

SUBLETTE COUNTY, WYOMING

FINANCIAL REPORT

JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

County Commissioners
Sublette County, Wyoming
Pinedale, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Sublette County, Wyoming as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County'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' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards general accepted in the United State 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 from material misstatement.

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

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

The financial data for the Sublette County Weed and Pest has not been included in the component units of the Statement of Net Position and the Statement of Activity. Accounting principles generally accepted in the United States of America require that all component units of the entity be included in the reporting entity. The amount by which this departure would affect the asset, liability, fund balance, revenues and expenditures of the component units in the Statement of Net Position and the Statement of Activities is not reasonably determinable.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregately discretely presented component units, except for the effects of the omission of Sublette County Weed and Pest from the component units as described in the preceding paragraph, each major fund and the aggregate remaining fund information of Sublette County, Wyoming as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 34 through 38 and information regarding the defined benefit pension plan on pages 40 to 42 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consists 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 and assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sublette County, Wyoming's basic financial statements. The combining balance sheet - non major governmental funds, combining statement of revenues, expenditures and changes in fund balances non-major governmental funds, statement of net position - component units and the combining statement of activities - component units are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements

The combining balance sheet - non major governmental funds, combining statement of revenues, expenditures and changes in fund balance - non major governmental funds, combining statement of net position - component units ,the combining statement of activities - component units 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 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 combining balance sheet – non major governmental funds, combining statement of revenues, expenditures and changes in fund balance – non major governmental funds, the combining statement of net position - component units, the combining statement of activities - component units and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2019 on our consideration of Sublette 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sublette County Wyoming's internal control over financial reporting and compliance.

NOTICE

The accompanying financial statements, supplementary information and our independent auditors' reports are for the purpose of meeting local, state and Federal requirements and are for the use of those entities, management, the County Commissioners, the State of Wyoming and Federal agencies, and should not be used or relied upon by any other party for any purpose. Additional users of these financial statements, supplementary information and our independent auditors' reports are hereby advised that the liability of Leo Riley & Co., CPAs to third party users who use or rely on this information may be limited pursuant to 1995 Wyo. Sess. Laws, Chapter 155 creating Wyo. Stat. §33-3-201. However, the general purpose financial statements, supplementary information and our independent auditors' report on the financial statements are a matter of public record and their distribution is not limited.

DATE

Government Wide- Financial Statements

SUBLETTE COUNTY, WYOMING

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Units
	Govern- mental Activities	Business- Type Activities	Total	
ASSETS				
Cash and cash equivalents (Note 6)	\$ 11,641,003	\$ 75,553	\$ 11,716,556	\$ 629,610
Receivables -				
Property taxes	382,827		382,827	
Other governments	1,547,520		1,547,520	
Other	34,809	299	35,108	
Investments				
Certificates of deposit	38,029,845	24,922	38,054,767	
Government securities (Note 6)	131,365,957		131,365,957	
Other	43,334		43,334	
Prepaid expenses	328,754		328,754	
Inventory	139,939		139,939	
Due from Trust and Agency	(12,474)		(12,474)	(40,278)
Capital assets (Notes 1 and 5)				
Non depreciable	9,626,681		9,626,681	
Depreciable (net of accumulated depreciation)	156,278,390	274,024	156,552,414	1,567,847
Total assets	<u>\$ 349,406,585</u>	<u>\$ 374,798</u>	<u>\$ 349,781,383</u>	<u>\$ 2,157,179</u>
DEFERRED OUTFLOWS OF RESOURCES				
Retirement contributions (Note 3)	\$ 935,157	\$ -	\$ 935,157	\$ 41,151
Assumption changes (Note 3)	2,109,373		2,109,373	68,469
Difference between contributions and proportionate share of contributions (Note 3)	200,469		200,469	
Total deferred outflows of resources	<u>\$ 3,244,999</u>	<u>\$ -</u>	<u>\$ 3,244,999</u>	<u>\$ 109,620</u>
LIABILITIES				
Current liabilities				
Accounts and vouchers payable	\$ 1,158,267	\$ -	\$ 1,158,267	\$ 2,110
Insurance claim liability	112,690		112,690	
Tax rebate payable	803,957		803,957	38,525
Other	49,637		49,637	
Current liabilities	<u>\$ 2,124,551</u>	<u>\$ -</u>	<u>\$ 2,124,551</u>	<u>\$ 40,635</u>
Noncurrent liabilities				
Estimated liability for compensated absences	\$ 602,570	\$ -	\$ 602,570	\$ 21,959
Capital lease obligations		41,501	41,501	
Proportionate share of net pension liability (Note 3)	11,275,346		11,275,346	704,651
Tax rebate payable	667,749		667,749	29,352
Landfill post closure costs (Note 9)	803,433		803,433	
Total noncurrent liabilities	<u>\$ 13,349,098</u>	<u>\$ 41,501</u>	<u>\$ 13,390,599</u>	<u>\$ 755,962</u>
Total liabilities	<u>\$ 15,473,649</u>	<u>\$ 41,501</u>	<u>\$ 15,515,150</u>	<u>\$ 796,597</u>
DEFERRED INFLOWS OF RESOURCES				
Difference between contributions and proportionate share of contributions (Note 3)	\$ -	\$ -	\$ -	\$ 62,138
Difference between proportionate share and actual earnings on pension plan investments (net) (Note 3)	584,347		584,347	17,434
Difference between expected and actual experience (Note 3)	565,319		565,319	25,842
Total deferred inflows of resources	<u>\$ 1,149,666</u>	<u>\$ -</u>	<u>\$ 1,149,666</u>	<u>\$ 105,414</u>
NET POSITION				
Net investment in capital assets	\$ 165,905,071	\$ 232,523	\$ 166,137,594	\$ 1,567,847
Restricted	8,274,244		8,274,244	
Unrestricted	161,848,954	100,774	161,949,728	(203,059)
Total net position	<u>\$ 336,028,269</u>	<u>\$ 333,297</u>	<u>\$ 336,361,566</u>	<u>\$ 1,364,788</u>

(The accompanying notes to the financial statements are an integral part of this statement)

SUBLETTE COUNTY, WYOMING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	Net Revenue (Expenses) and Changes in Net Position							Component Units
	Primary Government							
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Govern- mental Activities	Business- Type Activities		
PRIMARY GOVERNMENT								
Governmental activities								
General government	\$ 6,409,850	\$ 361,281	\$ 189,563	\$ -	\$ (5,859,006)	\$ -	\$ (5,859,006)	
Public safety	10,681,204	186,721	32,123		(10,462,360)		(10,462,360)	
Public works	11,893,915	513,479			(11,380,436)		(11,380,436)	
Health, welfare, and recreation	4,844,453	183,355	86,774		(4,574,324)		(4,574,324)	
Conservation of natural resources	140,250				(140,250)		(140,250)	
Miscellaneous/general	8,664,489		-		(8,664,489)		(8,664,489)	
Total governmental activities	<u>\$ 42,634,161</u>	<u>\$ 1,244,836</u>	<u>\$ 308,460</u>	<u>\$ -</u>	<u>\$ (41,080,865)</u>	<u>\$ -</u>	<u>\$ (41,080,865)</u>	
Business-type activities								
Golf course	\$ 234,007	\$ 245,222	\$ -	\$ -	\$ -	\$ 11,215	\$ 11,215	
Total primary government	<u>\$ 42,868,168</u>	<u>\$ 1,490,058</u>	<u>\$ 308,460</u>	<u>\$ -</u>	<u>\$ (41,080,865)</u>	<u>\$ 11,215</u>	<u>\$ (41,069,650)</u>	
COMPONENT UNITS								
Governmental activities								
Library	\$ 1,442,885	\$ 18,438	\$ 88,931	\$ -	\$ -	\$ -	\$ -	\$ (1,335,516)
Fair	236,057	34,192						(201,865)
Total component units	<u>\$ 1,678,942</u>	<u>\$ 52,630</u>	<u>\$ 88,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,537,381)</u>
General Revenues:								
Property taxes					\$ 22,819,673	\$ -	\$ 22,819,673	\$ 1,188,552
Auto fees					659,176	-	659,176	38,411
Sales tax collected					8,791,416	-	8,791,416	-
Payments in lieu of property taxes					1,156,546	-	1,156,546	-
State severance tax collections					102,341	-	102,341	-
Fuel taxes					2,322,911	-	2,322,911	-
Forest reserve funds					601,520	-	601,520	-
Transfers					(22,654)	22,654	-	-
Unrestricted investment earnings					2,004,282	-	2,004,282	-
Unrealized gain (loss) on investments					(2,776,050)	-	(2,776,050)	-
Gain on asset disposal					323,000	-	323,000	-
Miscellaneous					338,756	-	338,756	1,420
Total general revenues					<u>\$ 36,320,917</u>	<u>\$ 22,654</u>	<u>\$ 36,343,571</u>	<u>\$ 1,228,383</u>
Change in Net Position					<u>\$ (4,759,948)</u>	<u>\$ 33,869</u>	<u>\$ (4,726,079)</u>	<u>\$ (308,998)</u>
Net position at beginning of year					<u>340,788,217</u>	<u>304,972</u>	<u>341,093,189</u>	<u>1,673,786</u>
Net position at end of year					<u>\$ 336,028,269</u>	<u>\$ 338,841</u>	<u>\$ 336,367,110</u>	<u>\$ 1,364,788</u>

(The accompanying notes to the financial statements are an integral part of this statement)

