17. Prior Period Adjustments

During the year ended June 30, 2016, an error was discovered that had resulted in understatement of the June 30, 2015 reported pension liability, and overstatement of net position for the Natrona County International Airport. The Natrona County/City of Casper Health Department acquired a vehicle during the fiscal year ended June 30, 2015; in the subsequent year, the failure to capitalize the vehicle was discovered. In addition, the cash held by the Friends of Community Action Partnership, a component unit of CAP, was overstated. The table below illustrates the assets, liabilities, and net position as originally stated and restated:

<i>Component units</i>	As originally stated June 30, 2015	Adjustment	Restated June 30, 2015
Natrona County City of Casper Health Department			
Capital assets	\$ 68,769	\$ 28,376	\$ 97,145
Net position (deficit)	520,944	(28,376)	492,568
County Community Action Partnership of Natrona County			
Cash and cash equivalents	88,724	(4,113)	84,611
Net position	(12,079)	4,113	(7,966)
Natrona County International Airport			
Net pension liability	(1,204,341)	(251,003)	(1,455,344)
Net position	(31,629,854)	251,003	(31,378,851)

Note 18. Subsequent Events

After June 30, 2016, the County entered into several contracts subsequent to year end. The most material contracts are as follows:

Construction Project	Amount
Full-Hookup RV Campground	\$ 1,250,250
33 Mile Road and Poison Spider Road change orders	1,228,010
State Land and Investment Board Grant - Sheriff's office vehicles	296,716

In addition, an individual donated 40 acres of land on Casper Mountain to the County; the fair value of the land has not yet been determined.

REQUIRED SUPPLEMENTARY INFORMATION

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NATRONA COUNTY, WYOMING

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2016

Infrastructure Assets Reported Using the Modified Approach

The County accounts for its infrastructure assets using the modified approach. The infrastructure consists of the road subsystem and the bridge subsystem.

The County manages its road network with an assessment system under a contract with an outside party. The network is assessed every three years, with the most recent assessment completed in fiscal year 2015. The roads may be rated as being in standard or substandard condition. Standard paved roads will not need major repairs for 8 to 20 years. Substandard paved roads will need major repairs within 0 to 7 years. Standard gravel roads will not need major repairs for 4 years. Substandard gravel roads will need major repairs within 0 to 4 years due to not having the proper structural base. The following table outlines condition levels, relative remaining life, and maintenance/rehabilitation required for paved and gravel roads as determined by the outside party which prepared the detailed condition survey for the County.

Paved Roads		
Pavement Condition No.	Relative Remaining Life Prior to Rehabilitation	Maintenance/Rehabilitation Required
85 - 100	12 to 15 years	Minimal - minor patching and crack sealing
80 - 84	10 to 12 years	Some - slurry seal or thin resurfacing
70 - 79	8 to 10 years	Routine - slurry seal, thin to thick resurfacing
60 - 69	6 to 8 years	Increasing - thicker resurfacing, surface replacement and possibly some subgrade stabilization
40 - 59	3 to 6 years	High - surface replacement, base reconstruction and possibly some subgrade stabilization
10 - 39	Less than 3 years	Very high - total reconstruction with subgrade preparation

Gravel Roads		
Surface Condition No.	Relative Remaining Life Prior to Rehabilitation	Maintenance/Rehabilitation Required
85 - 100	12 to 15 years	Minimal - some grading
80 - 84	10 to 12 years	Some - moderate grading
70 - 79	8 to 10 years	Thick to thin layer of gravel and potential for some sub base reconstruction and recompaction
60 - 69	6 to 8 years	Potential reshaping, gravel and recompaction
40 - 59	3 to 6 years	Some sub base reconstruction, gravel and recompaction
10 - 39	Less than 3 years	Total sub base reconstruction, reshaping, gravel and reconstruction

Effective July 1, 2006, it is the County's policy to maintain its paved roads with at least 25% rated as standard and to maintain its gravel roads with at least 21% rated as standard. Standard includes pavement/gravel condition numbers 70 and above. The County added an additional category of dirt/unimproved roads which are not assessed or maintained. The assessment of paved roads in 2015 was performed by the Wyoming Technology Transfer Center. This resulted in condition categories which differed from the prior year. The number of miles of paved and gravel rated standard and substandard are as follows:

NATRONA COUNTY, WYOMING

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

June 30, 2016

Infrastructure Assets Reported Using the Modified Approach (Continued)

2016 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	30	21.4%	1	0.4%	n/a	n/a
80 - 84	n/a	n/a	8	2.9%	n/a	n/a
70 - 85	29	20.7%	n/a	n/a	n/a	n/a
70 - 79	n/a	n/a	43	15.4%	n/a	n/a
Sub-standard						
Less than 70	76	54.3%	n/a	n/a	n/a	n/a
60 - 69	n/a	n/a	64	22.6%	n/a	n/a
40 - 59	n/a	n/a	110	38.9%	n/a	n/a
10 - 39	n/a	n/a	56	19.8%	n/a	n/a
Not evaluated	5	3.6%	n/a	n/a	n/a	n/a
Unimproved	n/a	n/a	n/a	n/a	352	100%
	140	100%	282	100%	352	100%
2015 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	30	21.4%	1	0.4%	n/a	n/a
80 - 84	n/a	n/a	8	2.9%	n/a	n/a
70 - 85	29	20.7%	n/a	n/a	n/a	n/a
70 - 79	n/a	n/a	43	15.4%	n/a	n/a
Sub-standard						
Less than 70	76	54.3%	n/a	n/a	n/a	n/a
60 - 69	n/a	n/a	64	22.6%	n/a	n/a
40 - 59	n/a	n/a	110	38.9%	n/a	n/a
10 - 39	n/a	n/a	56	19.8%	n/a	n/a
Not evaluated	5	3.6%	n/a	n/a	n/a	n/a
Unimproved	n/a	n/a	n/a	n/a	352	100%
	140	100%	282	100%	352	100%
2014 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	15	10.3%	6	2.1%	n/a	n/a
80 - 84	32	21.9%	2	0.7%	n/a	n/a
70 - 79	50	34.2%	25	8.9%	n/a	n/a
Sub-standard						
60 - 69	39	26.7%	25	8.9%	n/a	n/a
40 - 59	10	6.8%	42	14.9%	n/a	n/a
10 - 39	-	0%	182	64.6%	n/a	n/a
Unimproved	-	0%	-	0%	352	100%
	146	100%	282	100%	352	100%

NATRONA COUNTY, WYOMING

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

June 30, 2016

Infrastructure Assets Reported Using the Modified Approach (Continued)

The County's bridges are monitored by the State of Wyoming. The State uses a comprehensive bridge management system (PONTIS) to assist in managing all bridges within the State. Each bridge is inspected at least once every two years. This inspection measures and rates the required National Bridge Inventory (NBI) items, including dimensions, clearances, alignment, waterway data and structural condition. The structural condition is evaluated by using structural elements. Each component of the bridge (girders, deck, railing, columns, piling, etc.) is assigned an element and the condition of each element is evaluated based on several condition assessments. The element data is converted to NBI ratings using a conversion program. The structure's NBI data is then used to determine its sufficiency rating. The sufficiency rating is calculated by the Federal Highway Administration, and bridges with a sufficiency rating of 80 or less and classified as structurally deficient and/or functionally obsolete are put on the Federal Highway Administration Selection List. Functional obsolescence is a measure of the suitability of the bridge to provide for requirements of traffic both on and under the structure. Structural deficiency is a measure of the condition of the structural elements and the ability of the bridge to carry the anticipated loads. Bridges appearing on the Selection List are considered deficient, whereas those not on the list, are considered acceptable. The bridge subsystem condition assessment is done every year. The County's policy is to maintain 55% of bridges at borderline or better condition.

