

Natrona County, Wyoming

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2019



NATRONA COUNTY, WYOMING

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2019

This page is intentionally left blank

CONTENTS

Independent Auditor's Report	1
Management's Discussion and Analysis – (Unaudited)	4
Basic Financial Statements	15
Government-Wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet – Governmental Funds	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	22
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	24
Statement of Changes in Fiduciary Net Position	26
Combining Statements of Discretely Presented Component Units	
Combining Statement of Net Position – Discretely Presented Component Units	27
Combining Statement of Activities – Discretely Presented Component Units	29
Notes to Financial Statements	31
Required Supplementary Information (Unaudited)	72
Infrastructure Assets Reported using the Modified Approach (Unaudited)	73
Schedule of Changes in Net Pension Liability and Related Ratios (Unaudited)	76
Schedule of Pension Contributions (Unaudited)	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - General Fund (Unaudited)	84
Notes to Required Supplementary Information (Unaudited)	85
Other Supplementary Information	87
Combining Balance Sheet - Nonmajor Funds	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Funds	89
Natrona County Court Supervised Treatment Program	
Statement of Cash Receipts and Cash Disbursements	90
Schedule of Property Taxes Levied and Collected - Last Five Fiscal Years	91
Combining Statement of Net Position - Natrona County Public Library	92
Combining Statement of Activities - Natrona County Public Library	93
Combining Statement of Net Position - Natrona County Fair	94
Combining Statement of Activities - Natrona County Fair	96
Combining Statement of Net Position - Community Action Partnership of Natrona County	98
Combining Statement of Activities - Community Action Partnership of Natrona County	99

CONTENTS (CONTINUED)

Other Supplementary Information (Continued)

Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
(Budgetary Basis) – Non-GAAP

Natrona County Weed and Pest Control	101
Natrona County Fair	102
Natrona County Public Library	103
City of Casper/Natrona County Health Department	104
Community Action Partnership of Natrona County	105

Single Audit Section

Schedule of Expenditures of Federal Awards	106
Notes to the Schedule of Expenditures of Federal Awards	107
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	110
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance	111
Schedule of Findings and Questioned Costs	113
Summary Schedule of Prior Audit Findings – Client prepared	116

Addendum

Corrective Action Plan

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Natrona County, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Natrona County, Wyoming, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Natrona County, Wyoming's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Natrona County International Airport, a discretely presented component unit of Natrona County, which represents 75%, 84%, and 35%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Natrona County International Airport, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



MAIL: PO Box 2750
Casper, WY 82602-2750



PHONE: (307) 265-4311
FAX: (307) 265-5180



LOCATION: 600 East 1st Street
Casper, WY 82601

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Natrona County, Wyoming, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The other supplementary information as listed in the table of contents 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above and the report of the other auditors, the other supplementary information as listed in the table of contents and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019 on our consideration of Natrona County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Natrona County, Wyoming's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Natrona County, Wyoming's internal control over financial reporting and compliance.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
December 23, 2019

This page is intentionally left blank

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

This section of the Natrona County, Wyoming's (the "County") annual financial report presents our discussion and analysis of financial performance during the fiscal year ended June 30, 2019. The selected financial data presented was derived from the financial statements of the County, which were audited by Porter, Muirhead, Cornia & Howard, Certified Public Accountants. The Independent Auditor's Report, financial statements and accompanying notes and supplementary information should be read in conjunction with the following discussion.

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$225,075,108.
- Of this amount, the unrestricted net position available to meet the County's ongoing obligations to citizens and creditors is a balance of \$23,707,580.
- The County's total net position decreased by \$7,730,960.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$42,794,595, an increase of \$40,937 in comparison with the prior year. Approximately 93% of this total amount, \$39,948,257, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,514,809, or 15% percent of total general fund expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

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

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

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

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

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

Fund Financial Statements

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

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

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

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

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

Notes to the Financial Statements

Notes to the basic financial statements provide additional information that is essential to a full understanding of data provided in the government-wide and fund statements. The notes are presented on pages 31 through 71.

Other Information

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

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. By far the largest portion of the County's net position (88%) reflects its investment in capital assets. The vast majority of these capital assets are the \$44 million in buildings, \$26 million investment in infrastructure assets, and \$114 million in hospital assets leased to the Wyoming Medical Center. These assets are not available for future spending. An additional \$2,803,579 of the County's net position (1 percent) represents resources that are subject to external restrictions on how they may be used.

The County was able to report positive balances in all three categories of net position for the current year and in the prior year. The County has a balance of \$23,707,580 in unrestricted net position in the current year. The unrestricted balance is available to meet the County's ongoing obligations.

The government's net position decreased by \$7,730,960 during the current fiscal year.

The County's net position as of June 30, 2019 and 2018 was as follows:

	Primary Government		
	2019	2018	Variance
ASSETS			
Current assets	\$ 60,180,260	\$ 59,925,006	\$ 255,254
Capital assets, net of accumulated depreciation	202,758,629	206,792,934	(4,034,305)
Other assets	1,466	1,008	458
Total assets	<u>262,940,355</u>	<u>266,718,948</u>	<u>(3,778,593)</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>13,240,253</u>	<u>6,627,213</u>	<u>6,613,040</u>
LIABILITIES			
Current liabilities	2,775,606	3,278,577	(502,971)
Due in more than one year	29,639,336	19,494,273	10,145,063
Total liabilities	<u>32,414,942</u>	<u>22,772,850</u>	<u>9,642,092</u>
DEFERRED INFLOWS OF RESOURCES	<u>18,690,558</u>	<u>17,947,243</u>	<u>743,315</u>
NET POSITION			
Net investment in capital assets	198,563,949	202,133,789	(3,569,840)
Restricted	2,803,579	3,631,743	(828,164)
Unrestricted	23,707,580	27,040,536	(3,332,956)
Total net position	<u>\$ 225,075,108</u>	<u>\$ 232,806,068</u>	<u>\$ (7,730,960)</u>

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

Governmental Activities

Governmental activities decreased the County's net position by \$7,730,960, compared to an increase of \$3,331,450 in the prior year. Key elements of this decrease are as follows:

- Increase in tax revenues of \$396,329 in fiscal year 2019 was due to a \$492,091 increase in sales and use tax and also a \$332,093 increase in optional one percent sales tax in fiscal year 2019 in comparison to fiscal year 2018. There was also a \$224,160 increase in motor vehicle taxes, \$70,198 increase in special fuel tax, and a 34,663 increase in 5% tax reimbursement in fiscal year 2019 in comparison to fiscal year 2018. The aforementioned increases were due to economic upturn in fiscal year 2019 in comparison to fiscal year 2018. Property taxes decreased \$801,325 in fiscal year 2019 due to the County receiving \$805,000 of 2016 property taxes from a large oil and gas company in fiscal year 2018 and no significant collections of back taxes in fiscal year 2019.
- Increase in investment income of \$538,425 in fiscal year 2019 was due to \$437,979 increase in unrealized gain in the General Fund investments and \$130,011 increase in unrealized gain in the 1% Trust Fund investments in fiscal year 2019 in comparison to fiscal year 2018 due to increases in fair market value of the investments in relation to their original purchase cost. Interest income decreased \$29,565 in fiscal year income in fiscal year 2019 in comparison to fiscal year 2018 mainly due to less interest collected on property taxes.
- Decrease in operating grants and contributions of \$334,999 in fiscal year 2019 in comparison to fiscal year 2018 due to \$334,737 decrease in the Transportation Alternatives Program (TAP) grant received from the Wyoming Department of Transportation for the Casper College to Rotary Park Pathways project, \$134,317 decrease in lease and camping revenue on Bureau of Reclamation land at Alcova Lake, and a \$60,998 decrease in State of Wyoming direct distribution (sometimes referred to as "over the cap" dollars). There were also increases of \$85,027 in Homeland Security grant and \$81,751 in Court Supervised Treatment Program grant in fiscal year 2019 in comparison to fiscal year 2018.
- Decrease in capital grants and contributions of \$5,664,150 in fiscal year 2019 due to a decrease of \$5.5 million in assets purchased by the Wyoming Medical Center. There was also a \$146,814 decrease in Wyoming Business Council grants in fiscal year 2019 that was mainly due to no costs of providing electrical and broadband/connectivity costs to assist with the expansion of the Mountain West Technology Network's Natrona County facilities.
- Increase in general government expenses of \$508,503 in fiscal year 2019 in comparison to fiscal year 2018 was mostly due to the repayment of \$353,800 in fiscal year 2019 to the Wyoming Department of Revenue for a large vendor located in Sweetwater County that erroneously reported sales and use tax in Natrona County from October 2013 to December 2015 instead of reporting these taxes in Sweetwater County. Thus, Natrona County received funds that should have been paid to Sweetwater County.
- Increase in public safety expenses of \$1,031,200 in fiscal year 2019 in comparison to fiscal year 2018 was due to a large wage increase for the Sheriff Department of \$589,000 and a \$1,364,000 increase in the public safety pension expense. Also, there were decreases of \$715,000 in the expenses for the Bar Nunn Interchange project and \$168,000 in inmate medical expenses in fiscal year 2019 in comparison to fiscal year 2018.
- Increase in public works expenses of \$467,800 in fiscal year 2019 in comparison to fiscal year 2018 was due to several new road projects totaling \$2,477,000 (Kortez Road, Bates Creek Gravel, and 33 Mile Road). Public works expenses also decreased in fiscal year 2019 by the completion of several large road projects totaling \$1,532,000 (6 Mile Lakeshore Pathfinder, Casper College Pathways, and Willow Creek/Lone Bear). There also decreases in fiscal year 2019 totaling \$382,900 the Casper Mountain Biathlon and Mountain West Telephone projects.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

Governmental Activities (Continued)

- Increase in culture and recreation of \$2,445,000 in fiscal year 2019 in comparison to fiscal year 2018 was due to the construction of overnight camping sites at Alcova Lake of \$782,000, the fair industrial building project of \$1,150,800, and biathlon paving project and rotary park projects totaling \$130,800.
- Increase in assets leased to the Wyoming Medical Center of \$1,426,526.

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

	2019		2018	
Revenues				
General				
Taxes	\$ 28,299,833	51.20%	\$ 27,903,504	46.28%
Payments in lieu of taxes	3,725,447	6.74%	3,644,037	6.04%
Investment income	648,282	1.17%	109,857	0.18%
Miscellaneous revenue	1,045,322	1.89%	852,273	1.41%
Program revenues				
Charges for services	5,528,446	10.00%	5,761,953	9.56%
Operating grants and contributions	4,986,935	9.02%	5,321,934	8.83%
Capital grants and contributions	11,038,916	19.97%	16,703,066	27.70%
Total revenues	55,273,181	100.00%	60,296,624	100.00%
Expenses				
General government	12,810,496	20.33%	12,301,993	21.60%
Public safety	21,870,383	34.71%	20,839,140	36.58%
Public works	5,607,116	8.90%	5,139,288	9.02%
Health and welfare	2,653,084	4.21%	2,549,092	4.47%
Culture and recreation	6,459,473	10.25%	4,014,517	7.05%
Conservation of natural resources	632,177	1.00%	563,310	0.99%
Assets leased to hospital	12,857,577	20.41%	11,431,051	20.07%
Interest on long-term debt	113,835	0.18%	126,783	0.22%
Total expenses	63,004,141	100.00%	56,965,174	100.00%
Total changes in net position	(7,730,960)		3,331,450	
Beginning net position	232,806,068		229,474,618	
Ending net position	\$ 225,075,108		\$ 232,806,068	

Financial Analysis of the Government's Funds

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

Governmental Funds

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

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

Governmental Funds (Continued)

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$42,794,595, an increase of \$40,937 in comparison with the prior year. Of that, \$2,803,579 is subject to external restrictions and \$42,759 is not available for spending as it is held in reserve for inventory. The external restrictions consist of (1) \$149,339 for the Drug Court program, (2) \$2,213,007 for Lake Alcova under an agreement with the Bureau of Reclamation, \$331,683 for road construction, and (3) \$109,550 for water and sewer projects at the lake. The Drug Court Fund is restricted for use in the Drug Court program.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the general fund total fund balance reached \$42,179,296. Of that, \$9,832,377 has been committed by resolution of the Board of County Commissioners: (1) \$2,267,663 for perpetual care of one cent projects, and (2) \$7,564,714 for County roads. The Board of County Commissioners assigned by designation \$23,466,794 as follows: (1) \$7,324,833 for emergency reserves and (2) \$16,141,961 for future capital projects. The remaining \$6,514,808 is unassigned in the General Fund.

The fund balance of the County's general fund increased \$595,000 during the current fiscal year. Key factors in this increase are as follows:

- Increase in investment income of \$538,424 in fiscal year 2019 was due to \$437,979 increase in unrealized gain in the General Fund investments and \$130,011 increase in unrealized gain in the 1% Trust Fund investments in fiscal year 2019 in comparison to fiscal year 2018 due to increases in fair market value of the investments in relation to their original purchase cost. Interest income decreased \$29,565 in fiscal year 2019 in comparison to fiscal year 2018 mainly due to less interest collected on property taxes.
- Increase in general government expenses of \$1,675,200 in fiscal year 2019 in comparison to fiscal year 2018 was due to a 3% wage increase to all employees. The increase in fiscal year 2019 was also due the repayment of \$353,800 in fiscal year 2019 to the Wyoming Department of Revenue for a large vendor located in Sweetwater County that erroneously reported sales and use tax in Natrona County from October 2013 to December 2015 instead of reporting these taxes in Sweetwater County. Thus, Natrona County received funds that should have been paid to Sweetwater County. Additional increases due to the fair industrial building project of \$1,150,800, biathlon paving project and rotary park projects totaling \$130,800, and airport projects totaling \$293,000. Also, there were decreases of \$715,000 in the expenses for the Bar Nunn Interchange project in fiscal year 2019 in comparison to fiscal year 2018.
- Increase in public works expenses of \$720,028 in fiscal year 2019 in comparison to fiscal year 2018 was due to new road project at 33 Mile Road and grading projects totaling \$693,000. Also, there was an increase of \$98,600 in Road and Bridge machinery and equipment part purchases.
- Increase in culture and recreation expenses of \$1,049,497 in fiscal year 2019 in comparison to fiscal year 2018 was due to the construction of overnight camping sites at Alcova Lake of \$781,000, increases in distributions of \$88,000 to the Natrona County Fair and \$46,000 to Natrona County Library, and the purchase of a vehicle for \$31,000 for the Natrona County Parks department for use at the lakes.