Governmental Funds
Financial Statements

SUBLETTE COUNTY, WYOMING

BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2018

	Major Funds General Fund	Nonmajor Funds	Total
ASSETS:			
Cash and cash equivalents (Note 5)	\$ 10,742,903	\$ 898,100	\$ 11,641,003
Receivables -			
Property taxes	382,827		382,827
Other governments	785,348		785,348
Trash collections	42,474		42,474
Other	(8,507)	842	(7,665)
Investments			
Certificates of deposit	38,029,845		38,029,845
Government securities (Note 5)	131,365,957		131,365,957
Other	43,333		43,333
Prepaid expenses	328,752		328,752
Inventory	139,939		139,939
Due from Trust and Agency		(12,474)	(12,474)
Total assets	<u>\$ 181,852,871</u>	<u>\$ 886,468</u>	<u>\$ 182,739,339</u>
LIABILITIES:			
Accounts and vouchers payable	\$ 1,158,089	\$ -	\$ 1,158,089
Tax rebate payable	783,373	20,584	803,957
Other accrued liabilities	49,813		49,813
Insurance claim liability	112,690		112,690
Total liabilities	<u>\$ 2,103,965</u>	<u>\$ 20,584</u>	<u>\$ 2,124,549</u>
DEFERRED INFLOWS			
Property taxes unavailable	<u>\$ 346,553</u>		<u>\$ 346,553</u>
FUND BALANCE:			
Nonspendable	\$ 468,691	\$ -	\$ 468,691
Restricted	8,274,244	865,884	9,140,128
Committed	155,335,725		155,335,725
Unassigned	15,323,693		15,323,693
Total fund balances	<u>\$ 179,402,353</u>	<u>\$ 865,884</u>	<u>\$ 180,268,237</u>
Total liabilities and fund balances	<u>\$ 181,852,871</u>	<u>\$ 886,468</u>	<u>\$ 182,739,339</u>

(The accompanying notes to the financial statements are an integral part of this statement)

SUBLETTE COUNTY, WYOMING

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total fund balance per balance sheet		\$ 180,268,237
Amounts reported for governmental activities in the statement of net position total governmental funds are different because:		
Add assets not included above but included in the statement of net position due to differences in revenue recognition standards		
Property taxes	\$ 346,553	
Sales and fuel	<u>762,173</u>	1,108,726
Add capital assets not reported above		
Non depreciable	\$ 9,626,681	
Depreciable	<u>156,278,390</u>	165,905,071
Deferred outflows related to pension obligation		3,244,999
Less liabilities not reported above		
Long-term liabilities		
Estimated liability for compensated absences	\$ (602,570)	
Proportionate share of net pension liability (Note 3)	(11,275,346)	
Tax rebate payable	(667,749)	
Landfill post closure costs (Note 9)	<u>(803,433)</u>	(13,349,098)
Deferred inflows related to pension obligation		<u>(1,149,666)</u>
Net position of governmental activities		<u><u>\$ 336,028,269</u></u>

(The accompanying notes to the financial statements are an integral part of this statement)

SUBLETTE COUNTY, WYOMING

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Major Funds</u> General Fund	Nonmajor Funds	<u>Total</u>
REVENUES:			
Taxes	\$ 32,380,204	\$ 502,566	\$ 32,882,770
Licenses and permits	8,292		8,292
Fines and forfeitures	301,724		301,724
Charges for goods and services	923,060	-	923,060
Intergovernmental	2,756,171		2,756,171
Investment income/unrealized gain on investments	(738,884)	419	(738,465)
Other	276,307	46	276,353
Total revenues	<u>\$ 35,906,874</u>	<u>\$ 503,031</u>	<u>\$ 36,409,905</u>
EXPENDITURES:			
General government	\$ 14,715,623	\$ -	\$ 14,715,623
Public safety	9,204,375		9,204,375
Public works	10,610,455	400,315	11,010,770
Health, welfare, culture and recreation	1,111,323	704,862	1,816,185
Conservation of natural resources	129,918		129,918
Total expenditures	<u>\$ 35,771,694</u>	<u>\$ 1,105,177</u>	<u>\$ 36,876,871</u>
REVENUES OVER (UNDER) EXPENDITURES	\$ 135,180	\$ (602,146)	\$ (466,966)
TRANSFERS IN(OUT)		<u>(22,654)</u>	<u>(22,654)</u>
REVENUES OVER (UNDER) EXPENDITURES AFTER OPERATING TRANSFERS	\$ 135,180	\$ (624,800)	\$ (489,620)
FUND BALANCE, BEGINNING	<u>179,267,173</u>	<u>1,490,684</u>	<u>180,757,857</u>
FUND BALANCE, ENDING	<u>\$ 179,402,353</u>	<u>\$ 865,884</u>	<u>\$ 180,268,237</u>

(The accompanying notes to the financial statements are an integral part of this statement)

SUBLETTE COUNTY, WYOMING

RECONCILIATION OF THE GOVERNMENTAL STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

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

Total net change in fund balances - governmental funds \$ (489,620)

All capital outlays to purchase or build capital assets
are reported in governmental funds as expenditures.
However, for governmental activities those capital
outlays other than non-capitalized items are shown
in the statement of net position and allocated over
their estimated useful lives as annual depreciation
expenses in the statement of activities. This is the
amount by which capital outlays exceed depreciation
in the period

Capital outlay	\$ 5,256,913	
Depreciation expense	<u>(9,066,836)</u>	(3,809,924)

Some revenues are not reported as revenues in the
fund financial statements due to differences in revenue
recognition policies between the statement of activities

Sales and fuel tax receivable	68,837
Property tax revenues	291,097
Long term portion of property tax rebates	803,957

Some 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

Landfill Closure Costs	(442,801)
Change in accrued compensated absences	(28,127)
Net additional pension expense for the year	<u>(1,153,367)</u>

Total change in net position - governmental activities \$ (4,759,948)

(The accompanying notes to the financial statements are an integral part of this statement)

Proprietary Funds
Financial Statements

SUBLETTE COUNTY, WYOMING

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 JUNE 30, 2018

	<u>Business- Type Activities</u>
ASSETS	
Current assets:	
Cash	\$ 75,553
Certificates of deposit	24,922
Accounts receivable	299
Noncurrent assets:	
Capital assets, net of accumulated depreciation (Note 4)	<u>274,024</u>
Total assets	<u>\$ 374,798</u>
LIABILITIES	
Current liabilities:	
Current portion of lease obligations	\$ -
Long term liabilities	
Capital lease obligations	<u>41,501</u>
Total liabilities	<u>\$ 41,501</u>
NET POSITION	
Net investment in capital assets	\$ 232,523
Unrestricted	<u>100,774</u>
Total net position	<u>\$ 333,297</u>

(The accompanying notes to the financial statements are an integral part of this statement)

SUBLETTE COUNTY, WYOMING

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2018

	Business- Type Activities
Operating revenue:	
Charges for services	\$ 245,222
Total operating revenue	<u>\$ 245,222</u>
Operating expenses:	
Management fees	\$ 115,684
Depreciation	38,051
Advertising	1,066
Grounds maintenance and other supplies	2,194
Utilities and telephone	12,914
Repairs and maintenance	13,004
Fuel	7,545
Office expense	8,315
Miscellaneous	35,234
Total operating expenses	<u>\$ 234,007</u>
Operating loss	<u>\$ 11,215</u>
Non-operating activities	
Interest	\$ (5,544)
Transfers in (out)	22,654
	<u>\$ 17,110</u>
Change in net position	28,325
Net position, beginning	<u>304,972</u>
Net position, ending	<u>\$ 333,297</u>

(The accompanying notes to the financial statements are an integral part of this statement)

SUBLETTE COUNTY, WYOMING
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Business- Type Activities
Cash flows from operating activities:	
Cash received from customers	\$ 245,221
Cash paid to suppliers for goods and services	(183,671)
Net cash from (used in) operating activities	\$ 61,550
Cash flows from noncapital financing activities:	
Transfers in from other funds	\$ 22,654
Net cash from noncapital financing activities	\$ 22,654
Cash flows from financing activities:	
Principal paid on lease obligation	\$ (38,892)
Interest	(5,544)
Net cash from (used in) financing activities	\$ (44,436)
Net increase (decrease) in cash	\$ 39,768
Cash, beginning of year	35,785
Cash, end of year	\$ 75,553
Reconciliation of operating loss to net cash from operating activities:	
Operating (loss) income	\$ 11,215
Adjustments to reconcile operating loss to net cash in operating activities:	
Depreciation	38,051
Other	(14,324)
Changes in assets and liabilities:	
Account receivable	(12,284)
Change in lease payable	38,892
Net cash from (used in) operating activities	\$ 61,550

(The accompanying notes to the financial statements are an integral part of this statement)

Fiduciary Funds
Financial Statements

SUBLETTE COUNTY, WYOMING

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2018

	<u>Tax Collections</u>	<u>Fire Fighter Donations</u>
ASSETS		
Cash	\$ 4,278,307	\$ 73,891
Taxes receivable (Net of allowance)	14,986	
Total assets	<u>\$ 4,293,293</u>	<u>\$ 73,891</u>
LIABILITIES		
Court case deposits and fees held	\$ 14,172	\$ -
Due to County entities		
County Library Board	(40,278)	
County Museum Board	(12,474)	
Weed and Pest District	2,999	
Fair grounds budget	64,146	
Ice arena budget	45,138	
Fire reserves	2,388,129	
Due to State of Wyoming	637,884	
Due to Sublette School District No. 1	221,079	
Due to Sublette School District No. 9	80,696	
Unprorated property taxes	1,063	
Due to other entities	857,363	
Unprorated fines	33,376	
Due to Fire Fighters		73,891
Total liabilities	<u>\$ 4,293,293</u>	<u>\$ 73,891</u>

(The accompanying notes to the financial statements are an integral part of this statement)

Notes to Financial Statements

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF SUBLETTE COUNTY AND THE REPORTING ENTITY

The County

Sublette County, Wyoming was created and operated under Wyoming State Statute. The County is governed by a board of five Commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the Clerk, Treasurer, Clerk of Courts, Prosecuting Attorney, and Sheriff. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and the chief administrators of public services for the entire County.

Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading.

The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable. These units are financially accountable to the County Commissioners based on the Commissioners' ability to exercise control and oversight responsibilities. The Commissioners appoint these units governing bodies, approve the units' budgets and the levying of tax.

Based on these criteria it has been determined that the County's component units are the County Library, County Fair, the Weed and Pest Control District, and Sublette County/Town of Big Piney Community Impact Joint Powers Board. The Weed and Pest Control District financial data is not included in these financial statements.