Using the BMS/NBI conversion program, the NBI data supplied by the State of Wyoming to the Federal Highway Administration results in the Selection List Condition Rating is as follows:

Condition Rating	2016		2015		2014	
	Bridges	Percent	Bridges	Percent	Bridges	Percent
Acceptable (80 to 100 points)	12	50%	12	50%	12	50%
Borderline (50 to 80 points)	6	25%	6	25%	6	25%
Deficient (less than 50 points)	6	25%	6	25%	6	25%
	<u>24</u>	<u>100%</u>	<u>24</u>	<u>100%</u>	<u>24</u>	<u>100%</u>

The County's estimated maintenance and preservation expenditures on infrastructure assets as compared to actual expenditures on the budgeted expenditures follows.

	2016	2015	2014	2013	2012
Estimated maintenance and preservation expenditures	\$ 13,868,932	\$ 10,854,717	\$ 4,766,897	\$ 4,938,727	\$ 3,958,625
Actual maintenance and preservation expenditures	<u>8,292,729</u>	<u>4,484,356</u>	<u>5,124,357</u>	<u>2,914,896</u>	<u>3,717,206</u>
	<u>\$ (5,576,203)</u>	<u>\$ (6,370,361)</u>	<u>\$ 357,460</u>	<u>\$ (2,023,831)</u>	<u>\$ (241,419)</u>

NATRONA COUNTY, WYOMING

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years (Unaudited)

<i>Primary Government</i>	2016	2015	2014	2013
Public Employees Pension Plan				
Proportion of the net pension liability	0.468401280%	0.471110003%	*	*
Proportionate share of the net pension liability	\$ 10,910,696	\$ 8,313,642	*	*
Covered-employee payroll	\$ 8,169,264	\$ 8,053,213	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.56%	103.23%	*	*
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%	*	*
Law Enforcement Pension Plan				
Proportion of the net pension liability	4.722061512%	4.866427377%	*	*
Proportionate share of the net pension liability	\$ 3,547,210	\$ 1,433,828	*	*
Covered-employee payroll	\$ 7,101,968	\$ 7,192,134	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	49.95%	19.94%	*	*
Plan fiduciary net position as a percentage of the total pension liability	87.49%	94.76%	*	*
Component Units				
Public Employees Pension Plan				
Natrona County Community Action Partnership				
Proportion of the net pension liability	0.039561313%	0.034926668%	*	*
Proportionate share of the net pension liability	\$ 921,521	\$ 616,348	*	*
Covered-employee payroll	\$ 689,979	\$ 597,041	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.56%	103.23%	*	*
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%	*	*
Natrona County Fair Board				
Proportion of the net pension liability	0.022044287%	0.022385761%	*	*
Proportionate share of the net pension liability	\$ 513,488	\$ 395,040	*	*
Covered-employee payroll	\$ 684,469	\$ 382,665	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.56%	103.23%	*	*
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%	*	*
Natrona County City of Casper Health Department				
Proportion of the net pension liability	0.094635664%	0.101745508%	*	*
Proportionate share of the net pension liability	\$ 2,204,394	\$ 1,795,494	*	*
Covered-employee payroll	\$ 1,650,516	\$ 1,739,250	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.56%	103.23%	*	*
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%	*	*
Natrona County Library				
Proportion of the net pension liability	0.079399399%	0.079183759%	*	*
Proportionate share of the net pension liability	\$ 1,849,487	\$ 1,397,350	*	*
Covered-employee payroll	\$ 1,384,784	\$ 1,353,577	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.56%	103.23%	*	*
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%	*	*

NATRONA COUNTY, WYOMING

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
Last 10 Fiscal Years (Unaudited)

<i>Component Units (Continued)</i>	2016	2015	2014	2013
Public Employees Pension Plan				
Natrona County Weed and Pest				
Proportion of the net pension liability	0.017447965%	0.019017767%	*	*
Proportionate share of the net pension liability	\$ 406,424	\$ 335,605	*	*
Covered-employee payroll	\$ 304,305	\$ 325,092	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.56%	103.23%	*	*
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%	*	*
Natrona County International Airport				
Proportion of the net pension liability	0.060307348%	0.061524350%	*	*
Proportionate share of the net pension liability	\$ 1,404,769	\$ 1,085,715	*	*
Covered-employee payroll	\$ 1,051,805	\$ 1,051,705	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	133.56%	103.23%	*	*
Plan fiduciary net position as a percentage of the total pension liability	73.40%	79.08%	*	*
Fire Pension Plan A				
Natrona County International Airport				
Proportion of the net pension liability	0.239134445%	0.236033104%	*	*
Proportionate share of the net pension liability	\$ 443,485	\$ 388,481	*	*
Covered-employee payroll	\$ -	\$ -	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%	*	*
Plan fiduciary net position as a percentage of the total pension liability	40.05%	45.95%	*	*
Fire Pension Plan B				
Natrona County International Airport				
Proportion of the net pension liability	1.714325603%	1.676523750%	*	*
Proportionate share of the net pension liability (asset)	\$ 524,148	\$ (18,854)	*	*
Covered-employee payroll	\$ 445,492	\$ 411,629	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	117.66%	-4.58%	*	*
Plan fiduciary net position as a percentage of the total pension liability	79.33%	100.98%	*	*

The amounts presented for each fiscal year were determined as of 12/31.