The Road Construction fund is used to account for the acquisition and construction of major capital facilities other than those financed by the general fund. At the end of the current fiscal year, the fund balance decreased to \$331,683. The fund balance of the County's road construction fund decreased \$577,284 during the current fiscal year due to revenues outpacing expenditures.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

Governmental Funds (Continued)

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

	2019		2018	
Revenues				
Taxes	\$ 17,816,514	38.35%	\$ 17,602,316	38.89%
Licenses and permits	1,739,047	3.74%	1,701,424	3.76%
Intergovernmental revenues	21,541,312	46.37%	21,274,181	47.00%
Charges for services	3,789,398	8.16%	3,806,932	8.41%
Investment income	648,282	1.40%	109,858	0.24%
Miscellaneous revenues	920,198	1.98%	764,771	1.69%
Total revenues	46,454,751	100.00%	45,259,482	100.00%
Expenditures				
Current				
General government	13,436,625	28.95%	11,761,405	27.65%
Public safety	18,483,667	39.82%	18,564,821	43.64%
Public works	2,899,246	6.25%	2,179,218	5.12%
Health and welfare	2,559,019	5.51%	2,362,867	5.55%
Culture and recreation	4,497,041	9.69%	3,447,544	8.10%
Conservation of natural resources	381,479	0.82%	359,371	0.84%
Debt service				
Principal	635,000	1.37%	625,000	1.47%
Interest	123,300	0.27%	136,249	0.32%
Capital outlay	3,398,437	7.32%	3,101,144	7.29%
Total expenditures	\$ 46,413,814	100.00%	\$ 42,537,619	100.00%

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were approximately \$2.5 million summarized as follows:

Clerk of Court	\$ 62,786
Commissioners	1,591,825
One percent	816,737
Sheriff	90,340
	\$ 2,561,688

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

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2019 amounted to \$202,758,629 (net of accumulated depreciation). This investment in capital assets includes infrastructure (consisting of land, roadways and bridges), land, site improvements, buildings and equipment. The total decrease in the County's investment in capital assets for the current fiscal year was 2 percent. The schedule below shows the changes in capital assets during the year:

	2019	2018	Variance
Capital assets, not being depreciated			
Land	\$ 16,265,656	\$ 16,265,656	\$ -
Infrastructure	25,698,770	25,698,770	-
Construction in progress	814,989	-	814,989
Total capital assets not being depreciated	42,779,415	41,964,426	814,989
Capital assets being depreciated			
Buildings	146,440,843	146,382,902	57,941
Machinery and equipment	21,934,898	21,623,322	311,576
Hospital assets*	368,464,475	358,954,089	9,510,386
Total capital assets being depreciated	536,840,216	526,960,313	9,879,903
Less accumulated depreciation for			
Buildings	102,343,976	100,708,392	1,635,584
Machinery and equipment	19,631,076	19,215,040	416,036
Hospital assets*	254,885,950	242,028,373	12,857,577
Total accumulated depreciation	376,861,002	361,951,805	14,909,197
Total capital assets being depreciated, net	159,979,214	165,008,508	(5,029,294)
Capital assets, net	\$ 202,758,629	\$ 206,972,934	\$ (4,214,305)

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

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

NATRONA COUNTY, WYOMING

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

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

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

2019 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	5	3.7%	n/a	n/a	n/a	n/a
70 - 85	60	44.4%	n/a	n/a	n/a	n/a
60 - 80	n/a	n/a	79	22.3%	n/a	n/a
Sub-standard						
Less than 70	70	51.9%	n/a	n/a	n/a	n/a
50 - 60	n/a	n/a	164	46.3%	n/a	n/a
40 - 50	n/a	n/a	87	24.6%	n/a	n/a
30 - 40	n/a	n/a	20	5.6%	n/a	n/a
20 - 30	n/a	n/a	4	1.1%	n/a	n/a
Unimproved	n/a	n/a	n/a	n/a	260	100%
	<u>135</u>	<u>100%</u>	<u>354</u>	<u>100%</u>	<u>260</u>	<u>100%</u>

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

Actual expenditures for the year ended June 30, 2019 on infrastructure for maintenance and preservation were \$4.1 million, compared to planned amount of \$6.2 million.

Debt Administration

The County’s total debt increased by \$10,249,602 (51 percent) during the current fiscal year. The increase reflects a decrease from principal payments of \$635,000 on the 2014 certificates of participation as well as an increase of \$10,863,250 in net pension liability. In addition, vacation and sick leave increased \$21,352. Additional information on the County’s debt administration can be found in Note 5.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

Economic Factors and Next Year's Budget

The State and local economy appears to be slightly better in fiscal year 2019 in comparison to fiscal year 2018. The State of Wyoming Economic Analysis Division reported the State of Wyoming is bouncing back from the economic downturn in 2015 and 2016, and is showing fairly steady, but modest improvement year after year since that point with mining being a part of that but to some extent tourism. For the period ending November 30, 2019 in comparison to November 30, 2018, Natrona County property tax revenue is up 5 percent, sales and use tax is up 11 percent, and optional sales and use tax is up 11 percent.

Based on current available data, the unemployment rate at October 2019 for Natrona County is 3.7 percent, which is slightly lower than the State of Wyoming unemployment rate of 3.8 percent. Fiscal year 2020 budgeted General Fund revenues are expected to be approximately \$842,000 higher than fiscal year 2019 because of the increases in property taxes, motor vehicle taxes, sales and use taxes, and optional sales and use taxes.

The County had a 1% increase in their fiscal year 2020 expenditure budget in comparison to fiscal year 2019 expenditure budget.