Discretely Presented Component Units

County Fair - The Fair Board consists of five directors appointed by the County Commissioners. The Fair Board has oversight responsibility for the County Fair and other special events which are held periodically throughout the year. The Fair Board is also responsible for the security and upkeep of the facilities and equipment under its care.

County Library - The Library Board consists of five directors appointed by the County Commissioners. The Library Board has oversight responsibility for library services at three primary locations in the County. The Library Board is also responsible for the security and upkeep of the facilities and equipment under its care.

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

In June, 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the Statement include the following:

1. For the first time the financial statements include:
 - a. A Management Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations. Management has elected to not present the MD&A.
 - b. Financial statements prepared using full accrual accounting for all of the County's activities, including infrastructure (roads, bridges, etc.).
 - c. A change in the fund financial statements to focus on the major funds.

The County's financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and financial statements is on major funds. Each major fund is presented in a separate column.

The component units of the County are excluded from the fund financial statements.

The major focus of these fund financial statements of the governmental funds is upon determination of financial position and changes in this financial position (sources, uses, and balances of financial resources). The non-major funds are comprised of the Museum Board, Recreation Board, Fire Board, and Rendezvous Meadow Golf Course.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is 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 revenue in the year for which they are levied. Grants, categorical aid 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 any interfund activity has been eliminated from the government-wide financial statements.

Fund Based Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. 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 severance pay, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting similar to the basis used for the government-wide financial statements. Revenues are recorded when earned and expenses are recorded at the time the liability is incurred, regardless of when the related cash flows take place. Operating revenues consist of charges for services and non-operating revenues consist of interest, donations and transfers. All assets and liabilities are recorded in the enterprise funds financial statements.

Financial Statement Amounts

Investments

Investments are carried at fair market value.

Inventory

Inventories in the government-wide financial statement represent supply inventory held for the County Road and Bridge Department. These inventories are carried at cost using the first-in, first-out method.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Assets with an estimated historical cost have been computed by taking current estimated replacement costs and discounting this cost by using an estimate for the consumer price index. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	10 - 30 years
Machinery and equipment/vehicles	5 - 7 years
Golf course and improvements	10 - 15 years
Infrastructure	30 years

GASB No. 34 requires the County to report and depreciate new infrastructure assets effective July 1, 2003. Infrastructure assets include roads, bridges, traffic signals, etc.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Net Position

Net positions represent the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net positions are classified in the following categories:

1. Net investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvements of the assets.
2. Restricted net position - This amount is restricted by creditors, grantors contributors, or laws or regulations of other governments.
3. Unrestricted net position - This amount is the net position that does not meet the definition of "net investment in capital assets" of "restricted net position".

Fund Balance

The County has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

1. Non-spendable fund balance - amounts that are not in non-spendable form (such as inventory) or are required to be maintained intact.
2. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
3. Committed fund balance - amounts constrained to specific purposes by the County itself enacted by resolution of the Board of County Commissioners. Committed fund balances cannot be used for any other purpose unless the commitment expires as set forth in the resolution, or a new Board resolution amends the commitment.

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Assigned fund balance - amounts the County intends to use for a specific purpose. Intent can be expressed by the County Commissioners or by an official or body to which the County Commissioners delegates the authority.
5. Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Property Taxes

Property taxes attach as an enforceable lien on property as of May 11. Taxes are levied on or about August 1 and payable in two installments on September 1 and March 1. The County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within the County. Collections and remittances of these taxes for other taxing districts are accounted for in the respective agency funds of the County. County property tax revenues are recognized when received. The County employs the 60 day rule for recognition of receivables at the end of the fiscal year. Under this method all uncollected taxes at June 30, 2017, are shown as receivable. The portion of this amount that is not collected within 60 days of the end of the year is shown as deferred revenues.

The County is permitted by Wyoming Statutes to levy taxes up to 12 mills of assessed valuation for all purposes, except for the payment of public debt and the 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, 2017, was 12 mills, which means that the County has no available tax margin and, accordingly, cannot raise any additional taxes.

Compensated Absences

The County accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee.

Sick leave is accrued at the rate of one day per month worked with no maximum accumulation. Upon termination of employment, sick leave will not be paid. For this reason no accrual of sick leave is made.

Vacation is accrued at the rate of 8 to 12 hours for each month worked dependent upon the employees' prior years of employment. Maximum accumulation ranges from 160 hours to 240 hours dependent upon the employees prior years of employment.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Restricted/Unrestricted Net Assets

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the County's policy is to apply restricted net assets first.

Pensions

The net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, pension expense and information about the fiduciary net pension of the Wyoming Retirement System have been determined on the same basis as they are reported by Wyoming Retirement System. 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.

NOTE 3. PENSION PLAN

Plan Description

The County participates in the Wyoming Retirement System ("System"), a statewide cost-sharing multiple-employer public employee retirement system administered by the State of Wyoming Retirement System Board. Substantially all of the County's full-time employees are eligible to participate. The System issues a publicly available financial report which includes audited financial statements and required supplementary information for the System. The report may be obtained by writing to the Wyoming Retirement System, 6101 Yellowstone Rd. #500, Cheyenne, Wyoming 82009 or on their website at retirement.state.wy.us.

Benefits

A brief summary is as follows:

A new tier of benefits was signed into law on March 23, 2012 and is effective for new members joining the System on or after September 1, 2012.

– Tier

Members who join the State of Wyoming Retirement System by August 31, 2012 are in Tier 1, while members who join later are in Tier 2.

– Normal Retirement Eligibility

For Tier 1 member - Age 60 with at least four years of service.

For Tier 2 member - Age 65 with at least four years of service.

– Normal Retirement Benefit

For Tier 1 member - 2.125% of employee's Highest Average Salary for each year of credited service for the first 15 years of service credit plus 2.25% of Highest Average Salary for any years of service credit exceeding 15 years. This amount is reduced by 5.0% per year that the employee is under age 60. For Tier 2 member - 2.00% of employee's Highest Average Salary for each year of credited service. This amount is reduced by 5.0% per year that the employee is under age 65. However, members retiring with a combined age and service of at least 85 receive an unreduced benefit. Employees hired prior to July 1, 1981 may be entitled to benefits earned under a different formula.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

Benefits (Continued)

– Normal Form of Payment

Monthly benefit for life with a lump-sum death benefit equal to the excess (if any) of the employee contributions with interest over the total benefits received.

– Post-retirement Cost-of-Living Adjustments (COLAs)

W.S. 9-3-454 prohibits benefit changes, including cost-of-living increases, unless the funded ratio stays above 100% plus a margin for adverse experience throughout the life of the benefit change.

Contributions

Plan members are required to contribute a percentage of their annual covered salary and the County is required to contribute a percentage of the annual covered payroll as follows:

	Plan Member Contributions	County Contributions
Public Employee Pension Plan	8.25%	8.37%
Law Enforcement Pension Plan	8.60%	8.60%
Volunteer Firefighters and EMT plan	0.00%	\$15/month

Legislation enacted in 1979 allows the employer to pay any or all of the employee's contribution in addition to the matching contribution. The County currently pays 100% of the required employee contribution. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The County's contributions to the System for the year ended June 30, 2018, equal to the required contributions for each year follows:

	Primary Government	Component Units
Public Employee Pension Plan	\$ 1,006,670	\$ 84,950
Law Enforcement Pension Plan	828,591	
Volunteer Firefighters and EMT plan	13,710	
	\$ 1,819,127	\$ 84,950

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

At June 30, 2018, the County's reported a liability for its proportionate share of the net pension liability as follows:

	Primary Government	Component Units
Public Employee Pension Plan	\$ 7,752,684	\$ 704,651
Law Enforcement Pension Plan	2,608,704	
Volunteer Firefighters and EMT plan	913,958	
	\$ 11,275,346	\$ 704,651

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 plan relative to the projected contributions of all participating governments, actuarially determined. At December 31, 2017 and 2016, the County's proportion was:

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Primary Government		
Public Employee Pension Plan	0.34013%	0.33177%
Law Enforcement Pension Plan	3.03181%	3.04344%
Volunteer Firefighters and EMT plan	3.19506%	3.06114%
Component Units		
Library (Public Employee Pension Plan)	0.03091%	0.03458%

For the year ended June 30, 2018, the County recognized an additional pension expense over and above contributions made due to the requirements of GASB 68 as follows:

	<u>Primary Government</u>	<u>Component Units</u>
Additional pension expense	<u>\$ 1,153,367</u>	<u>\$ 52,838</u>

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Primary Government		
Net differences between projected and actual earnings on pension plan investments		
Public Employee	\$	\$ 300,199
Law Enforcement		243,061
Volunteer Fire/EMT		41,087
Changes in proportion and differences between contributions and proportionate share of contributions		
Public Employee	110,097	
Law Enforcement	2,245	
Volunteer Fire/EMT	88,127	
Difference between expected and actual experience		
Public Employee		268,627
Law Enforcement		202,255
Volunteer Fire/EMT		94,437
Contributions subsequent to the measurement date		
Public Employee	510,786	
Law Enforcement	417,606	
Volunteer Fire/EMT	6,765	
Assumption Changes –		
Public Employee	753,301	
Law Enforcement	1,230,349	
Fire/EMT	125,723	
	<u>\$ 3,244,999</u>	<u>\$ 1,149,666</u>
Component Units		
Net differences between projected and actual earnings on pension plan investments	\$	\$ 17,434
Changes in proportion and differences between contributions and proportionate share of contributions		62,138
Difference between expected and actual experience		25,842
Assumption changes	68,469	
Contributions subsequent to the measurement date	41,151	
	<u>\$ 109,620</u>	<u>\$ 105,414</u>

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

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

The primary government and the component units reported deferred outflows of resources of \$935,157 and \$41,151 respectively, related to contributions made subsequent to the measurement date. These deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Primary Government			
For the Year Ended June 30,		Outflows	Inflows
2018		\$ 648,567	\$ (152,392)
2019		674,491	(4,581)
2020		640,517	675,471
2021		346,267	631,172
		<u>\$ 2,309,842</u>	<u>\$ 1,149,666</u>
Component Units			
For the Year Ended June 30,		Outflows	Inflows
2018		\$ 21,432	\$ 2,753
2019		21,432	11,607
2020		21,432	43,766
2021		4,173	47,288
		<u>\$ 68,469</u>	<u>\$ 105,414</u>

Actuarial Assumptions

Actuarial assumptions and methods are set by the Board, based upon recommendations made by the plan's actuary.