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

NATRONA COUNTY, WYOMING

SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Fiscal Years (Unaudited)

<i>Primary Government</i>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Public Employees Pension Plan				
Contractually required contribution	\$ 1,387,809	\$ 1,313,200	*	*
Contributions in relation to the contractually required contribution	<u>(1,387,809)</u>	<u>(1,313,200)</u>	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*	*
Covered-employee payroll	\$ 8,350,235	\$ 8,274,732	*	*
Contributions as a percentage of covered-employee payroll	16.62%	15.87%	*	*
Law Enforcement Pension Plan				
Contractually required contribution	\$ 1,277,699	\$ 1,283,134	*	*
Contributions in relation to the contractually required contribution	<u>(1,277,699)</u>	<u>(1,283,134)</u>	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*	*
Covered-employee payroll	\$ 7,428,483	\$ 7,460,081	*	*
Contributions as a percentage of covered-employee payroll	17.20%	17.20%	*	*
Component Units				
Public Employees Pension Plan				
Natrona County Community Action Partnership				
Contractually required contribution	\$ 126,746	\$ 105,648	*	*
Contributions in relation to the contractually required contribution	<u>(126,746)</u>	<u>(105,648)</u>	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*	*
Covered-employee payroll	\$ 762,611	\$ 665,709	*	*
Contributions as a percentage of covered-employee payroll	16.62%	15.87%	*	*
Natrona County Fair Board				
Contractually required contribution	\$ 68,074	\$ 60,137	*	*
Contributions in relation to the contractually required contribution	<u>(68,074)</u>	<u>(60,137)</u>	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*	*
Covered-employee payroll	\$ 409,591	\$ 378,935	*	*
Contributions as a percentage of covered-employee payroll	16.62%	15.87%	*	*
Natrona County City of Casper Health Department				
Contractually required contribution	\$ 290,070	\$ 276,671	*	*
Contributions in relation to the contractually required contribution	<u>(290,070)</u>	<u>(276,671)</u>	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*	*
Covered-employee payroll	\$ 1,745,307	\$ 1,743,359	*	*
Contributions as a percentage of covered-employee payroll	16.62%	15.87%	*	*
Natrona County Library				
Contractually required contribution	\$ 234,762	\$ 224,981	*	*
Contributions in relation to the contractually required contribution	<u>(234,762)</u>	<u>(224,981)</u>	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*	*
Covered-employee payroll	\$ 1,412,527	\$ 1,417,650	*	*
Contributions as a percentage of covered-employee payroll	16.62%	15.87%	*	*

NATRONA COUNTY, WYOMING

SCHEDULE OF PENSION CONTRIBUTIONS (CONTINUED)
Last 10 Fiscal Years (Unaudited)

<i>Component Units (Continued)</i>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Public Employees Pension Plan				
Natrona County Weed and Pest				
Contractually required contribution	\$ 56,627	\$ 59,314	*	*
Contributions in relation to the contractually required contribution	<u>(56,627)</u>	<u>(59,314)</u>	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*	*
Covered-employee payroll	<u>\$ 340,716</u>	<u>\$ 373,749</u>	*	*
Contributions as a percentage of covered-employee payroll	16.62%	15.87%	*	*
Natrona County International Airport				
Contractually required contribution	\$ 174,032	\$ 170,491	*	*
Contributions in relation to the contractually required contribution	<u>(174,032)</u>	<u>(170,491)</u>	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*	*
Covered-employee payroll	<u>\$ 1,047,124</u>	<u>\$ 1,074,297</u>	*	*
Contributions as a percentage of covered-employee payroll	16.62%	15.87%	*	*
Fire Pension Plan A				
Natrona County International Airport				
Contractually required contribution	\$ -	\$ -	*	*
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*	*
Covered-employee payroll	<u>\$ -</u>	<u>\$ -</u>	*	*
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	*	*
Fire Pension Plan B				
Natrona County International Airport				
Contractually required contribution	\$ 100,999	\$ 96,864	*	*
Contributions in relation to the contractually required contribution	<u>(100,999)</u>	<u>(96,864)</u>	*	*
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	*	*
Covered-employee payroll	<u>\$ 471,297</u>	<u>\$ 452,002</u>	*	*
Contributions as a percentage of covered-employee payroll	21.43%	21.43%	*	*

* Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 21,133,529	\$ 21,133,529	\$ 19,947,004	\$ (1,186,525)
Licenses and permits	2,042,837	2,042,837	1,840,962	(201,875)
Intergovernmental	17,562,847	17,562,847	20,534,673	2,971,826
Charges for services	3,244,076	3,244,076	3,309,092	65,016
Investment income	55,000	55,000	192,217	137,217
Miscellaneous	1,020,253	1,020,253	1,471,279	451,026
Total revenues	45,058,542	45,058,542	47,295,227	2,236,685
Expenditures				
Current				
Agriculture	256,106	268,106	267,257	849
Assessor	1,001,813	1,001,813	912,670	89,143
Clerk	1,589,621	1,632,298	1,613,277	19,021
Coroner	432,946	434,750	419,271	15,479
Clerk of Court	1,147,591	1,686,487	1,445,705	240,782
Commissioners	13,927,243	15,787,573	15,014,007	773,566
Information technology	1,971,829	1,971,829	1,805,321	166,508
One percent	3,349,100	4,924,100	3,839,042	1,085,058
Road and bridge	4,264,781	4,266,113	3,565,344	700,769
Sheriff	15,888,207	15,891,635	15,036,140	855,495
Treasurer	1,048,776	1,048,776	894,739	154,037
Total expenditures	44,878,013	48,913,480	44,812,773	4,100,707
Excess (deficiency) of revenues over expenditures	\$ 180,529	\$ (3,854,938)	2,482,454	\$ (1,864,022)
Fund balance - beginning of year			41,881,399	
Fund balance - end of year			\$ 44,363,853	

See accompanying note to required supplementary information

NATRONA COUNTY, WYOMING

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Note 1. Explanantion of Differences Between Budgetary Basis and GAAP Basis

The County's budgets and related appropriations are prepared on a basis of cash receipts and cash disbursements whereas the County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The adjustments necessary to convert the budgetary basis revenues and expenditures to GAAP basis revenues and expenditures of the general fund are as follows.

	<u>General Fund</u>
Revenues	
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 47,295,227
Difference - Budget Basis to GAAP Basis	
Accrual of accounts receivable	(177,013)
Accrual of property taxes receivable	(94,721)
Accrual of grants receivable	<u>(250,255)</u>
Total revenue as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 46,773,238</u>
Expenditures	
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 44,812,773
Difference - Budget Basis to GAAP Basis	
Accrual of accounts payable	(262,497)
Accrual of interest expense	(1,639)
Accrual of compensated absences	(2,385)
Adjust inventory	<u>5,360</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 44,551,612</u>

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OTHER SUPPLEMENTARY INFORMATION

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NATRONA COUNTY, WYOMING

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS**

June 30, 2016

	<u>Drug Court Fund</u>	<u>Hall of Justice Joint Powers Board</u>	<u>Jail Joint Powers Board</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 86,156	\$ 48,346	\$ 134,502
Due from other funds	83,718	-	-	83,718
 Total assets	<u>\$ 83,718</u>	<u>\$ 86,156</u>	<u>\$ 48,346</u>	<u>\$ 218,220</u>
LIABILITIES				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES				
Restricted	83,718	-	-	83,718
Unrestricted				
Committed	-	86,156	48,346	134,502
Total fund balances	<u>83,718</u>	<u>86,156</u>	<u>48,346</u>	<u>218,220</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 83,718</u>	<u>\$ 86,156</u>	<u>\$ 48,346</u>	<u>\$ 218,220</u>