Requests for Information

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

This page is intentionally left blank

BASIC FINANCIAL STATEMENTS

This page is intentionally left blank

NATRONA COUNTY, WYOMING

STATEMENT OF NET POSITION

June 30, 2019

	Primary Government		Component
	Governmental	Total	Units
	Activities		Total
ASSETS			
Cash and cash equivalents	\$ 24,184,852	\$ 24,184,852	\$ 2,832,400
Investments	14,788,941	14,788,941	1,818,218
Beneficial interest in assets held by others	-	-	272,855
Property taxes receivable	16,783,591	16,783,591	-
Accounts receivable	543,190	543,190	338,966
Accrued interest receivable	-	-	2,855
Due from other governments	3,836,927	3,836,927	355,324
Due from primary government	-	-	1,386,498
Inventory	42,759	42,759	170,550
Prepaid items	-	-	8,059
Capital assets not being depreciated	42,779,415	42,779,415	19,698,893
Capital assets being depreciated, net	159,979,214	159,979,214	37,371,244
Restricted cash and cash equivalents	1,466	1,466	653,479
Restricted investments	-	-	3,563,255
Total assets	<u>262,940,355</u>	<u>262,940,355</u>	<u>68,472,596</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	13,240,253	13,240,253	4,430,756
LIABILITIES			
Accounts payable and accrued liabilities	649,551	649,551	652,916
Unearned revenues	-	-	213,069
Due to component units	1,386,498	1,386,498	-
Due to other governments	-	-	3,803
Noncurrent liabilities			
Due within one year	739,557	739,557	110,657
Due in more than one year	29,639,336	29,639,336	12,534,606
Total liabilities	<u>32,414,942</u>	<u>32,414,942</u>	<u>13,515,051</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenues	15,329,913	15,329,913	1,271,218
Pension plan items	3,360,645	3,360,645	1,916,891
Total deferred inflows of resources	<u>18,690,558</u>	<u>18,690,558</u>	<u>3,188,109</u>
NET POSITION			
Net investment in capital assets	198,563,949	198,563,949	55,870,200
Restricted, expendable			
Restricted by statute and grantors	481,022	481,022	-
Restricted from passenger facility charges	-	-	684,431
Restricted for lake, water, and sewer	2,322,557	2,322,557	-
Restricted, nonexpendable			
Restricted by donors	-	-	3,596,656
Unrestricted	23,707,580	23,707,580	(3,951,095)
Total net position	<u>\$ 225,075,108</u>	<u>\$ 225,075,108</u>	<u>\$ 56,200,192</u>

See accompanying notes to the financial statements

NATRONA COUNTY, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 12,810,496	\$ 2,002,249	\$ 3,101,988	\$ -
Public safety	21,870,383	2,195,759	423,607	599,307
Public works	5,607,116	-	34,010	929,223
Health and welfare	2,653,084	1,238,892	546,549	-
Culture and recreation	6,459,473	91,546	-	-
Conservation of natural resources	632,177	-	880,781	-
Assets leased to hospital	12,857,577	-	-	9,510,386
Interest on long-term debt	113,835	-	-	-
Total governmental activities	<u>63,004,141</u>	<u>5,528,446</u>	<u>4,986,935</u>	<u>11,038,916</u>
Total primary government	<u>\$ 63,004,141</u>	<u>\$ 5,528,446</u>	<u>\$ 4,986,935</u>	<u>\$ 11,038,916</u>
Component units	<u>\$ 20,638,771</u>	<u>\$ 6,619,714</u>	<u>\$ 9,193,872</u>	<u>\$ 3,699,629</u>

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

Total general revenues

Change in net position

Net position - beginning of year

Net position - end of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

<u>Primary Government</u>		<u>Component Units Totals</u>
<u>Governmental Activities</u>	<u>Total</u>	
\$ (7,706,259)	\$ (7,706,259)	\$ -
(18,651,710)	(18,651,710)	-
(4,643,883)	(4,643,883)	-
(867,643)	(867,643)	-
(6,367,927)	(6,367,927)	-
248,604	248,604	-
(3,347,191)	(3,347,191)	-
(113,835)	(113,835)	-
(41,449,844)	(41,449,844)	-
(41,449,844)	(41,449,844)	-
-	-	(1,125,556)
13,835,243	13,835,243	623,404
8,159,713	8,159,713	-
6,304,877	6,304,877	351,686
3,725,447	3,725,447	-
648,282	648,282	178,351
1,045,322	1,045,322	312,197
-	-	1,580
33,718,884	33,718,884	1,467,218
(7,730,960)	(7,730,960)	341,662
232,806,068	232,806,068	55,858,530
\$ 225,075,108	\$ 225,075,108	\$ 56,200,192

NATRONA COUNTY, WYOMING

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	Major Funds			Totals
	General Fund	County Road Construction Fund	Nonmajor Funds	
ASSETS				
Cash and cash equivalents	\$ 24,050,575	\$ -	\$ 134,277	\$ 24,184,852
Investments	14,788,941	-	-	14,788,941
Property taxes receivable	16,783,591	-	-	16,783,591
Accounts receivable	543,190	-	-	543,190
Due from other funds	-	331,683	149,339	481,022
Due from other governments	3,836,927	-	-	3,836,927
Inventory	42,759	-	-	42,759
Restricted cash	1,466	-	-	1,466
Total assets	\$ 60,047,449	\$ 331,683	\$ 283,616	\$ 60,662,748
LIABILITIES				
Accounts payable and accrued liabilities	\$ 649,551	\$ -	\$ -	\$ 649,551
Compensated absences	13,349	-	-	13,349
Due to other funds	481,022	-	-	481,022
Due to component units	1,386,498	-	-	1,386,498
Total liabilities	2,530,420	-	-	2,530,420
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenues	15,337,733	-	-	15,337,733
Total deferred inflows of resources	15,337,733	-	-	15,337,733
FUND BALANCES				
Nonspendable	42,759	-	-	42,759
Restricted	2,322,557	331,683	149,339	2,803,579
Unrestricted				
Committed	9,832,377	-	134,277	9,966,654
Assigned	23,466,794	-	-	23,466,794
Unassigned	6,514,809	-	-	6,514,809
Total fund balances	42,179,296	331,683	283,616	42,794,595
Total liabilities, deferred inflows of resources, and fund balances	\$ 60,047,449	\$ 331,683	\$ 283,616	\$ 60,662,748

See accompanying notes to the financial statements

NATRONA COUNTY, WYOMING

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

June 30, 2019

Total fund balances - governmental funds		\$ 42,794,595
--	--	---------------

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund statements. As capital assets used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in the governmental funds. This is the total of capital assets reported in the government-wide statements.

202,758,629

Since the focus of governmental fund statements is on short-term financing, some assets will not be available to pay for current expenditures. Those assets are offset by deferred inflows in the governmental funds and are not included in the governmental fund balances.