The total pension liability in the December 31, 2017 significant actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- o Costs are determined using the Entry Age Normal actuarial cost method, calculated as a level percentage of payroll.
- o The unfunded actuarial accrued liability is amortized over a 30 year closed layered period as a level percent of payroll. This is the first valuation using a closed amortization period. Future valuations will include additional amortization layer bases.
- o The assumed annual investment return rate is 7.00%, with assumed inflation of 2.25%. Payroll is assumed to increase at 2.50% per year.
- o Inactive vested participants are assumed to retire at age 60 (65 for Tier 2) or on the valuation date if older.
- o The benefit amount is not available for members entitled to deferred benefits. The benefit amount and present value of benefits expected to be paid to vested inactive non-retired members is approximated using the data provided.

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

The average future lifetime for current pensioners is 16.2 years. The actuarial assumptions and methods were reviewed in detail as part of the 2017 Experience Study covering the five year period ending December 31, 2016.

The current assumptions used in the actuarial valuation were adopted by the Board effective August 23, 2017 and were first utilized with the January 1, 2018 valuation report. The experience study report was dated January 10, 2018 and it covered the five-year investigation period ending December 31, 2016. Below is a summary of the changes in assumptions:

Mortality rates were based on the RP-2014 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

1. Inflation: reduce the current assumption of 3.25% to 2.25%.
2. Real rate of return: increase the current assumption from 4.50% to 4.75%.
3. Nominal rate of return: decrease the nominal investment return assumption (the sum of inflation and the real rate of return) from 7.75% to 7.00%.
4. Wage inflation: reduce the wage inflation assumption from 4.25% to 2.50%.
5. Payroll growth: reduce the assumed growth in total payroll from 4.25% to 2.50%.
6. Administrative expenses: recommend reducing the assumed annual increase in expenses from 6.50% per year to 2.50%.
7. Post-retirement mortality, disabled lives mortality, active life mortality: update to the RP2014 table, projected generationally using MP 2017.
8. Salary increase: decrease the assumed salary increases and to move from age-based merit and promotion increases to service-based merit and promotion increases.
9. Retirement (unreduced retirement): modify the retirement rates to reflect actual experience.
10. Early (reduced) retirement: modify the retirement rates to reflect actual experience.
11. Termination (withdrawal): adjust rates to reflect observed experience.
12. Disability: reduce rates to reflect observed experience.

	Inflation	Salary Increases (including Inflation)	Investment Rate of Return
Public Employee Pension Plan	2.25%	2.50%	7.00%
Law Enforcement Pension Plan	2.25%	2.50%	7.00%
Volunteer EMT Pension Plan	2.25%	2.50%	7.00%

The investment rate of return is net of plan investment expenses and includes inflation.

Mortality rates were based on the RP-2014 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

Long-Term Expected Return on Plan Assets

The assumed rate of investment return was adopted by the plan's trustees after considering input from the plan's investment consultant and actuary. Additional information about the assumed rate of investment return is included in the actuarial valuation report as of January 1, 2017. In addition, a five year experience study was completed as of December 31, 2011 and this study provides a detailed analysis regarding recommendations on the long term rates for inflation and the real rate of return. The assumed rate of investment return of 7.00% falls within a reasonable range of the long-term expected rate of return.

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

The following is an estimate of each major asset class that is included in the Public Employees' Pension plan and the Law Enforcement Pension plan and the targeted asset allocation as of January 1, 2018.

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	0.00%	0.40%
Fixed Income	20.00%	1.77%
Equity	45.00%	6.88%
Marketable alternatives	17.50%	3.30%
Private markets	<u>17.50%</u>	7.11%
Total	<u>100.00%</u>	

Single Discount Rate

A Single Discount Rate of 7.75% was used through January 1, 2018 and effective January 1, 2018 and forward a rate of 7.0% to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 7.75%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions and the employer contributions will be made at the current schedule contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members, 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.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

Sensitivity of Results

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Primary Government			
Public Employee Pension Plan	\$ 11,717,325	\$ 7,752,684	\$ 4,446,231
Law Enforcement Pension Plan	\$ 5,599,068	\$ 2,608,704	\$ 174,304
Volunteer Firefighters and EMT Plan	\$ 1,355,466	\$ 913,958	\$ 549,566
Component Units			
Library (Public Employee Pension Plan)	\$ 1,065,003	\$ 704,651	\$ 404,124

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Wyoming Retirement System report.

NOTE 4. DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Section 457. The plan, available to all regular full and part-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employee or their beneficiaries until termination, retirement, death or unforeseeable emergency.

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity during 2018 was as follows:

	Primary Government/Governmental Activities				Balance June 30, 2018
	Balance June 30, 2017	Additions	Deletions	Transfers	
Assets					
Non Depreciable:					
Land	\$ 8,297,230	\$ -	\$ -	\$ -	\$ 8,297,230
Construction in progress	1,033,834	2,659,565		(2,363,948)	1,329,451
	<u>\$ 9,331,064</u>	<u>\$ 2,659,565</u>	<u>\$ -</u>	<u>\$ (2,363,948)</u>	<u>\$ 9,626,681</u>
Depreciable					
Buildings and structures	\$ 130,474,823	\$ -	\$ -	\$ -	\$ 130,474,823
Machinery and equipment	28,519,123	2,303,634	(862,860)	106,992	30,066,889
Vehicles	10,682,326	293,713	-		10,976,039
Infrastructure	73,581,358			2,256,956	75,838,314
	<u>\$ 243,257,630</u>	<u>\$ 2,597,347</u>	<u>\$ (862,860)</u>	<u>\$ 2,363,948</u>	<u>\$ 247,356,065</u>
Accumulated Depreciation					
Buildings and structures	\$ 38,765,872	\$ 4,238,523	\$ -	\$ -	\$ 43,004,395
Machinery and equipment	22,190,882	1,946,575	(862,860)		23,274,597
Vehicles	9,439,813	394,791			9,834,604
Infrastructure	12,477,132	2,486,947			14,964,079
	<u>\$ 82,873,699</u>	<u>\$ 9,066,836</u>	<u>\$ (862,860)</u>	<u>\$ -</u>	<u>\$ 91,077,675</u>
Net depreciable assets	<u>\$ 160,383,931</u>	<u>\$ (6,469,489)</u>	<u>\$ -</u>	<u>\$ 2,363,948</u>	<u>\$ 156,278,390</u>
Total capital assets, net	<u>\$ 169,714,995</u>	<u>\$ (3,809,924)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,905,071</u>

Depreciation expense has been charged to the following functions:

General Government	\$ 1,181,883
Public safety	1,018,694
Public works	4,024,518
Health, welfare and recreation	2,831,409
Conservation of natural resources	10,332
	<u>\$ 9,066,836</u>

	Primary Government/Business-Type Activities				Balance June 30, 2018
	Balance June 30, 2017	Additions	Deletions	Transfers	
Assets					
Land, buildings and structure	\$ 1,122,413	\$ -	\$ -	\$ -	\$ 1,122,413
Machinery and equipment	816,239				816,239
	<u>\$ 1,938,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,938,652</u>
Accumulated depreciation	<u>\$ 1,626,577</u>	<u>\$ 38,051</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,664,628</u>
Total capital assets, net	<u>\$ 312,075</u>				<u>\$ 274,024</u>

	Component Units				Balance June 30, 2018
	Balance June 30, 2017	Additions	Deletions	Transfers	
Assets					
Library	\$ 3,630,909	\$ -	\$ -	\$ -	\$ 3,630,909
Fair	1,295,237				1,295,237
	<u>\$ 4,926,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,926,146</u>
Accumulated depreciation					
Library	\$ 2,070,302	\$ 117,254	\$ -	\$ -	\$ 2,187,556
Fair	1,162,638	8,105			1,170,743
	<u>\$ 3,232,940</u>	<u>\$ 125,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,358,299</u>
Total capital assets, net	<u>\$ 1,693,206</u>				<u>\$ 1,567,847</u>

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. CASH AND INVESTMENTS

Investments

Wyoming State Statute 9-4-831 authorizes the County to invest in obligations of the U.S. Treasury, obligations guaranteed by the Federal government agency or instrumentality, repurchase agreements of obligations of the U.S. government or guaranteed by the U.S. government, deposits in financial institutions which are federally insured, or secured by a pledge of assets, provided the pledge is authorized by the FDIC, commercial paper that is rated by Moody's as P-1 or by Standard & Poor's as A+1 or higher with maturity of less than 220 days, guarantee investment contracts, local investments pools organized by the Wyoming State Treasurer, or commingled funds of the eligible securities.

As of June 30, 2018, the County had the following investments and related maturities:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Federal Farm Credit Banks	\$ 47,338,210	\$ 5,436,919	\$ 19,861,752	\$ 19,152,849	\$ 2,886,690
Federal Home Loan Bank	84,027,747	8,205,468	53,157,308	15,638,449	7,026,522
	<u>\$ 131,365,957</u>	<u>\$ 13,642,387</u>	<u>\$ 73,019,060</u>	<u>\$ 34,791,298</u>	<u>\$ 9,913,212</u>

The County's investment policy is to limit maturities to three years unless matched to a specific cash flow.

GASB Statement 72 establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs—other than quoted prices—included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security.

All investments that the County holds are valued at level 1 inputs

Certificates of Deposit

The County has invested in numerous publicly traded certificates of deposit. Each of these certificates is under \$250,000 with a total value of \$38,029,845.