NATRONA COUNTY, WYOMING

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

June 30, 2016

	Drug Court Fund	Hall of Justice Joint Powers Board	Jail Joint Powers Board	Totals
Revenues				
Intergovernmental revenues	\$ 363,838	\$ -	\$ -	\$ 363,838
Charges for services	26,350	-	-	26,350
Miscellaneous revenues	-	25,818	15,646	41,464
Total revenues	<u>390,188</u>	<u>25,818</u>	<u>15,646</u>	<u>431,652</u>
Expenditures				
Current				
Health and welfare	453,828	-	-	453,828
Capital outlay	-	40,942	39,115	80,057
Total expenditures	<u>453,828</u>	<u>40,942</u>	<u>39,115</u>	<u>533,885</u>
Excess (deficiency) of revenues over expenditures	<u>(63,640)</u>	<u>(15,124)</u>	<u>(23,469)</u>	<u>(102,233)</u>
Net change in fund balances	<u>(63,640)</u>	<u>(15,124)</u>	<u>(23,469)</u>	<u>(102,233)</u>
Fund balances - beginning of year	<u>147,358</u>	<u>101,280</u>	<u>71,815</u>	<u>320,453</u>
Fund balances - end of year	<u><u>\$ 83,718</u></u>	<u><u>\$ 86,156</u></u>	<u><u>\$ 48,346</u></u>	<u><u>\$ 218,220</u></u>

NATRONA COUNTY, WYOMING

**NATRONA COUNTY COURT SUPERVISED TREATMENT PROGRAM
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
Year Ended June 30, 2016**

	State	Program Income	Total
CASH RECEIPTS			
State funds	\$ 428,895	\$ -	\$ 428,895
Program income	-	26,350	26,350
Total cash receipts	<u>428,895</u>	<u>26,350</u>	<u>455,245</u>
CASH DISBURSEMENTS			
<i>Administrative</i>			
Advertising	1,437	-	1,437
Audit	3,000	-	3,000
Equipment maintenance	1,402	3,665	5,067
Office space	30,969	1,456	32,425
Office supplies	3,985	2,109	6,094
Salaries and wages	109,542	5,020	114,562
Employee benefits	45,788	-	45,788
Computer software and supplies	552	-	552
Telephone line charges	3,484	-	3,484
<i>Miscellaneous</i>			
Miscellaneous	500	6,450	6,950
Housekeeping	1,482	-	1,482
<i>Travel and training</i>	4,440	3,464	7,904
<i>Treatment and supervision</i>			
Salaries and wages	130,939	-	130,939
Employee benefits	56,317	-	56,317
Drug testing	-	17,191	17,191
Drug testing supplies	800	1,981	2,781
Electronic monitoring	960	392	1,352
Graduation and incentives	2,855	-	2,855
National accreditation	579	1,151	1,730
Other program materials	4,717	758	5,475
Total cash disbursements	<u>403,748</u>	<u>43,637</u>	<u>447,385</u>
Increase (decrease) in cash	25,147	(17,287)	7,860
Cash balance (deficit) held by general fund, beginning of year	<u>(42,350)</u>	<u>131,540</u>	<u>89,190</u>
Cash balance (deficit) held by general fund, end of year	<u>\$ (17,203)</u>	<u>\$ 114,253</u>	<u>\$ 97,050</u>

NATRONA COUNTY, WYOMING

**SCHEDULE OF PROPERTY TAXES LEVIED AND COLLECTED -
LAST FIVE FISCAL YEARS
Year Ended June 30, 2016**

<u>Year</u>	<u>Property Taxes Levied</u>	<u>Property Taxes Collected</u>	<u>Percentage of Taxes Collected</u>
2016	\$ 100,855,293	\$ 99,504,955	98.66%
2015	99,443,441	99,177,772	99.73%
2014	88,604,019	88,465,990	99.84%
2013	88,063,853	87,867,910	99.78%
2012	82,654,589	82,567,631	99.89%

NATRONA COUNTY, WYOMING

**COMBINING STATEMENT OF NET POSITION
NATRONA COUNTY PUBLIC LIBRARY**

June 30, 2016

	Natrona County Public Library	Natrona County Public Library Foundation	Total
ASSETS			
Cash and cash equivalents	\$ 639,351	\$ 301,076	\$ 940,427
Investments	102,121	-	102,121
Beneficial interest in assets held by others	-	249,995	249,995
Accounts receivable	-	1,286	1,286
Capital assets not being depreciated	752,080	1,500,000	2,252,080
Capital assets being depreciated, net	1,241,326	-	1,241,326
Restricted investments	-	2,463,892	2,463,892
Total assets	<u>2,734,878</u>	<u>4,516,249</u>	<u>7,251,127</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	572,953	-	572,953
Total deferred outflows of resources	<u>572,953</u>	<u>-</u>	<u>572,953</u>
LIABILITIES			
Accounts payable and accrued liabilities	64,154	1	64,155
Noncurrent liabilities			
Due in more than one year	1,935,583	-	1,935,583
Total liabilities	<u>1,999,737</u>	<u>1</u>	<u>1,999,738</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	39,127	-	39,127
Total deferred inflows of resources	<u>39,127</u>	<u>-</u>	<u>39,127</u>
NET POSITION			
Net investment in capital assets	1,993,406	1,500,000	3,493,406
Restricted by donors	-	2,463,892	2,463,892
Unrestricted (deficit)	(724,439)	552,356	(172,083)
Total net position	<u>\$ 1,268,967</u>	<u>\$ 4,516,248</u>	<u>\$ 5,785,215</u>

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF ACTIVITIES

NATRONA COUNTY PUBLIC LIBRARY

Year Ended June 30, 2016

		Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units				
Natrona County Public Library	\$ 3,005,560	\$ 44,510	\$ 2,968,027	\$ -
Natrona County Public Library Foundation	138,157	-	-	-
	\$ 3,143,717	\$ 44,510	\$ 2,968,027	\$ -
		General revenues		
		Unrestricted investment earnings (loss)		
		Miscellaneous revenues		
		Contributions to permanent endowment		
		Total general revenues		
		Change in net position		
		Net position - beginning of year		
		Net position - end of year		

Net (Expense) Revenue and Changes in Net Position

<u>Natrona County Public Library</u>	<u>Natrona County Public Library Foundation</u>	<u>Totals</u>
\$ 6,977	\$ -	\$ 6,977
-	(138,157)	(138,157)
<u>6,977</u>	<u>(138,157)</u>	<u>(131,180)</u>
264	(85,542)	(85,278)
6,149	58,416	64,565
-	255,900	255,900
<u>6,413</u>	<u>228,774</u>	<u>235,187</u>
13,390	90,617	104,007
<u>1,255,577</u>	<u>4,425,631</u>	<u>5,681,208</u>
<u>\$ 1,268,967</u>	<u>\$ 4,516,248</u>	<u>\$ 5,785,215</u>