Governmental funds - unavailable property tax revenues	\$ 15,337,733	
Government-wide - unavailable property tax revenues	<u>(15,329,913)</u>	7,820

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

Pension plan items - Deferred outflows of resources	13,240,253	
Pension plan items - Deferred inflows of resources	<u>(3,360,645)</u>	9,879,608

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

Certificates of participation	(4,130,000)	
Premium on certificates of participation	(64,680)	
Total compensated absences	(1,140,889)	
Compensated absences recorded in governmental funds	13,349	
Net pension liability	<u>(25,043,324)</u>	<u>(30,365,544)</u>

Net position of governmental activities		<u><u>\$ 225,075,108</u></u>
---	--	------------------------------

See accompanying notes to the financial statements

NATRONA COUNTY, WYOMING

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	Major Funds			Totals
	General Fund	County Road Construction Fund	Nonmajor Funds	
Revenues				
Taxes	\$ 17,816,514	\$ -	\$ -	\$ 17,816,514
Licenses and permits	1,739,047	-	-	1,739,047
Intergovernmental revenues	20,177,184	885,609	478,519	21,541,312
Charges for services	3,764,848	-	24,550	3,789,398
Investment income	642,373	5,909	-	648,282
Miscellaneous revenues	856,133	-	64,065	920,198
Total revenues	<u>44,996,099</u>	<u>891,518</u>	<u>567,134</u>	<u>46,454,751</u>
Expenditures				
Current				
General government	13,436,625	-	-	13,436,625
Public safety	18,483,667	-	-	18,483,667
Public works	2,899,246	-	-	2,899,246
Health and welfare	2,065,939	-	493,080	2,559,019
Culture and recreation	4,497,041	-	-	4,497,041
Conservation of natural resources	381,479	-	-	381,479
Debt service				
Principal	635,000	-	-	635,000
Interest	123,300	-	-	123,300
Capital outlay	1,877,900	1,468,802	51,735	3,398,437
Total expenditures	<u>44,400,197</u>	<u>1,468,802</u>	<u>544,815</u>	<u>46,413,814</u>
Net change in fund balances	595,902	(577,284)	22,319	40,937
Fund balances - beginning of year	<u>41,583,394</u>	<u>908,967</u>	<u>261,297</u>	<u>42,753,658</u>
Fund balances - end of year	<u>\$ 42,179,296</u>	<u>\$ 331,683</u>	<u>\$ 283,616</u>	<u>\$ 42,794,595</u>

See accompanying notes to the financial statements

NATRONA COUNTY, WYOMING

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Net changes in fund balances - total governmental funds \$ 40,937
Amounts reported for governmental activities in the statement of
activities are different because:

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

Additions to capital assets recorded in capital outlay in the governmental funds	\$ 1,862,409	
Contributions of capital assets from the Wyoming Medical Center	9,510,386	
Sales of capital assets include the effects of past depreciation when recorded in the statement of activities	(31,896)	
Depreciation expense for the year	<u>(15,555,204)</u>	(4,214,305)

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

Amortization of debt premium	9,465	
Payment of principal on certificates of participation	635,000	
Prior year total compensated absences	1,119,537	
Prior year compensated absences - general fund short-term	(1,581)	
Current year total compensated absences	(1,140,889)	
Current year compensated absences - general fund short-term	<u>13,349</u>	634,881 (Continued)

This page is intentionally left blank

NATRONA COUNTY, WYOMING

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

Year Ended June 30, 2019

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

Pension liability as of June 30, 2018	\$ 14,180,074	
Pension liability as of June 30, 2019	(25,043,324)	
Deferred outflows - pension items June 30, 2018	(6,627,213)	
Deferred outflows - pension items June 30, 2019	13,240,253	
Deferred inflows - pension items June 30, 2018	4,110,338	
Deferred inflows - pension items June 30, 2019	<u>(3,360,645)</u>	\$ (3,500,517)

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

Unavailable property taxes - governmental funds June 30, 2018	(14,536,681)	
Unavailable property taxes - governmental activities June 30, 2018	13,836,905	
Unavailable property taxes - governmental funds June 30, 2019	15,337,733	
Unavailable property taxes - governmental activities June 30, 2019	<u>(15,329,913)</u>	<u>(691,956)</u>

Changes in net position of governmental activities		<u><u>\$ (7,730,960)</u></u>
--	--	------------------------------

NATRONA COUNTY, WYOMING

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2019

	Trust Funds	
	Employee Benefit Trust Fund	Investment Pool Trust Fund
ASSETS		
Cash and cash equivalents	\$ 3,453,441	\$ -
Investments	2,548	711,230
Property taxes receivable	-	-
	3,455,989	711,230
LIABILITIES		
Due to other governments	18,017	-
Payable to external entities	-	-
Medical claims payable	632,500	-
	650,517	-
NET POSITION		
Restricted for		
Employees' medical benefits	2,805,472	-
Other governments and organizations	-	711,230
	\$ 2,805,472	\$ 711,230
	\$ 2,805,472	\$ 711,230

See accompanying notes to the financial statements

Agency Funds

Property Tax Fund	General Agency Fund	Fire Fighters of Natrona County	Total
\$ -	\$ 23,804,942	\$ 84,953	\$ 27,343,336
-	-	94,860	808,638
841,100	-	-	841,100
<u>\$ 841,100</u>	<u>\$ 23,804,942</u>	<u>\$ 179,813</u>	<u>28,993,074</u>
\$ 841,100	\$ 22,938,626	\$ 179,813	23,977,556
-	866,316	-	866,316
-	-	-	632,500
<u>\$ 841,100</u>	<u>\$ 23,804,942</u>	<u>\$ 179,813</u>	<u>25,476,372</u>
			2,805,472
			711,230
			<u>\$ 3,516,702</u>

NATRONA COUNTY, WYOMING

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2019

	Employee Benefit Trust Fund	Investment Pool Trust Fund	Totals
Additions			
Contributions from employer	\$ 6,394,230	\$ -	\$ 6,394,230
Investment income	39	11,516	11,555
Total additions	6,394,269	11,516	6,405,785
Deductions			
Medical benefits paid	6,622,790	-	6,622,790
Distributions to pool participants	-	200,000	200,000
Total deductions	6,622,790	200,000	6,822,790
Change in net position	(228,521)	(188,484)	(417,005)
Net position - beginning of year	3,033,993	899,714	3,933,707
Net position - end of year	<u>\$ 2,805,472</u>	<u>\$ 711,230</u>	<u>\$ 3,516,702</u>

See accompanying notes to the financial statements

This page is intentionally left blank

NATRONA COUNTY, WYOMING

**COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS**

June 30, 2019

	Natrona County Weed and Pest Control	Natrona County Public Library	Natrona County Fair
ASSETS			
Cash and cash equivalents	\$ 384,255	\$ 933,134	\$ 251,371
Investments	188,618	105,699	-
Beneficial interest in assets held by others	-	272,855	-
Accounts receivable	30,628	4,790	16,109
Accrued interest receivable	672	-	2,183
Due from other governments	-	-	-
Due from primary government	1,294,221	-	70,659
Inventory	116,189	-	-
Prepaid items	8,059	-	-
Capital assets not being depreciated	-	2,303,480	1,368,217
Capital assets being depreciated, net	293,520	763,074	3,268,134
Restricted cash and cash equivalents	-	33,401	-
Restricted investments	-	3,016,741	546,514
Total assets	<u>2,316,162</u>	<u>7,433,174</u>	<u>5,523,187</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	262,081	803,768	239,387
Total deferred outflows of resources	<u>262,081</u>	<u>803,768</u>	<u>239,387</u>
LIABILITIES			
Accounts payable and accrued liabilities	31,309	84,230	111,849
Due to other governments	3,803	-	-
Unearned revenue	-	-	-
Noncurrent liabilities			
Due within one year	-	9,441	-
Due in more than one year	727,794	2,435,768	713,330
Total current liabilities	<u>762,906</u>	<u>2,529,439</u>	<u>825,179</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenues	1,271,218	-	-
Pension plan items	80,634	315,567	97,826
Total deferred inflows of resources	<u>1,351,852</u>	<u>315,567</u>	<u>97,826</u>
NET POSITION			
Net investment in capital assets	293,520	3,066,554	4,636,351
Restricted, expendable			
Restricted by passenger facility charges	-	-	-
Restricted, nonexpendable			
Restricted by donors	-	3,050,142	546,514
Unrestricted (deficit)	169,965	(724,760)	(343,296)
Total net position (deficit)	<u>\$ 463,485</u>	<u>\$ 5,391,936</u>	<u>\$ 4,839,569</u>