External Investment Pools

The County also invests in the WYO-STAR Investment Fund which is administered by the Wyoming State Treasurer. These approved investments are carried at cost, which approximates market and may be liquidated as needed. These investment pools have not been assigned a risk category since the County is not issued securities, but rather owns an undivided beneficial interest in the assets of these pools. Due to the short term nature of the pool's assets and liabilities, the carrying value as recorded in the statement of assets and liabilities approximates fair value. At June 30, 2018, the County's balance in this pool was \$492,488 and is included as a cash equivalent in these financial statements

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Authorized deposits are controlled by state statute and include but are not limited to deposits in banks, certificates of deposit, money market accounts, and treasury notes. The depository bank deposits for safekeeping and trust with the County's agent approved pledged securities in an amount sufficient to protect County funds on a day to day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation insurance.

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. County policy is to cover deposits in accordance with Wyoming State Statute and that all deposits are to be fully insured or collateralized.

A summary of the custodial credit risk for the primary government of the County follows:

	<u>Carrying Value</u>	<u>FDIC Insured</u>	<u>Secured by pledging</u>	<u>Uninsured and unsecured</u>	<u>Other</u>
General Fund					
Cash	\$ 15,557,556	\$ 516,850	\$ 5,446,089	\$ -	\$ 9,594,617
Certificates of deposit	38,029,845	38,029,845			
Non Major Funds					
Cash	1,050,479	518,724	531,755		
Proprietary funds					
Cash	84,126	84,126			
Certificates of deposit	24,922	24,922			
Total	<u>\$ 54,746,927</u>	<u>\$ 39,174,466</u>	<u>\$ 5,977,844</u>	<u>\$ -</u>	<u>\$ 9,594,617</u>

NOTE 7. MEDICAL SELF-INSURANCE

The County has included in their general fund, transactions related to its medical self-insurance program. A private insurance carrier determines the premium payments which the County pays on behalf of employees. Claims are paid from accumulated premium collections when claims exceed co-insurance rates, the County is reimbursed for the differences.

The liability in the amount of \$112,690 included in the financial statements as of June 30, 2018, represents the amount due for medical services provided prior to the end of the year for which no claim had been filed as of June 30, 2018.

The terms of the insurance plan state that upon termination, the County is liable for claims run-out. Claims run-out is estimated by industrial standards at 25% of annual aggregate claims.

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has transferred its risk by purchasing insurance from a commercial enterprise. There has been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 9. LANDFILL CLOSURE AND POST CLOSURE CARE

State and federal laws and regulations require the County to place a final cover on its Big Piney landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure costs as an operating expenditure in the general fund in each period based on landfill capacity used as of each balance sheet date. Estimated costs at June 30, 2018 are to be \$4,205,787. The County reflects \$803,433 as liability for the landfill closure and post closure care liability at June 30, 2018. This represents the cumulative amount reported to date based on the use of 19.10% of the estimated capacity of the landfill. These amounts are based on estimates of the costs necessary to perform all closure and post closure care as of June 30, 2018. The engineer's estimate suggests the remaining life of the landfill to be eighty-one years. These estimates have potential for change due to inflation, technology, and/or applicable laws or regulations. Sublette County expects to close the landfill in the year 2074. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County has currently committed \$5,500,000 of its General Fund balance to meet these future obligations of the landfill.

NOTE 10. RESTRICTED\COMMITTED FUND BALANCES AND NET POSITION

Restricted Fund Balances

For the fund financial statements, the general fund balance has been restricted for the following items:

General Fund:	
County road construction fund	\$ <u>8,274,244</u>
Non Major Funds:	
Fire Board	\$ -
Recreation Board	867,306
Museum Board	(1,422)
	<u>\$ 865,884</u>

Committed Fund Balances

Through the budgeting process and in accordance with Wyoming State Statutes, the County Commissioners have committed the General Fund's fund balance for the following items:

Landfill closure costs	\$ 5,500,000
Equipment	12,508,610
Future construction costs	<u>142,827,115</u>
	<u>\$ 155,335,725</u>

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. RESTRICTED\COMMITTED FUND BALANCES AND NET POSITION (Continued)

Stabilization Amounts

Through the budgeting process and in accordance with Wyoming State Statutes, the County Commissioners have established a cash reserve for the 2018 fiscal year of \$10,000,000.

NOTE 11. DUE TO/FROM OTHER FUNDS

The following schedule details due to/from other funds:

	Due to	Due from
Trust and Agency Fund - Tax Collections		
County entities	\$ 52,752	\$
Non major funds:		
Museum Board		12,474
Component units		40,278
	\$ 52,752	\$ 52,752

NOTE 12. INTERFUND TRANSFERS

Operating Transfers In (Out) consist of the following:

	Transfer In	Transfer Out
Recreation Fund	\$	\$ 22,654
Enterprise Golf Course Fund	22,654	

The transfer from the Recreation Fund to the golf course fund is for the capital lease payment made on behalf of the golf course by the recreation fund.

NOTE 13. TAX REBATE PAYABLE

During the years ended June 30, 2015 and 2017, several major property taxpayers successfully won an appeal on the assessed value of their property. In accordance with Wyoming Statute the County elected to repay these over 5 a year period. This resulted in the County having to repay the property tax mill levy revenue previously received.

The following schedule shows repayments to be made:

For the year ending June 30	General Fund	Recreation Fund	Museum Fund	Fire Fund	Fair Board	Library Board
2019	\$ 766,834	\$ 12,970	\$ 7,614	\$ 16,538	\$ 14,069	\$ 24,456
2020	\$ 392,786	\$ 5,989	\$ 3,985	\$ 8,227	\$ 5,945	\$ 12,822
2021	245,824	3,280	2,596	5,062	1,978	8,607
Due within five years	\$ 638,610	\$ 9,269	\$ 6,581	\$ 13,289	\$ 7,923	\$ 21,429
Total repayments	\$ 1,405,444	\$ 22,239	\$ 14,195	\$ 29,827	\$ 21,992	\$ 45,885

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14. LEASING ARRANGEMENT PROPRIETARY FUND

At June 30, 2018, the County Golf Course had the following lease agreements:

1. John Deere Tractor and related equipment and attachments; yearly payment of \$21,782 matures July 2020; interest rate 3.25%; unpaid balance at June 30, 2018 is \$41,501.

Future minimum lease payments are as follows:

Fiscal Year	Payment
2020	\$ 21,782
2021	21,782
	\$ 43,564
Amounts representing interest	2,063
Present value of lease payments	\$ 41,501

Changes

A summary of changes in the capital leases for the year ended June 30, 2018, is presented below:

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018
Lease Purchase Obligations	\$ 80,393	\$	\$ 38,892	\$ 41,501

NOTE 15. CHANGE IN LONG-TERM LIABILITIES GOVERNMENTAL ACTIVITIES

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due Within One Year
Landfill closure and post closure estimate cost	\$ 360,632	\$ 442,801	\$ -	\$ 803,433	
Proportionate share of net pension liability	11,289,939		14,593	11,275,346	-
Compensated absences	574,443	28,127		602,570	
	\$12,225,014	\$ 470,928	\$ 14,593	\$12,681,349	\$ -

NOTE 16. CHANGE IN LONG-TERM LIABILITIES COMPONENT UNITS

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Amount Due Within One Year
Proportionate share of net pension liability	\$ 835,998	\$ -	\$ 131,347	\$ 704,651	\$ -
Compensated absences	21,362	597		21,959	
	\$ 857,360	\$ 597	\$ 131,347	\$ 726,610	\$ -

Required Supplementary Information

SUBLETTE COUNTY, WYOMING

GENERAL FUND - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

	REVENUES			Variance
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
Taxes				
Property and Production	\$ 19,624,092	\$ 19,624,092	\$ 18,845,385	\$ (778,707)
County Share of Motor Vehicle fees	650,000	650,000	659,377	9,377
Sales and Use Taxes	5,000,000	5,480,780	8,333,277	2,852,497
5% Reimbursement Use Tax	70,000	70,000	179,965	109,965
Sales Tax Penalty	10,000	10,000	13,132	3,132
Gas Taxes	650,000	650,000	755,577	105,577
Special Fuel	1,100,000	1,100,000	1,074,320	(25,680)
Cigarette Taxes	5,000	5,000	6,183	1,183
Total Taxes	<u>\$ 27,109,092</u>	<u>\$ 27,589,872</u>	<u>\$ 29,867,216</u>	<u>\$ 2,277,344</u>
Licenses and Permits				
Liquor Licenses	\$ 7,300	\$ 7,300	\$ 8,162	\$ 862
Business Licenses	200	200	130	(70)
Total Licenses and Permits	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 8,292</u>	<u>\$ 792</u>
Fines and Forfeitures				
County Clerk Fees	\$ 175,000	\$ 175,000	\$ 217,542	\$ 42,542
Clerk of Court Fees	25,000	25,000	46,279	21,279
Sheriff Fees	25,000	25,000	24,028	(972)
Assessor Fees	25	25		(25)
Total Fines and Forfeitures	<u>\$ 225,025</u>	<u>\$ 225,025</u>	<u>\$ 287,849</u>	<u>\$ 62,824</u>
Charges for Services				
Landfill\Transfer Station\Recycling	\$ 205,000	\$ 205,000	\$ 415,290	\$ 210,290
Fairgrounds	25,000	25,000	68,362	43,362
Ice arena	14,000	14,000	29,752	15,752
Public Health Nurse	72,000	72,000	113,516	41,516
Planning and Zoning	8,000	8,000	15,446	7,446
U.S. Forest - Law Enforcement	11,000	11,000	13,875	2,875
Prisoner Room and Board	10,000	10,000	56,352	46,352
Fuel Reimbursement - Weed & Pest/Fair	30,000	30,000	42,246	12,246
E-911 Reimbursement	40,000	40,000	38,856	(1,144)
Search and Rescue	10,000	10,000	21,658	11,658
Rural Health Care District	100,000	100,000	100,000	-
Other	67,000	67,000	86,217	19,217
Total Charges for Services	<u>\$ 592,000</u>	<u>\$ 592,000</u>	<u>\$ 1,001,570</u>	<u>\$ 409,570</u>
Intergovernmental				
State Severance Tax	\$ 102,067	\$ 102,067	\$ 102,341	\$ 274
State Severance Tax (Section 316)	47,286	47,286	-	(47,286)
Forest Reserve Funds	-	-	602,462	602,462
Grants	1,049,315	1,049,315	163,196	(886,119)
State and County Road Fund	568,000	568,000	560,985	(7,015)
Lottery	25,971	25,971	31,189	5,218
Attorney Reimbursement	138,000	138,000	140,000	2,000
Homeland Security	49,600	49,600	9,600	(40,000)
Payment in Lieu of Property Taxes	541,871	541,871	1,156,546	614,675
Total Intergovernmental	<u>\$ 2,522,110</u>	<u>\$ 2,522,110</u>	<u>\$ 2,766,319</u>	<u>\$ 244,209</u>
Investment income	<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ 2,037,165</u>	<u>\$ 1,187,165</u>