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NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF NET POSITION
NATRONA COUNTY FAIR
June 30, 2016

	Natrona County Fair	Central Wyoming Sports Foundation Executrust	Total
ASSETS			
Cash and cash equivalents	\$ 163,447	\$ 71,521	\$ 234,968
Accrued interest receivable	-	602	602
Accounts receivable	10,308	-	10,308
Capital assets being depreciated, net	3,857,728	-	3,857,728
Restricted investments	114,341	430,474	544,815
Total assets	<u>4,145,824</u>	<u>502,597</u>	<u>4,648,421</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	159,668	-	159,668
Total deferred outflows of resources	<u>159,668</u>	<u>-</u>	<u>159,668</u>
LIABILITIES			
Accounts payable and accrued liabilities	16,032	-	16,032
Noncurrent liabilities			
Due in more than one year	551,341	-	551,341
Total liabilities	<u>567,373</u>	<u>-</u>	<u>567,373</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	14,897	-	14,897
Total deferred inflows of resources	<u>14,897</u>	<u>-</u>	<u>14,897</u>
NET POSITION			
Net investment in capital assets	3,857,728	-	3,857,728
Restricted by donors	114,341	430,474	544,815
Unrestricted (deficit)	(248,847)	72,123	(176,724)
Total net position	<u>\$ 3,723,222</u>	<u>\$ 502,597</u>	<u>\$ 4,225,819</u>

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF ACTIVITIES

NATRONA COUNTY FAIR

Year Ended June 30, 2016

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component Units			
Natrona County Fair	\$ 1,744,642	\$ 880,223	\$ 612,050
Central Wyoming Sports Foundation Executrust	4,360	-	-
	\$ 1,749,002	\$ 880,223	\$ 612,050
		General revenues	
		Unrestricted investment earnings	
		Total general revenues	
		Change in net position	
		Net position - beginning of year	
		Net position - end of year	

Net (Expense) Revenue and Changes in Net Position

Natrona County Fair	Central Wyoming Sports Foundation Executrust	Totals
\$ 55,103	\$ -	\$ 55,103
-	(4,360)	(4,360)
<u>55,103</u>	<u>(4,360)</u>	<u>50,743</u>
841	3,079	3,920
<u>841</u>	<u>3,079</u>	<u>3,920</u>
55,944	(1,281)	54,663
<u>3,667,278</u>	<u>503,878</u>	<u>4,171,156</u>
<u>\$ 3,723,222</u>	<u>\$ 502,597</u>	<u>\$ 4,225,819</u>

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NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF NET POSITION
COMMUNITY ACTION PARTNERSHIP OF NATRONA COUNTY
June 30, 2016

	Community Action Partnership of Natrona County	Friends of Community Action Partnership	Total
ASSETS			
Cash and cash equivalents	\$ 112,478	\$ 15,855	\$ 128,333
Accounts receivable	8,989	-	8,989
Due from other governments	116,059	-	116,059
Capital assets being depreciated, net	88,624	-	88,624
Total assets	<u>326,150</u>	<u>15,855</u>	<u>342,005</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	340,813	-	340,813
Total deferred outflows of resources	<u>340,813</u>	<u>-</u>	<u>340,813</u>
LIABILITIES			
Accounts payable and accrued liabilities	149,029	-	149,029
Unearned revenue	4,424	-	4,424
Noncurrent liabilities			
Due within one year	3,332	-	3,332
Due in more than one year	955,664	-	955,664
Total liabilities	<u>1,112,449</u>	<u>-</u>	<u>1,112,449</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	19,495	-	19,495
Total deferred inflows of resources	<u>19,495</u>	<u>-</u>	<u>19,495</u>
NET POSITION			
Net investment in capital assets	88,624	-	88,624
Unrestricted (deficit)	<u>(553,605)</u>	<u>15,855</u>	<u>(537,750)</u>
Total net position (deficit)	<u>\$ (464,981)</u>	<u>\$ 15,855</u>	<u>\$ (449,126)</u>

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF ACTIVITIES
 COMMUNITY ACTION PARTNERSHIP OF NATRONA COUNTY
 Year Ended June 30, 2016

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units				
Community Action Partnership of Natrona County	\$ 2,311,213	\$ 35,357	\$ 2,005,021	\$ -
Friends of Community Action Partnership	230	-	-	-
	\$ 2,311,443	\$ 35,357	\$ 2,005,021	\$ -
		General revenues		
		Miscellaneous revenues		
		Total general revenues		
		Change in net position		
		Net position (deficit) - beginning of year as previously reported		
		Prior period adjustment		
		Net position (deficit) - beginning of year, as restated		
		Net position (deficit) - end of year		

Net (Expense) Revenue and Changes in Net Position

<u>Community Action Partnership of Natrona County</u>	<u>Friends of Community Action Partnership</u>	<u>Totals</u>
\$ (270,835)	\$ -	\$ (270,835)
-	(230)	(230)
<u>(270,835)</u>	<u>(230)</u>	<u>(271,065)</u>
129,413	8,119	137,532
<u>129,413</u>	<u>8,119</u>	<u>137,532</u>
(141,422)	7,889	(133,533)
(323,559)	12,079	(311,480)
<u>-</u>	<u>(4,113)</u>	<u>(4,113)</u>
<u>(323,559)</u>	<u>7,966</u>	<u>(315,593)</u>
<u>\$ (464,981)</u>	<u>\$ 15,855</u>	<u>\$ (449,126)</u>

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NATRONA COUNTY WEED AND PEST CONTROL
 BUDGET AND ACTUAL (BUDGETARY BASIS - NON-GAAP)
 Year Ended June 30, 2016

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 962,192	\$ 1,268,000	\$ 1,722,514	\$ 454,514
Intergovernmental	105,000	125,000	203,869	78,869
Charges for services	343,000	270,000	182,695	(87,305)
Investment income	1,000	2,000	2,024	24
Miscellaneous	1,800	-	2,506	2,506
Total revenues	<u>1,412,992</u>	<u>1,665,000</u>	<u>2,113,608</u>	<u>448,608</u>
Expenditures				
Conservation of natural resources	2,365,237	2,383,300	2,045,371	337,929
Capital outlay	230,700	109,500	49,517	59,983
Total expenditures	<u>2,595,937</u>	<u>2,492,800</u>	<u>2,094,888</u>	<u>397,912</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,182,945)</u>	<u>\$ (827,800)</u>	18,720	<u>\$ 846,520</u>
Fund balance - beginning of year			<u>974,586</u>	
Fund balance - end of year			<u>\$ 993,306</u>	

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NATRONA COUNTY FAIR
 BUDGET AND ACTUAL (BUDGETARY BASIS - NON-GAAP)
 Year Ended June 30, 2016