See accompanying notes to the financial statements

City of Casper/ Natrona County Health Department	Community Action Partnership of Natrona County	Natrona County International Airport	Total
\$ 629,457	\$ 203,607	\$ 430,576	\$ 2,832,400
542,111	-	981,790	1,818,218
-	-	-	272,855
40,052	-	247,387	338,966
-	-	-	2,855
191,302	99,669	64,353	355,324
-	21,618	-	1,386,498
-	-	54,361	170,550
-	-	-	8,059
-	-	16,027,196	19,698,893
215,052	75,210	32,756,254	37,371,244
-	-	620,078	653,479
-	-	-	3,563,255
<u>1,617,974</u>	<u>400,104</u>	<u>51,181,995</u>	<u>68,472,596</u>
<u>1,182,742</u>	<u>549,406</u>	<u>1,393,372</u>	<u>4,430,756</u>
<u>1,182,742</u>	<u>549,406</u>	<u>1,393,372</u>	<u>4,430,756</u>
17,916	61,373	346,239	652,916
-	-	-	3,803
98,172	9,866	105,031	213,069
5,815	-	95,401	110,657
<u>3,158,886</u>	<u>1,426,531</u>	<u>4,072,297</u>	<u>12,534,606</u>
<u>3,280,789</u>	<u>1,497,770</u>	<u>4,618,968</u>	<u>13,515,051</u>
-	-	-	1,271,218
<u>364,606</u>	<u>226,729</u>	<u>831,529</u>	<u>1,916,891</u>
<u>364,606</u>	<u>226,729</u>	<u>831,529</u>	<u>3,188,109</u>
215,052	75,210	47,583,513	55,870,200
-	-	684,431	684,431
-	-	-	3,596,656
<u>(1,059,731)</u>	<u>(850,199)</u>	<u>(1,143,074)</u>	<u>(3,951,095)</u>
<u>\$ (844,679)</u>	<u>\$ (774,989)</u>	<u>\$ 47,124,870</u>	<u>\$ 56,200,192</u>

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year Ended June 30, 2019

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units				
Natrona County Weed and Pest Control	\$ 1,560,797	\$ 306,861	\$ 130,188	\$ -
Natrona County Public Library	3,423,633	39,605	2,680,826	-
Natrona County Fair	1,993,708	801,665	693,250	1,530,021
City of Casper/Natrona County Health Department	4,156,846	1,282,116	2,638,492	-
Community Action Partnership of Natrona County	2,517,497	39,452	2,322,159	-
Natrona County International Airport	6,986,290	4,150,015	728,957	2,169,608
	\$ 20,638,771	\$ 6,619,714	\$ 9,193,872	\$ 3,699,629

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

Change in net position

Net position (deficit) - beginning of year

Net position (deficit) - end of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

Natrona County Weed and Pest Control	Natrona County Public Library	Natrona County Fair	City of Casper/ Natrona County Health Department	Community Action Partnership of Natrona County	Natrona County International Airport	Totals
\$ (1,123,748)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,123,748)
-	(703,202)	-	-	-	-	(703,202)
-	-	1,031,228	-	-	-	1,031,228
-	-	-	(236,238)	-	-	(236,238)
-	-	-	-	(155,886)	-	(155,886)
-	-	-	-	-	62,290	62,290
<u>(1,123,748)</u>	<u>(703,202)</u>	<u>1,031,228</u>	<u>(236,238)</u>	<u>(155,886)</u>	<u>62,290</u>	<u>(1,125,556)</u>
623,404	-	-	-	-	-	623,404
284,160	-	-	-	-	67,526	351,686
5,802	134,453	23,327	8,882	-	5,887	178,351
(14,027)	97,958	-	80,782	1,341	146,143	312,197
-	1,580	-	-	-	-	1,580
<u>899,339</u>	<u>233,991</u>	<u>23,327</u>	<u>89,664</u>	<u>1,341</u>	<u>219,556</u>	<u>1,467,218</u>
(224,409)	(469,211)	1,054,555	(146,574)	(154,545)	281,846	341,662
<u>687,894</u>	<u>5,861,147</u>	<u>3,785,014</u>	<u>(698,105)</u>	<u>(620,444)</u>	<u>46,843,024</u>	<u>55,858,530</u>
<u>\$ 463,485</u>	<u>\$ 5,391,936</u>	<u>\$ 4,839,569</u>	<u>\$ (844,679)</u>	<u>\$ (774,989)</u>	<u>\$ 47,124,870</u>	<u>\$ 56,200,192</u>

This page is intentionally left blank

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 1. Nature of Operations and Significant Accounting Policies

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

Financial Reporting Entity

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

Blended Component Units

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

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

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

Memorial Hospital of Natrona County

The Memorial Hospital of Natrona County is governed by a Hospital Board of Trustees. In 1986, the Board of Trustees entered into a lease with the Wyoming Medical Center. The lease allows the Wyoming Medical Center to use specific County assets as part of its operations. The lease provides for many mutually beneficial outcomes and specifically provides that creating any lien, encumbrance, mortgage or assignment by Wyoming Medical Center requires the approval of the Board of Trustees and the Natrona County Commissions. The Memorial Hospital of Natrona County only owns capital assets, all of which are included as County capital assets.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Discretely Presented Component Units

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

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

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

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

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

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

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

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Discretely Presented Component Units (Continued)

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

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

Government-wide and Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

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

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

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

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

Cash and Cash Equivalents

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

Investments

Wyoming Statutes authorize the types of investments in which the District may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts, specific mutual funds and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government. Mutual funds, corporate bonds, and common stocks may be held by the Central Wyoming Sports Foundation Executrust and the Natrona County Public Library Foundation; these entities are not subject to the state statutes which restrict investments to governmental securities. The County's investments consist of government sponsored enterprise securities (GSEs), which are carried at fair value, certificates of deposit and participation in the Wyoming Government Investment Fund (WGIF). WGIF is a comprehensive cash management program available to Wyoming public entities. WGIF provides a full range of programs to meet participants' needs. The fund employs a team of professionals to manage the investments which are comprised of governmental securities meeting state statutory requirements. The value of the County's investments in WGIF equals the proportional value of its WGIF shares of all WGIF assets. Investments in certificates of deposit are carried at cost, which approximates fair value.

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

The County reviews statements of investments on a monthly basis to identify significant downturns which might affect the fair value measurements of investments.