(Continued)

(The accompanying notes to the required supplementary information are an integral part of this schedule)

SUBLETTE COUNTY, WYOMING

GENERAL FUND - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

	REVENUES (Continued)			Variance
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
Other				
Fairgrounds Budget	\$ 517,184	\$ 517,184	\$ 434,675	\$ (82,509)
Ice arena Budget	341,367	341,367	279,507	(61,860)
United Fire Budget	2,015,440	2,015,440	1,661,547	(353,893)
Sublette Center	60,000	60,000	60,000	-
Other	10,060	10,060	154,667	144,607
Total Other	<u>\$ 2,944,051</u>	<u>\$ 2,944,051</u>	<u>\$ 2,590,396</u>	<u>\$ (353,655)</u>
Total Revenues	<u>\$ 34,249,778</u>	<u>\$ 34,730,558</u>	<u>\$ 38,558,807</u>	<u>\$ 3,828,249</u>

EXPENDITURES				
Central Government				
County Commissioners	\$ 306,100	\$ 361,000	\$ 341,859	\$ 19,141
County Clerk	342,362	342,362	290,463	51,899
County Treasurer	279,706	279,706	266,212	13,494
County Assessor	484,774	478,774	476,699	2,075
County Attorney	741,370	741,370	677,975	63,395
Clerk of District Court	359,191	359,191	336,647	22,544
Information Technology	249,050	250,616	227,897	22,719
Geographic Information Systems	51,100	51,100	48,735	2,365
County Engineer	12,000	12,000	2,433	9,567
Courthouse and Maintenance	2,761,207	2,783,762	2,233,988	549,774
Elections	23,600	138,600	123,742	14,858
County Planning and Zoning	10,150	57,630	57,557	73
Treatment Court	208,607	212,187	170,520	41,667
Total Central Government	<u>\$ 5,829,217</u>	<u>\$ 6,068,298</u>	<u>\$ 5,254,727</u>	<u>\$ 813,571</u>
Public Safety				
Detention	\$ 2,305,785	\$ 2,297,209	\$ 2,103,111	\$ 194,098
Communications	871,823	852,887	785,354	67,533
Law Enforcement	4,050,280	3,919,116	3,821,401	97,715
Emergency Management	152,755	107,847	98,638	9,209
Search and Rescue	651,350	631,530	606,583	24,947
County Coroner	58,072	50,522	42,307	8,215
Fire Warden	2,015,440	2,277,551	1,661,547	616,004
Total Public Safety	<u>\$ 10,105,505</u>	<u>\$ 10,136,662</u>	<u>\$ 9,118,941</u>	<u>\$ 1,017,721</u>
Public Works				
Road and Bridge	\$ 12,903,446	\$ 12,413,429	\$ 8,811,513	\$ 3,601,916
Waste Management	1,031,069	1,371,569	1,319,427	52,142
Transfer Station	326,343	326,343	326,067	276
Recycling	62,347	76,470	73,759	2,711
Total Public Works	<u>\$ 14,323,205</u>	<u>\$ 14,187,811</u>	<u>\$ 10,530,766</u>	<u>\$ 3,657,045</u>
Health, Welfare and Recreation				
Health	\$ 334,967	\$ 338,462	\$ 326,046	\$ 12,416
Health Officer and Sanitation	47,702	50,023	46,904	3,119
Fair Grounds	517,184	509,156	434,675	74,481
Ice Arena	341,367	341,367	279,507	61,860
Total Health, Welfare and Recreation	<u>\$ 1,241,220</u>	<u>\$ 1,239,008</u>	<u>\$ 1,087,132</u>	<u>\$ 151,876</u>

(Continued)

(The accompanying notes to the required supplementary information are an integral part of this schedule)

SUBLETTE COUNTY, WYOMING

GENERAL FUND - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

EXPENDITURES (Continued)

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Conservation of Natural Resources County Extension Department	\$ 138,091	\$ 136,091	\$ 127,788	\$ 8,303
Miscellaneous General	\$ 10,142,182	\$ 13,550,980	\$ 9,604,076	\$ 3,946,904
Total Expenditures	\$ 41,779,420	\$ 45,318,850	\$ 35,723,430	\$ 9,595,420
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (7,529,642)	\$ (10,588,292)	\$ 2,835,377	
FUND BALANCE (NON-GAAP) - Beginning	175,924,017	175,924,017	175,924,017	
FUND BALANCE (NON-GAAP) - Ending	<u>\$ 168,394,375</u>	<u>\$ 165,335,725</u>	<u>\$ 178,759,394</u>	
COMPRISED OF:				
Cash reserve	\$ 10,000,000	\$ 10,000,000		
Equipment reserve	11,632,760	12,508,610		
Depreciation reserve	146,761,615	142,827,115		
	<u>\$ 168,394,375</u>	<u>\$ 165,335,725</u>		

(The accompanying notes to the required supplementary information are an integral part of this schedule)

SUBLETTE COUNTY, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY DATA

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. The various departments of the County submit their budgets to the Board of County Commissioners for approval. The tentative budgets are available for public inspection, and a public hearing is held to obtain taxpayer comments. The final budgets are approved by the County Commissioners and an appropriation resolution is signed to limit the spending of each department to the amount appropriated. Revisions that alter the total appropriations of any department must be approved by resolution of the governing body following the publication, hearing, and adoption procedures required for the original budget. Department, as defined by Wyoming Statute, means a functional unit within a fund which carries on a specific activity, the office of an elected official, or a major program category.
2. Annual operating budgets are adopted for the General Fund and Component Units. These budgets are adopted on the cash basis of accounting which is inconsistent with generally accepted accounting principles.
3. The financial statement Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds contained on page 8 of this report is prepared on the generally accepted accounting principles (GAAP) basis. The financial statement General Fund - Budget and Actual contained on pages 34 to 36 of this report is prepared on the legally enacted basis (cash basis). This results in differences when revenues and expenses are recognized for accounting purposes. Under the GAAP basis, revenues are recognized when measurable and available while the cash basis recognizes revenues when received. For expenditures, the GAAP basis recognizes them when incurred while the cash basis recognizes expenditures when paid.

The following schedules reconcile the differences between the GAAP basis and the legally enacted basis (cash) where material differences exist:

	General Fund
Resources/inflows budgetary basis	\$ 38,558,807
Differences - budget to GAAP	
Receivables at June 30, 2018 received in the year ending June 30, 2018 included in 2018 budget data	
Sales and fuel taxes	(663,298)
User fee receivable	(42,474)
Grants	
Receivables at June 30, 2017 for GAAP purposes revenues not included in 2017 budget data	
Sales and fuel taxes	785,348
User fee receivable	42,474
Unrealized loss on investments not recognized for budget purposes	(2,776,050)
Accrual of tax rebate payable	941
Other differences	1,126
Revenues fund financial statements	<u>\$ 35,906,874</u>

SUBLETTE COUNTY, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY DATA

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

	General Fund
Expenditures/budgetary basis	<u>\$ 35,723,430</u>
Differences - budget to GAAP	
Payables at June 30, 2017 paid in the year ending June 30, 2018 included in budget data	
Accounts payable	(254,038)
Insurance claim liability	(217,190)
Payables at June 30, 2018 not paid in the year ending June 30, 2018 included in GAAP data	
Accounts payable	427,418
Insurance claim liability	112,690
Change in insurance cash reserve	(20,159)
Other differences	(457)
Expenditures fund financial statements	<u><u>\$ 35,771,694</u></u>

4. Unused appropriations for all of the above annually budgeted funds lapse at the end of the year.
5. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

SUBLETTE COUNTY, WYOMING
SCHEDULE OF CONTRIBUTIONS - WYOMING RETIREMENT SYSTEM
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2014 TO 2018

Public Employees Pension Plan

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 1,006,670	\$ 991,799	\$ 986,406	\$ 957,237	\$ 853,728
Contribution in relation to the contractually required contribution	<u>1,006,670</u>	<u>991,799</u>	<u>986,406</u>	<u>957,237</u>	<u>853,728</u>
Contribution (deficiency) excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	<u>\$ 6,056,976</u>	<u>\$ 5,967,503</u>	<u>\$ 5,935,056</u>	<u>\$ 6,038,298</u>	<u>\$ 5,842,457</u>
Contributions as a percentage of covered employee payroll	<u>16.62%</u>	<u>16.62%</u>	<u>16.62%</u>	<u>15.85%</u>	<u>14.61%</u>

Law Enforcement Pension Plan

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 828,591	\$ 814,293	\$ 831,091	\$ 814,395	\$ 792,181
Contribution in relation to the contractually required contribution	<u>828,591</u>	<u>814,293</u>	<u>831,091</u>	<u>814,395</u>	<u>792,181</u>
Contribution (deficiency) excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	<u>\$ 4,817,389</u>	<u>\$ 4,734,260</u>	<u>\$ 4,831,925</u>	<u>\$ 4,763,141</u>	<u>\$ 4,540,859</u>
Contributions as a percentage of covered employee payroll	<u>17.20%</u>	<u>17.20%</u>	<u>17.20%</u>	<u>17.10%</u>	<u>17.45%</u>