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 937,050	\$ 937,050	\$ 919,523	\$ (17,527)
Charges for services	876,300	876,300	880,223	3,923
Investment income	400	400	517	117
Total revenues	<u>1,813,750</u>	<u>1,813,750</u>	<u>1,800,263</u>	<u>(13,487)</u>
Expenditures				
Culture and recreation	1,488,750	1,488,750	1,484,236	4,514
Capital outlay	325,000	325,000	307,273	17,727
Total expenditures	<u>1,813,750</u>	<u>1,813,750</u>	<u>1,791,509</u>	<u>22,241</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	8,754	<u>\$ 8,754</u>
Fund balance - beginning of year			<u>284,160</u>	
Fund balance - end of year			<u>\$ 292,914</u>	

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NATRONA COUNTY PUBLIC LIBRARY
 BUDGET AND ACTUAL (BUDGETARY BASIS - NON-GAAP)
 Year Ended June 30, 2016

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 2,775,556	\$ 2,830,037	\$ 2,865,037	\$ 35,000
Charges for services	49,000	49,000	45,659	(3,341)
Investment income	1,000	1,000	264	(736)
Miscellaneous	112,990	112,990	107,990	(5,000)
Total revenues	<u>2,938,546</u>	<u>2,993,027</u>	<u>3,018,950</u>	<u>25,923</u>
Expenditures				
Culture and recreation	2,935,427	3,024,907	2,845,853	179,054
Capital outlay	55,000	55,000	20,656	34,344
Total expenditures	<u>2,990,427</u>	<u>3,079,907</u>	<u>2,866,509</u>	<u>213,398</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (51,881)</u>	<u>\$ (86,880)</u>	152,441	<u>\$ 239,321</u>
Fund balance - beginning of year			<u>513,937</u>	
Fund balance - end of year			<u>\$ 666,378</u>	

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 CITY OF CASPER/NATRONA COUNTY HEALTH DEPARTMENT
 BUDGET AND ACTUAL (BUDGETARY BASIS - NON-GAAP)
 Year Ended June 30, 2016

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 2,322,108	\$ 2,740,748	\$ 2,701,455	\$ (39,293)
Charges for services	630,607	785,803	828,640	42,837
Investment income	12,034	12,034	16,371	4,337
Miscellaneous	53,180	33,639	51,306	17,667
Total revenues	<u>3,017,929</u>	<u>3,572,224</u>	<u>3,597,772</u>	<u>25,548</u>
Expenditures				
Health and welfare	3,136,603	3,436,735	3,300,170	136,565
Capital outlay	29,000	127,372	120,047	7,325
Total expenditures	<u>3,165,603</u>	<u>3,564,107</u>	<u>3,420,217</u>	<u>143,890</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (147,674)</u>	<u>\$ 8,117</u>	177,555	<u>\$ 169,438</u>
Fund balance - beginning of year			<u>1,389,531</u>	
Fund balance - end of year			<u>\$ 1,567,086</u>	

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 COMMUNITY ACTION PARTNERSHIP OF NATRONA COUNTY
 BUDGET AND ACTUAL (BUDGETARY BASIS - NON-GAAP)
 Year Ended June 30, 2016

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 650,604	\$ 2,579,496	\$ 2,263,942	\$ (315,554)
Charges for services	-	-	35,845	35,845
Contributions	-	-	57,615	57,615
Miscellaneous	-	10,000	600	(9,400)
Total revenues	<u>650,604</u>	<u>2,589,496</u>	<u>2,358,002</u>	<u>(231,494)</u>
Expenditures				
Health and welfare	650,604	2,588,416	2,177,613	410,803
Capital outlay	-	1,080	-	1,080
Total expenditures	<u>650,604</u>	<u>2,589,496</u>	<u>2,177,613</u>	<u>411,883</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	180,389	<u>\$ 180,389</u>
Fund balance - beginning of year			<u>12,584</u>	
Fund balance - end of year			<u>\$ 192,973</u>	

SINGLE AUDIT SECTION

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NATRONA COUNTY, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Passed through Wyoming Department of Health Emergency Solutions Grant Program	14.231	15-03-ESG-NTRCAP	\$ -	\$ 4,670
Direct				
Supportive Housing Program	14.235	WY0002L8T001407	-	102,946
Supportive Housing Program	14.235	WY0002B8T001306	-	22,251
			-	125,197
Total U.S. Department of Housing and Urban Development			-	129,867
<u>U.S. Department of Justice</u>				
Passed through the Wyoming Department of Family Services Juvenile Accountability Block Grants	16.523	2013-JB-FX-0032	4,622	4,627
Direct				
Bulletproof Vest Partnership Program	16.607	n/a	-	725
Bulletproof Vest Partnership Program	16.607	n/a	-	2,929
			-	3,654
Total U.S. Department of Justice			-	8,281
<u>U.S. Department of Transportation</u>				
Passed through Wyoming Department of Transportation <i>Highway Planning and Construction Cluster</i>				
Highway Planning and Construction	20.205	CD 0.00 CD15011	-	216,356
<i>Total Highway Planning and Construction Cluster</i>			-	216,356
Passed through Wyoming Association of Sheriffs and Chiefs of Police <i>Highway Safety Cluster</i>				
National Priority Safety Programs	20.616	2015 405B/405D	-	2,034
National Priority Safety Programs	20.616	2016 405B/405D	-	4,336
<i>Total Highway Safety Cluster</i>			-	6,370
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	16-DOT-NAT-HM-HMP16	-	7,101
Total U.S. Department of Transportation			-	229,827
<u>U.S. Department of Health and Human Services</u>				
Passed through National Association of County and City Health Officials				
Medical Reserve Corps Small Grant Program	93.008	5MRCSG101005-02	-	296
Medical Reserve Corps Small Grant Program	93.008	14-5MRCSG101005-04-00	-	2,179
Medical Reserve Corps Small Grant Program	93.008	15-5MRCSG101005-04-00	-	1,143
			-	3,618
Passed through Wyoming Department of Health Public Health Emergency Preparedness	93.069	n/a	-	282,529

(Continued)