Endowments

Restricted nonexpendable net position as of June 30, 2019 represents the principal of permanent endowments restricted to investment in perpetuity by donors of the library and fair foundations. Investment earnings, except for changes in fair market value, are expendable to support the purposes designated by the donors.

Receivables, Payables, and Interfund Balances

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

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

Receivables, Payables, and Interfund Balances (Continued)

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

The County is permitted by Wyoming Statutes to levy up to 12 mils of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2019, was 12 mils, which means the County has levied to the maximum amount available.

Major Taxpayers

The County's 10 largest taxpayers account for over 28% of the County's total assessed property valuation. Eight of the 10 taxpayers are involved in mineral extraction industries. A utility company and a transportation company make up the other two major taxpayers. The County received approximately 22% of its total tax revenues from these taxpayers.

Inventory

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

Capital Assets

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

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

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

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

Pensions

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

Deferred Outflows and Deferred Inflows of Resources

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

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

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

Compensated Absences

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

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

Budgets

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

The County Commissioners exercise legal spending control at the department level. Any over-expenditures or transfers of appropriations must be approved by them, as are all departmental budget amendments. Management control is exercised at budgetary line item levels. The County Commissioners and the governing boards of the component units may also amend the budget after it is approved, using the same procedures necessary to approve the original budget. The budgetary data presented in the financial statements reflects all approved budget amendments. Supplemental budget appropriations of \$2,561,688 were approved for the general fund during the year.

Fund Equity

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

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

Restricted Net Position

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

Collections

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

Standard Implemented in Current Year

The Governmental Accounting Standards Board Statement (GASB) has issued GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The GASB establishes accounting and financial reporting requirements related to debt. Natrona County implemented the requirements of this standard in the current year.

Short-term Financing

The County did not issue any tax anticipation notes or use any other type of short-term financing for the year ended June 30, 2019.

Accounting Estimates

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

Note 2. Deposits and Investments

Primary Government

Deposits are placed with various financial institutions and are carried at cost. As of June 30, 2019, the carrying amount of the County's deposits, including its fiduciary funds, was \$51,506,479 and the bank balance was \$55,949,050. The County also had \$23,175 of petty cash on hand at various locations as of June 30, 2019, which is not on deposit at any financial institution. The difference between the carrying amount and the bank balance is a result of transactions in transit. All bank deposits at June 30, 2019 were covered by insurance or collateral held in joint custody with the financial institution.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that the County's deposits in excess of Federal depository insurance must be collateralized. The County follows state statutes as their credit risk policy for deposits. At June 30, 2019, the County's deposits were fully insured or collateralized as required by statute.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 2. Deposits and Investments (Continued)

Component Units

At June 30, 2019, the carrying amount of the component units' deposits was \$3,485,879 and the bank balance was \$4,241,470. The component units also held \$2,122 in petty cash on hand at various locations as of June 30, 2019, which is not on deposit at any financial institution. The difference between the carrying amount and the bank balance is a result of transactions in transit. All bank deposits at June 30, 2019 were covered by insurance or collateral held in joint custody with the financial institution.

Investments

As of June 30, 2019, the primary government had the following investments:

Investment Type	Total	Interest Rate	Investment Maturities in Years				Rating
			Less Than 1	1 - 5	6 - 10	More Than 10	
Natrona County external							
investment pool	\$ 3,622,087	1.25-4.5%	\$ 3,622,087	\$ -	\$ -	\$ -	n/a
WGIF - LAS	4,569,424	2.28%	4,569,424	-	-	-	AAAm
WGIF - CD	644,000	2.7-2.75%	644,000	-	-	-	n/a
GSE mortgage backed securities	6,762,068	1.9% to 2.75%	1,727,242	2,916,451	-	2,118,375	AA+
Total	\$ 15,597,579		\$ 10,562,753	\$ 2,916,451	\$ -	\$ 2,118,375	

Investments of the primary government are reported under the following captions:

Investments - general fund	\$ 14,788,941
Investments - fiduciary fund - Fire Fighters of Natrona County	94,860
Investments - fiduciary funds - Employee Benefit Trust Fund	2,548
Investments - fiduciary funds - Investment Pool Trust Fund	711,230
	<u>\$ 15,597,579</u>

As of June 30, 2019, the component units of the County had the following investments:

Investment Type	Total	Interest Rate	Investment Maturities in Years				Rating
			Less Than 1	1 - 5	6 - 10	More Than 10	
GSE notes	\$ 986,561	1.25-3.17%	\$ 464,506	\$ 522,055	\$ -	\$ -	Aaa
GSE mortgage backed securities	220,047	1.50-2.50%	149,889	70,158	-	-	Aaa
Mutual funds	2,190,678	n/a	2,190,678	-	-	-	n/a
Natrona County external							
investment pool	647,810	n/a	647,810	-	-	-	n/a
Certificates of deposit	1,336,377	1.15-2.15%	1,336,377	-	-	-	n/a
Total	\$ 5,381,473		\$ 4,789,260	\$ 592,213	\$ -	\$ -	

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 2. Deposits and Investments (Continued)

Investments (Continued)

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

Investments	\$ 1,818,218
Restricted investments	3,563,255
	<u>\$ 5,381,473</u>

Credit Risk

Generally, credit risk is the risk that an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not allow governments to invest in corporate bonds, stocks or most mutual funds and limits investments in commercial paper to short term maturities (not greater than 270 days) and to the top ratings issued by nationally recognized statistical rating organizations (Moody's and Standard and Poor's). Obligations of the U.S. Government and obligations specifically guaranteed by the U.S. Government are backed by the full faith and credit of the U.S. Government. The U.S. Government-sponsored enterprise securities and obligations are not specifically guaranteed by the U. S. Government. However, they are rated Aaa/AA+ by Standard and Poor's and Moody's. Under investment agreements with WGIF, the County has invested in a pool of short-term funds (WGIF Liquid Asset Pool) which offers complete liquidity; this pool is rated AAAm by Standard and Poor's. The County follows the mandates for allowable investments as prescribed by state statutes as their credit risk policy.

Concentration of Credit Risk

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

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The only significant exposure is for securities held by securities brokers or other banks. While the County has no formal policy for custodial credit risk for investments, management believes the stability and reputation of these brokers and other banks serves to limit its custodial credit risk.

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. As of June 30, 2019, the County's investment portfolio included mortgage backed securities that have fair values highly sensitive to interest rate changes. When interest rates fall, mortgages are typically refinanced and paid off early. The reduced stream of future interest payments diminishes the value of investments. The County does not have a formal policy to address interest rate risk.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Fair Value of Investments

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

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2019.

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

Government sponsored enterprises (GSE) notes and mortgage backed securities: Valued using quoted prices for identical or similar assets in active markets.