Volunteer Firefighter and EMT Plan

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 13,710	\$ 13,035	\$ 12,600	\$ -	\$ -
Contribution in relation to the contractually required contribution	<u>13,710</u>	<u>13,035</u>	<u>12,600</u>	<u>-</u>	<u>-</u>
Contribution (deficiency) excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered employee payroll	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

SUBLETTE COUNTY, WYOMING
 SCHEDULE OF CONTRIBUTIONS - WYOMING RETIREMENT SYSTEM
 COMPONENT UNITS
 FOR THE YEARS ENDED JUNE 30, 2014 TO 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions					
Library	\$ 84,950	\$ 98,629	\$ 101,032	\$ 97,414	\$ 85,058
	<u>\$ 84,950</u>	<u>\$ 98,629</u>	<u>\$ 101,032</u>	<u>\$ 97,414</u>	<u>\$ 85,058</u>
Contribution in relation to the contractually required contribution					
Library	\$ 84,950	\$ 98,629	\$ 101,032	\$ 97,414	\$ 85,058
	<u>\$ 84,950</u>	<u>\$ 98,629</u>	<u>\$ 101,032</u>	<u>\$ 97,414</u>	<u>\$ 85,058</u>
Contribution (deficiency) excess					
Library	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Component Units covered payroll					
Library	\$ 511,132	\$ 593,436	\$ 607,894	\$ 614,599	\$ 582,190
	<u>\$ 511,132</u>	<u>\$ 593,436</u>	<u>\$ 607,894</u>	<u>\$ 614,599</u>	<u>\$ 582,190</u>
Contributions as a percentage of covered employee payroll					
Library	<u>16.62%</u>	<u>16.62%</u>	<u>16.62%</u>	<u>15.85%</u>	<u>14.61%</u>

SUBLETTE COUNTY, WYOMING
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY - WYOMING RETIREMENT SYSTEM
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2014 TO 2018

	2018	2017	2016	2015	2014
The Primary Government's proportionate share of the net pension liability (%)					
Public Employee Pension Plan	0.34013%	0.33177%	0.33505%	0.33259%	0.34017%
Law Enforcement Pension Plan	3.03181%	3.04344%	3.04072%	2.97249%	2.98999%
Volunteer Firefighter and EMT Plan	3.19506%	3.06114%	3.00025%	NA	NA
The Primary Government's proportionate share of the net pension liability (\$)					
Public Employee Pension Plan	\$ 7,752,684	\$ 8,020,603	\$ 7,804,491	\$ 5,869,173	\$ 5,171,996
Law Enforcement Pension Plan	\$ 2,608,704	\$ 2,297,554	\$ 2,284,187	\$ 875,805	\$ 545,941
Volunteer Firefighter and EMT Plan	\$ 913,958	\$ 971,782	\$ 950,832	NA	NA
The Primary Government's covered payroll					
Public Employee Pension Plan	\$ 6,056,976	\$ 5,967,503	\$ 5,935,056	\$ 6,038,298	\$ 5,842,457
Law Enforcement Pension Plan	\$ 4,817,389	\$ 4,734,260	\$ 4,831,925	\$ 4,763,141	\$ 4,540,859
Volunteer Firefighter and EMT Plan	\$ -	\$ -	\$ -	NA	NA
The Primary Government's proportionate share of the net pension liability as a percentage of the Primary Government covered payroll					
Public Employee Pension Plan	128.00%	134.40%	131.50%	97.20%	88.52%
Law Enforcement Pension Plan	54.15%	48.53%	47.27%	18.39%	12.02%
Volunteer Firefighter and EMT Plan	NA	NA	NA	NA	NA
Plan fiduciary net position as a percentage of the total plan liability					
Public Employee Pension Plan	76.35%	73.42%	73.40%	79.08%	
Law Enforcement Pension Plan	87.99%	88.11%	87.49%	94.76%	
Volunteer Firefighter and EMT Plan	74.11%	69.99%	69.16%	95.35%	

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year

SUBLETTE COUNTY, WYOMING
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY - WYOMING RETIREMENT SYSTEM
COMPONENT UNITS
FOR THE YEARS ENDED JUNE 30, 2014 TO 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
The Component Unit's proportionate share of the net pension liability (%)					
Library	<u>0.03091%</u>	<u>0.03458%</u>	<u>0.03363%</u>	<u>0.03457%</u>	<u>0.03402%</u>
The Component Unit's proportionate share of the net pension liability (\$)					
Library	<u>\$ 835,998</u>	<u>\$ 835,998</u>	<u>\$ 783,380</u>	<u>\$ 610,018</u>	<u>\$ 515,046</u>
The Component Unit's covered payroll					
Library	<u>\$ 511,132</u>	<u>\$ 593,436</u>	<u>\$ 607,894</u>	<u>\$ 614,599</u>	<u>\$ 582,190</u>
The Component Unit's proportionate share of the net pension liability as a percentage of the Component Unit's covered payroll					
Library	<u>163.56%</u>	<u>140.87%</u>	<u>128.87%</u>	<u>99.25%</u>	<u>88.47%</u>
Plan fiduciary net position as a percentage of the total plan liability					
Library	<u>76.35%</u>	<u>73.42%</u>	<u>73.40%</u>	<u>79.08%</u>	

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year

Other Supplementary Information

SUBLETTE COUNTY, WYOMING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Governmental Activities			Total
	Recreation Board	Fire Board	Museum Board	
ASSETS				
Cash	\$ 879,434	\$ -	\$ 18,666	\$ 898,100
Receivables other	842	-		842
Due from Trust and Agency	-	-	(12,474)	(12,474)
Total assets	<u>\$ 880,276</u>	<u>\$ -</u>	<u>\$ 6,192</u>	<u>\$ 886,468</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Tax rebate payable	12,970	-	7,614	20,584
Total Liabilities	<u>\$ 12,970</u>	<u>\$ -</u>	<u>\$ 7,614</u>	<u>\$ 20,584</u>
FUND BALANCE				
Restricted	<u>\$ 867,306</u>	<u>\$ -</u>	<u>\$ (1,422)</u>	<u>\$ 865,884</u>
Total liabilities and fund balance	<u>\$ 880,276</u>	<u>\$ -</u>	<u>\$ 6,192</u>	<u>\$ 886,468</u>

SUBLETTE COUNTY, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities			Total
	Recreation Board	Fire Board	Museum Board	
REVENUE				
Taxes	\$ 257,692	\$ -	\$ 244,874	\$ 502,566
Investment income	73	346		419
Other	46			46
Total revenues	<u>\$ 257,811</u>	<u>\$ 346</u>	<u>\$ 244,874</u>	<u>\$ 503,031</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ 400,315	\$ -	\$ 400,315
Health, welfare, culture and recreation	400,457		304,405	704,862
Total expenditures	<u>\$ 400,457</u>	<u>\$ 400,315</u>	<u>\$ 304,405</u>	<u>\$ 1,105,177</u>
REVENUES OVER (UNDER) EXPENDITURES	\$ (142,646)	\$ (399,969)	\$ (59,531)	\$ (602,146)
OPERATING TRANSFERS	<u>(22,654)</u>			<u>(22,654)</u>
Revenues over (under) expenditures after operating transfers	\$ (165,300)	\$ (399,969)	\$ (59,531)	\$ (624,800)
FUND BALANCE, BEGINNING	<u>1,032,606</u>	<u>399,969</u>	<u>58,109</u>	<u>1,490,684</u>
FUND BALANCE, ENDING	<u>\$ 867,306</u>	<u>\$ -</u>	<u>\$ (1,422)</u>	<u>\$ 865,884</u>

SUBLETTE COUNTY, WYOMING

COMBINING STATEMENT OF NET POSITION
 COMPONENT UNITS
 JUNE 30, 2018

	Library Board	Fair Board	Sublette County/ Town of Big Piney Community Impact Joint Powers Board	Total
ASSETS				
Cash and cash equivalents	\$ 425,332	\$ 202,346	\$ 1,932	\$ 629,610
Due from trust and agency	(40,278)	-		(40,278)
Capital assets (net of accumulated depreciation)	1,443,353	124,494		1,567,847
Total Assets	<u>\$ 1,828,407</u>	<u>\$ 326,840</u>	<u>\$ 1,932</u>	<u>\$ 2,157,179</u>
DEFERRED OUTFLOWS OF RESOURCES				
Retirement contributions	\$ 41,151	\$ -	\$ -	\$ 41,151
Change in assumptions	68,469			68,469
Total deferred outflows of resources	<u>\$ 109,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,620</u>
LIABILITIES				
Accounts and vouchers payable	\$ (1,501)	\$ 3,611	\$ -	\$ 2,110
Tax rebate payable	24,456	14,069		38,525
Total current liabilities	<u>\$ 22,955</u>	<u>\$ 17,680</u>	<u>\$ -</u>	<u>\$ 40,635</u>
Compensated absences payable	\$ 21,959	\$ -	\$ -	\$ 21,959
Proportionate share of net pension liability	704,651			704,651
Tax rebate payable	21,429	7,923		29,352
Total non current liabilities	<u>\$ 748,039</u>	<u>\$ 7,923</u>	<u>\$ -</u>	<u>\$ 755,962</u>
Total liabilities	<u>\$ 770,994</u>	<u>\$ 25,603</u>	<u>\$ -</u>	<u>\$ 796,597</u>
DEFERRED INFLOWS OF RESOURCES				
Difference between contributions and proportionate share of contributions	\$ 62,138	\$ -	\$ -	\$ 62,138
Difference between expected and actual experience	25,842	-	-	25,842
Difference between proportionate share of projected and actual earnings on pension plan investments (net)	17,434			17,434
Total deferred inflows of resources	<u>\$ 105,414</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,414</u>
NET POSITION				
Net investment in capital assets	\$ 1,443,353	\$ 124,494	\$ -	\$ 1,567,847
Unrestricted	(381,734)	176,743	1,932	(203,059)
Total net position	<u>\$ 1,061,619</u>	<u>\$ 301,237</u>	<u>\$ 1,932</u>	<u>\$ 1,364,788</u>