See accompanying notes to the schedule of expenditures of federal awards

NATRONA COUNTY, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Health and Human Services (Continued)</u>				
Passed through the University of Colorado at Denver				
HIV-Related Training and Technical Assistance	93.145	FY15.163.001 AMD 7	\$ -	\$ 13,513
HIV-Related Training and Technical Assistance	93.145	UWSC8757(BP011315)	-	106,730
			<u>-</u>	<u>120,243</u>
Direct				
<i>Health Center Program Cluster</i>				
Consolidated Health Centers - Health Care for the Homeless	93.224	H80CS02330	-	782,380
<i>Total Health Center Program Cluster</i>			<u>-</u>	<u>782,380</u>
<i>TANF Cluster</i>				
Passed through Wyoming Department of Health				
Temporary Assistance for Needy Families	93.558	n/a	-	134,427
Passed through Wyoming Department of Family Services				
Temporary Assistance for Needy Families	93.558	n/a	45,719	116,368
<i>Total TANF Cluster</i>			<u>45,719</u>	<u>250,795</u>
Passed through Wyoming Department of Health				
Community Services Block Grant	93.569	CSBG.NTR.1509	12,453	99,132
Community Services Block Grant	93.569	CSBG.NTR.1609	16,667	346,492
<i>Total Community Services Block Grant</i>			<u>29,120</u>	<u>445,624</u>
HIV Prevention Activities - Health Department Based	93.940	n/a	-	600
Preventive Health Services - Sexually Transmitted Diseases Control Grants				
	93.977	n/a	-	1,127
<i>Total U.S. Department of Health and Human Services</i>			<u>74,839</u>	<u>1,886,916</u>
<u>Corporation for National and Community Service</u>				
Passed through Wyoming Division of Criminal Investigation				
Retired and Senior Volunteer Program	94.002	15SRPWY002	-	63,497
<i>Total Corporation for National and Community Service</i>			<u>-</u>	<u>63,497</u>
<u>Executive Office of the President</u>				
Passed through Wyoming Division of Criminal Investigation				
High Intensity Drug Trafficking Areas Program	95.001	G16RM0012A	-	40,881
High Intensity Drug Trafficking Areas Program	95.001	G15RM0012A	-	54,508
<i>Total Executive Office of the President</i>			<u>-</u>	<u>95,389</u>
<u>U.S. Department of Homeland Security</u>				
Passed through Wyoming Office of Homeland Security				
Emergency Management Performance Grants	97.042	15-GPD-NAT-EM-GCF15	-	30,000
Homeland Security Grant Program	97.067	14-GPD-NAT-SC-HSG14	-	16,453
Homeland Security Grant Program	97.067	14-GPD-NAT-LS-HLE14	-	20,293
Homeland Security Grant Program	97.067	14-GPD-NAT-LC-HLC14	-	2,378
			<u>-</u>	<u>39,124</u>
<i>Total U.S. Department of Homeland Security</i>			<u>-</u>	<u>69,124</u>
<i>Total Expenditures of Federal Awards</i>			<u>\$ 74,839</u>	<u>\$ 2,482,901</u>

See accompanying notes to the schedule of expenditures of federal awards

NATRONA COUNTY, WYOMING

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2016

Note 1. Basis of Accounting

The accompanying schedule of expenditures of Federal awards includes the federal grant activity of Natrona County, Wyoming under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Natrona County, Wyoming, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Casper, Wyoming. The schedule does not include expenditures of federal awards by the Natrona County Airport, a component unit for which separate financial statements and schedule of expenditures of federal awards were issued.

Note 2. Summary of Significant Accounting Policies in the Schedule

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

Natrona County, Wyoming has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4. CFDA No. 15.226 Payments in Lieu of Taxes (PILT)

To compensate local taxing units for the loss of taxes from Federally-owned and acquired lands, the Office of the Secretary, Department of the Interior makes direct payments to local governments that lost real property taxes because the jurisdiction contains eligible acres of PILT entitlement land under public law 97-258, as amended, 31 U.S.C. 6901-6907. Payments are unrestricted as to use by local governments and the program is excluded from coverage under the Uniform Guidance. Consequently, the program has been excluded from the Schedule of Expenditures of Federal Awards and the determination of major programs as there are no expenditure or other requirements for the entitlement program. During the fiscal year ended June 30, 2016, the County recognized \$3,766,071 of PILT entitlement as income.

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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Natrona County, Wyoming

We have audited, 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Natrona County, Wyoming as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Natrona County, Wyoming's basic financial statements and have issued our report thereon dated December 29, 2016. Our report includes a reference to other auditors, who audited the financial statements of the Natrona County International Airport, a discretely presented component unit of Natrona County, Wyoming, as described in our report on Natrona County, Wyoming's basic financial statements. This report does not include the results of the other auditor's testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

We noted certain matters we have reported to management of Natrona County, Wyoming in a separate letter dated December 29, 2016.

Purpose of this Report

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



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
December 29, 2016



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Natrona County, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Natrona County, Wyoming's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. Natrona County, Wyoming's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Natrona County, Wyoming's basic financial statements include the operations of the Natrona County International Airport, a discretely presented component unit, which received \$3,363,900 in federal awards which is not included in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2016. Our audit, described below, did not include the operations of the Natrona County International Airport because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Natrona County, Wyoming's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Natrona County, Wyoming's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Natrona County, Wyoming's compliance.

Opinion on Each Major Federal Programs

In our opinion, Natrona County, Wyoming complied, in all material respects, with the types of 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, 2016

Report on Internal Control over Compliance

Management of Natrona County, Wyoming is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Natrona County, Wyoming's internal control over compliance with types of compliance requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Natrona County, Wyoming'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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompany schedule of findings and questioned costs as item 2016-001, that we consider to be a significant deficiency.

Natrona County, Wyoming's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Natrona County, Wyoming's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirement of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
December 29, 2016

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2016

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

 Material weaknesses identified? No

 Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

 Material weaknesses identified? No

 Significant deficiencies identified? Yes

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Expenditures</u>	
	<i>Health Centers Cluster</i>		
93.224	Consolidated Health Centers - Health Care for the Homeless	<u>\$ 782,380</u>	No findings
	<i>TANF Cluster</i>		
93.558	Temporary Assistance for Needy Families	<u>250,795</u>	No findings
		<u><u>\$ 1,033,175</u></u>	

(Continued)

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2016

I. Summary of Independent Auditor's Results (Continued)

Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee	No

II. Findings Related to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

Internal Control Findings - None

Compliance Findings - None

III. Findings and Questioned Costs for Federal Awards

Significant Deficiency in Internal Control Over Compliance Finding

2016-001 – Identification of Federal Awards Received

All CFDA Numbers

Criteria

Per Uniform Guidance §200.508 (b), the auditee must prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §200.510 Financial statements and §200.510 (b) Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended.

At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in §200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe the significant accounting policies used in preparing the schedule, and whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs.

Condition

We identified a Highway Planning and Construction Grant, CFDA number 20.205, with federal expenditures of \$216,356 that had not been identified by the County.

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

June 30, 2016

III. Findings and Questioned Costs for Federal Awards (Continued)

Significant Deficiency in Internal Control Over Compliance (Continued)

2016-001 – Identification of Federal Awards Received (Continued)

Questioned Costs

None.

Context

The City of Casper/Natrona County Health Department, Community Action Partnership of Natrona County, the Natrona County Sheriff's Department, and the Natrona County Coroner's Department regularly receive Federal awards. These County entities/departments have procedures in place to identify and track these awards, placing them into the format of a schedule of expenditures of federal awards (SEFA). However, occasionally the County will receive Federal awards that do not go through one of these entities/departments. The County instituted a process in 2013 to identify awards outside of these entities/departments by filing awards with the County Clerk, entering grants on a spreadsheet, with copies provided to the County Clerk and Treasurer to ensure proper identification of funds and grant type. However, this process to ensure the proper identification and reporting of the awards is not being followed, nor is information provided in the format of a SEFA.