SUBLETTE COUNTY, WYOMING
 COMBINING STATEMENT OF ACTIVITIES
 COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 2018

	Library Board	Fair Board	Sublette County/ Town of Big Piney Community Impact Joint Powers Board	Total
EXPENSES				
Expenses other than depreciation	\$ 1,325,631	\$ 227,952	\$ -	\$ 1,553,583
Depreciation	117,254	8,105		125,359
Total expenses	<u>\$ 1,442,885</u>	<u>\$ 236,057</u>	<u>\$ -</u>	<u>\$ 1,678,942</u>
SPECIFIC REVENUES				
Charges for services	18,438	34,192	-	52,630
Operating grants and contributions	88,931			88,931
Net revenues (expenses)	<u>\$ (1,335,516)</u>	<u>\$ (201,865)</u>	<u>\$ -</u>	<u>\$ (1,537,381)</u>
GENERAL REVENUES				
Property taxes	1,069,442	119,110		1,188,552
Auto fees	38,411			38,411
Miscellaneous	1,420			1,420
CHANGE IN NET POSITION	\$ (226,243)	\$ (82,755)	\$ -	\$ (308,998)
NET POSITION AT BEGINNING OF YEAR	<u>1,287,862</u>	<u>383,992</u>	<u>1,932</u>	<u>1,673,786</u>
NET POSITION AT END OF YEAR	<u><u>\$ 1,061,619</u></u>	<u><u>\$ 301,237</u></u>	<u><u>\$ 1,932</u></u>	<u><u>\$ 1,364,788</u></u>

SUBLETTE COUNTY< WYOMING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grant/Pass-Through Grantor</u>	<u>Federal CFDA Number</u>	<u>State Pass Through</u>	<u>Federal Expenditures</u>	<u>Amounts Passed Through to Other Entities</u>
U.S. Department of Agriculture Passed through Wyoming State Treasurer Forest Reserve	10.665		\$ 627,048	\$ 24,586
U.S. Department of Justice Bulletproof Vest Partnership Program	16.607		5,263	
U.S. Department of Transportation: Passed though WY Association of Sheriffs and Chiefs of Police Highway Safety Cluster National Priority Safety Program	20.616	WHVE-OP-HS4B5017 WHVE-OP-HS4B519-405D WDUI-HS4D519	\$ 1,269 988 <u>1,107</u>	3,364
Alcohol Open Container Requirement	20.607	154AL-DUI-HS15417	2,396	
U.S. Department of Health Passed through Wyoming Department of Health Public Health Emergency Preparedness TANF			93.069 79,988 93.558 <u>48,678</u>	
Total Expenditures of Federal Awards			<u>\$ 766,737</u>	<u>\$ 24,586</u>

(See the note to the Schedule of Federal Exepnditures)

SUBLETTE COUNTY, WYOMING
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Sublette County, Wyoming is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, "Audits of State, Local Governments, and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

The County has not used the de minimis 10% indirect cost rate.

NOTE 2. CONTINGENCIES

The County receives funds under various federal grant programs and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have a material financial impact.

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

County Commissioners
Sublette County, Wyoming
Pinedale, 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 statement of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Sublette County, Wyoming as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Sublette County, Wyoming's basic financial statements and have issued our report thereon dated DATE.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sublette 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 Sublette County, Wyoming's internal control. Accordingly, we do not express an opinion on the effectiveness of Sublette 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 in governance.

Our consideration of the 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 weakness or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiencies. See Items 2018-001, 2018-002, 2018-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sublette 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 test disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards*.

Sublette County Wyoming's Response to Findings

Sublette County, Wyoming's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Sublette County, Wyoming's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

March 9, 2018

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

County Commissioners
Sublette County, Wyoming
Pinedale, Wyoming

Report on Compliance for Each Major Federal Program

We have audited the Sublette 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 Sublette County, Wyoming's major federal programs for the year ended June 30, 2018. Sublette County, Wyoming's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Sublette 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 Sublette 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 Sublette County, Wyoming's compliance.

Opinion on Each Major Federal Program

In our opinion Sublette 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, 2018.

Report on Internal Control over Compliance

Management of Sublette County, Wyoming is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sublette County, Wyoming's internal control over compliance with the types of 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 Sublette 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 a 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 selection and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

DATE, 2019

SUBLETTE COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Sublette County, Wyoming.
2. Three significant deficiencies are disclosed during the audit of the financial statements is reported in the Schedule of Findings and Questioned Costs. These conditions is not reported as a material weakness.
3. No significant deficiencies were disclosed during the audit of the major federal award programs.
4. The auditors' report on compliance for the major federal award programs for Sublette County, Wyoming expresses an unmodified opinion on all major federal programs.
5. Audit findings relative to the major federal award programs for Sublette County, Wyoming are reported in this Schedule.
6. The threshold for distinguishing Types A and B programs was \$750,000.
7. The program tested as a major program was U.S. Department of Agriculture –Forest Reserve (CFDA 10.665)
8. Sublette County, Wyoming did not qualify as a low risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

2018-001 Separation of Duties

Criteria: An effective internal control structure of an organization will include procedures and actions to:

1. Protect its assets against theft and waste.
2. Ensure compliance with the organization's policies, procedures and statutory requirements.
3. Evaluate the performance of personnel to promote efficient operations.
4. Ensure accurate and reliable operating and accounting data.

There are four general categories of duties or responsibilities which are examined when segregation of duties are discussed: authorization, custody, record keeping and reconciliation. In an ideal system, different employees would perform each of these four major functions. In other words, no one person should have control of two or more of these responsibilities. The more negotiable the asset, the greater the need for proper segregation of duties - especially when dealing with cash, negotiable checks and inventories.

In those instances where duties cannot be fully segregated, mitigating or compensating controls must be established. Mitigating or compensating controls are additional procedures designed to reduce the risk of errors or irregularities.

Condition: Due to the limited number of staff at component units of the County, the possibility of adequate separation of duties over certain transaction cycles is limited.

SUBLETTE COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018

Recommendation: While we recognize that it is impractical for these entities to achieve complete separation of duties over all transaction cycles within the County's component units, it is important that the County Commissioners and the governing boards of the component units be aware of the chance of errors and irregularities not being timely detected is elevated.

Auditee Response: These entities have separated duties to the extent possible and have implemented compensating controls to monitor the accounting activities.

2018-002 Disbursements Rendezvous Meadow Golf Course

Criteria: The Constitution of the State of Wyoming in Article 16, Paragraph 7, states, "No money shall be paid out of the state treasury except upon appropriation by law and on warrant drawn by the proper officer, and no bills, claims, accounts or demands against the state, or any county or political subdivision, shall be audited, allowed or paid until a full itemized statement in writing, certified to under penalty of perjury, shall be filed with the officer or officers whose duty it may be to audit the same".

Condition: During our audit of the disbursements of the Rendezvous Meadow Golf Course, it came to our attention that some disbursements did not have itemized receipts to support the expenditure incurred. Of the 25 transactions selected 4 did not have supporting documentation. Also we noted that at many times the disbursement's perjury statements were signed by the contract bookkeeper who did not insight of the transaction to sign these in good faith. During the year the Golf Committee changed the service provider that was contracted for the bookkeeping services and due to the change the procedures had drastic improvement.

Recommendation: The Golf Committee needs to establish procedures to ensure that before the claim is approved and paid, certification under penalties of perjury are completed by a knowledgeable representative of the Board and that all supporting document is available.

Auditee Response: The Golf Board agrees to review all financial statements and vouchers\bills at their regular monthly meetings. All bill payments will only be made with proper documentation.

2018-003 Month End Reconciliations - Rendezvous Meadow Golf Course

Criteria: An essential part of internal control over financial reporting is the timely preparation of monthly bank reconciliations to verify that all transactions have been entered, and to identify any potential fraudulent activity. These reconciliations match the bank transaction records to the accounting records. The reconciliation process helps to determine the financial data is presented accurately

Condition: During the course of our audit we noted that the end of year checking account reconciliation was not completed until approximately 5 months after the end of the year. It appears the delay stemmed from issues in the reconciliation of the square account (credit card) transactions. During the year the Golf Committee changed the service provider that was contracted for the bookkeeping services and due to the change the procedures had drastic improvement.

SUBLETTE COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2018

Recommendation: To ensure complete and accurate financial information, to enable the users of the data to make informed decisions, timely account reconciliation need to be completed as soon as possible after the financial period closing. The timely reconciliation of the bank accounts will also minimize the time frame for the detection of any fraudulent activity on the account.

Auditee Response: The Golf Board agrees that the bank statements will be reconciled monthly and reviewed at their monthly meeting.

FINDINGS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT

DEPARTMENT OF AGRICULTURE (CFDA 10.665) Forest Reserve

NONE

SUBLETTE COUNTY, WYOMING
STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2018

FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

2017-001

Separation of Duties

Ongoing comment and condition. See item 2018-001 in current Schedule of Findings and Responses.

2017-002 Disbursements Rendezvous Meadow Golf Course

Ongoing comment and condition. See item 2017-002 in current Schedule of Findings and Responses. During the year the golf committee made steps to address and correct the deficiency. In December of the year the Committee terminated the relationship with the contract bookkeeper and obtained the services of a different contract bookkeeper which resolved the deficiency.

2017-003 Month End Reconciliations - Rendezvous Meadow Golf Course

Ongoing comment and condition. See item 2017-003 in current Schedule of Findings and Responses. During the year the golf committee made steps to address and correct the deficiency. In December of the year the Committee terminated the relationship with the contract bookkeeper and obtained the services of a different contract bookkeeper which resolved the deficiency.

2017-004 Back up withholding - Rendezvous Meadow Golf Course

The golf committee was unable to obtain the refund of amounts withheld.