Effect

Federal expenditures were not properly identified in a timely manner. County personnel could receive and expend Federal awards without proper consideration of the compliance requirements, resulting in noncompliance and possible questioned costs, and the need to return these funds to the granting agencies. With delayed identification of total expenditures, adequate coverage for testing of Federal awards may not be achieved, delaying the completion of the audit and issuance of the financial statements by required deadline. Significant compliance issues could also harm the County's ability to continue to receive Federal funding in future years.

Cause

While the County has a process, the County has not designated an individual to monitor the process or to actually prepare the SEFA for the general County.

Identification of a Repeat Finding

This is a repeat finding from June 30, 2015, finding number 2015-003.

Recommendation

For all grants received by departments other than the City of Casper/Natrona County Health Department, Community Action Partnership of Natrona County, and the Natrona County Sheriff's Department, we recommend a specific individual be tasked with the responsibility to identify and track expenditures for all grants received by the general County. The County Clerk, County Treasurer, and County Commissioners need to work together to determine that all grants entered into by Natrona County are properly identified and tracked to ensure each grant is properly managed and reported. As a part of this process, County personnel should prepare an actual SEFA with all the required information including the CFDA number and cluster, the federal awarding agency, the pass through entity name and award number (if applicable), the name of the program, the name of the cluster (if applicable), funding received prior to or after 2CFR200, the amount of the grant award, the amount received in the audit period, and the amount expended in the audit period.

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

June 30, 2016

III. Findings and Questioned Costs for Federal Awards (Continued)

Significant Deficiency in Internal Control Over Compliance (Continued)

2016-001 – Identification of Federal Awards Received (Continued)

Views of Responsible Officials and Planned Corrective Actions

The County concurs with this finding. The County acknowledges that while it does have a process for filing federal awards with the County Clerk and also in the County Commissioner Office, it did not designate an individual to monitor the process or to actually prepare the Schedule of Expenditures of Federal Awards for the general County. The County Accountant will be the contact person responsible for the corrective action planned.

On December 19, 2016, the County Accountant communicated the finding with the County Commissioner Administrative staff person, who has knowledge of federal awards approved by the Commissioners, and a corrective action plan was discussed. The County Commissioner Administrative staff person will keep track of all grant awards approved by the County Commissioners and properly identify all grants on an Excel spreadsheet during the fiscal year. The grant spreadsheet will include the following:

- 1) CFDA number and cluster,
- 2) Federal awarding agency,
- 3) Pass through entity name and award number (if applicable),
- 4) Name of the cluster (if applicable),
- 5) Funding received prior to or after 2CFR200,
- 6) Amount of the grant award,
- 7) Amount received in the audit period,
- 8) Amount expended during the audit period.

The County Accountant will review the aforementioned grant Excel spreadsheet and agree to actual grant documents filed in the County Clerk and Commissioner's offices to determine that all grants for the general County are properly identified and tracked to ensure that each grant is properly managed and reported. Periodically and at year end, the County Accountant will discuss with the Chief Deputy Clerk on applicable grant expenditures for all grants for the general County, and update the grant Excel spreadsheet.

NATRONA COUNTY, WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2016

Material Weakness in Internal Control Over Compliance Finding

2015-001 - Allowable Activities, Allowable Costs/Cost Principles, Eligibility

Temporary Assistance to Needy Families, CFDA # 93.558 (TANF Cluster)

U. S. Department of Health and Human Services

Passed through Wyoming Department of Health to the City of Casper/Natrona County Health Department

Condition

Health Department grant personnel were unaware of OMB Circulars A-87, A-102, and A-133 as well as the OMB Compliance Supplement which contain specific guidance for the administration of federal grants.

Status

Condition corrected.

Material Weakness in Internal Control Over Compliance and Compliance

2015-002 and 2015-004 - Eligibility

Temporary Assistance to Needy Families, CFDA # 93.558 (TANF Cluster)

U. S. Department of Health and Human Services

Passed through Wyoming Department of Health to the City of Casper/Natrona County Health Department

Condition

No documentation was prepared or retained to evidence compliance with eligibility for patients receiving services under the grant.

Status

Condition corrected.

Significant Deficiency in Internal Control Over Compliance

2015-003 – Identification of Federal Awards Received

All CFDA Numbers

Condition

The City of Casper/Natrona County Health Department, Community Action Partnership of Natrona County, the Natrona County Sheriff's Department, and the Natrona County Coroner's Department regularly receive Federal awards. These County entities/departments have procedures in place to identify and track these awards. However, occasionally the County will receive Federal awards that do not go through one of these entities/departments. The County instituted a process in 2013 to identify awards outside of these entities/departments. However, this process to ensure the proper identification and reporting of the awards is not being followed. We identified two Community Development Block grants, CFDA number 14.228, with expenditures of \$16,953 that had not been identified by the County.

NATRONA COUNTY, WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)

June 30, 2016

Significant Deficiency in Internal Control Over Compliance (Continued)

2015-003 – Identification of Federal Awards Received (Continued)

All CFDA Numbers (Continued)

Status

Condition has not been corrected. Finding is repeated as 2016-001.

Renea Vitto

NATRONA COUNTY CLERK
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Casper, WY 82602
307-235-9206
rvitto@natronacounty-wy.gov

12/28/2016

**Natrona County
Corrective Action Plan**

Finding Control Number: 2016-001
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Identification of Federal Awards Received

Contact Person - Nick Martinez, County Accountant

We concur with this finding. The County acknowledges that while it does have a process for filing federal awards with the County Clerk and also in the County Commissioner Office, it did not designate an individual to monitor the process or to actually prepare the Schedule of Expenditures of Federal Awards for the general County.

On December 19, 2016, the County Accountant communicated the finding with the County Commissioner Administrative staff person, who has knowledge of federal awards approved by the Commissioners, and a corrective action plan was discussed. The County Commissioner Administrative staff person will keep track of all grant awards approved by the County Commissioners and properly identify all grants on an Excel spreadsheet during the fiscal year. The grant spreadsheet will include the following:

1. CFDA number and cluster,
2. Federal awarding agency,
3. Pass through entity name and award number (if applicable),
4. Name of the cluster (if applicable),
5. Funding received prior to or after 2CFR200,
6. Amount of the grant award,
7. Amount received in the audit period,
8. Amount expended during the audit period.

The County Accountant will review the aforementioned grant Excel spreadsheet and agree to actual grant documents filed in the County Clerk and Commissioner's offices to determine that all grants for the general County are properly identified and tracked to ensure that each grant is properly managed and reported. Periodically throughout the fiscal year and at year end, the County Accountant will discuss with the Chief Deputy Clerk on applicable grant expenditures for all grants for the general County, and update the grant Excel spreadsheet.

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