Primary Government Investments

	Investments at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
GSE mortgage backed securities	\$ -	\$ 6,762,068	\$ -	\$ 6,762,068
	\$ -	\$ 6,762,068	\$ -	6,762,068
Other investments reported in the following classifications				
Natrona County external investment pool				3,622,087
WGIF - Liquid Asset Series				4,569,424
WGIF - Certificates of deposit				644,000
				\$ 15,597,579

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Fair Value (Continued)

Component Unit Investments

	Investments at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 2,190,678	\$ -	\$ -	\$ 2,190,678
GSE notes	-	986,561	-	986,561
GSE mortgage backed securities	-	220,047	-	220,047
	\$ 2,190,678	\$ 1,206,608	\$ -	3,397,286
Other investments reported in the following classifications				
Natrona County external investment pool				647,810
Certificates of deposit				1,336,377
Total component unit investments				\$ 5,381,473

At June 30, 2019, the County's investment portfolio includes mortgage backed securities that have fair values highly sensitive to interest rate changes. When interest rates fall, mortgages are refinanced and paid off early. The reduced stream of future interest payments diminishes the value of the investment.

Note 3. Interfund Balances and Transactions

Interfund and intra-entity receivables and payables at June 30, 2019 are as follows:

	Receivable	Payable
General Fund	\$ -	\$ 1,867,520
County Road Construction Fund	331,683	-
Drug Court Fund	149,339	-
Component Units	1,386,498	-
	\$ 1,867,520	\$ 1,867,520

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

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 4. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 16,265,656	\$ -	\$ -	\$ 16,265,656
Infrastructure	25,698,770	-	-	25,698,770
Construction in progress	-	814,989	-	814,989
Total capital assets not being depreciated	<u>41,964,426</u>	<u>814,989</u>	<u>-</u>	<u>42,779,415</u>
Capital assets being depreciated				
Buildings	146,382,902	57,941	-	146,440,843
Machinery and equipment	21,623,322	989,479	(677,903)	21,934,898
Hospital assets*	358,954,089	9,510,386	-	368,464,475
Total capital assets being depreciated	<u>526,960,313</u>	<u>10,557,806</u>	<u>(677,903)</u>	<u>536,840,216</u>
Less accumulated depreciation for				
Buildings	100,708,392	1,635,584	-	102,343,976
Machinery and equipment	19,215,040	1,062,043	(646,007)	19,631,076
Hospital assets*	242,028,373	12,857,577	-	254,885,950
Total accumulated depreciation	<u>361,951,805</u>	<u>15,555,204</u>	<u>(646,007)</u>	<u>376,861,002</u>
Total capital assets being depreciated, net	<u>165,008,508</u>	<u>(4,997,398)</u>	<u>(31,896)</u>	<u>159,979,214</u>
Capital assets, net	<u>\$ 206,972,934</u>	<u>\$ (4,182,409)</u>	<u>\$ (31,896)</u>	<u>\$ 202,758,629</u>

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 4. Capital Assets (Continued)

Primary Government (Continued)

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

Governmental activities	
General government	\$ 920,432
Public safety	1,169,497
Public works	499,440
Health and welfare	25,000
Conservation of natural resources	83,258
Hospital	12,857,577
Total depreciation expense - governmental activities	\$ 15,555,204

Component Units

Capital asset activity for each component unit for the year ended June 30, 2019 follows.

Capital asset activity for the Natrona County Weed and Pest Control for the year ended June 30, 2019 was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Buildings and improvements	\$ 419,077	\$ -	\$ -	\$ 419,078
Machinery and equipment	634,490	8,014	(198,755)	443,749
Total capital assets being depreciated	1,053,567	8,014	(198,755)	862,827
Less accumulated depreciation for				
Buildings and improvements	189,410	11,705	-	201,115
Machinery and equipment	513,307	53,640	(198,755)	368,192
Total accumulated depreciation	702,717	65,345	(198,755)	569,307
Capital assets, net	\$ 350,850	\$ (57,331)	\$ -	\$ 293,520

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 4. Capital Assets (Continued)

Component Units (Continued)

Capital asset activity for the Natrona County Public Library for the year ended June 30, 2019 was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 1,545,080	\$ -	\$ -	\$ 1,545,080
Rare book collection	725,800	32,600	-	758,400
Total capital assets not being depreciated	<u>2,270,880</u>	<u>32,600</u>	<u>-</u>	<u>2,303,480</u>
Capital assets being depreciated				
Machinery and equipment	776,065	19,199	(9,754)	785,510
Library collection	3,266,150	168,211	(337,847)	3,096,514
Total capital assets being depreciated	<u>4,042,215</u>	<u>187,410</u>	<u>(347,601)</u>	<u>3,882,024</u>
Less accumulated depreciation for				
Machinery and equipment	714,548	38,725	(9,754)	743,519
Library collection	2,418,612	294,666	(337,847)	2,375,431
Total accumulated depreciation	<u>3,133,160</u>	<u>333,391</u>	<u>(347,601)</u>	<u>3,118,950</u>
Total capital assets being depreciated, net	<u>909,055</u>	<u>(145,981)</u>	<u>-</u>	<u>763,074</u>
Capital assets, net	<u>\$ 3,179,935</u>	<u>\$ (113,381)</u>	<u>\$ -</u>	<u>\$ 3,066,554</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 4. Capital Assets (Continued)

Component Units (Continued)

Capital asset activity for the Natrona County Fair for the year ended June 30, 2019, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets not being depreciated				
Construction in progress	\$ 5,295	\$ 1,362,922	\$ -	\$ 1,368,217
Total capital assets not being depreciated	5,295	1,362,922	-	1,368,217
Capital assets being depreciated				
Buildings and improvements	6,594,231	-	-	6,594,231
Machinery and equipment	1,642,805	30,249	-	1,673,054
Total capital assets being depreciated	8,237,036	30,249	-	8,267,285
Less accumulated depreciation for				
Buildings and improvements	3,727,475	164,856	-	3,892,331
Machinery and equipment	1,025,310	81,510	-	1,106,820
Total accumulated depreciation	4,752,785	246,366	-	4,999,151
Total capital assets being depreciated	3,484,251	(216,117)	-	3,268,134
Capital assets, net	\$ 3,489,546	\$ 1,146,805	\$ -	\$ 4,636,351

Buildings and improvements for the Natrona County Fair includes a facility that was acquired under capital leases in the amount of \$3,421,693, with associated accumulated amortization of \$1,582,533. The related amortization expense of \$85,542 has been included in annual depreciation expense.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 4. Capital Assets (Continued)

Component Units (Continued)

Capital asset activity for the City of Casper/Natrona County Health Department for the year ended June 30, 2019, was as follows:

	Beginning Balance Restated	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Machinery and equipment	\$ 732,734	\$ 73,688	\$ -	\$ 806,422
Total capital assets being depreciated	<u>732,734</u>	<u>73,688</u>	<u>-</u>	<u>806,422</u>
Less accumulated depreciation for				
Machinery and equipment	523,564	67,806	-	591,370
Total accumulated depreciation	<u>523,564</u>	<u>67,806</u>	<u>-</u>	<u>591,370</u>
Capital assets, net	<u>\$ 209,170</u>	<u>\$ 5,882</u>	<u>\$ -</u>	<u>\$ 215,052</u>

Capital asset activity for the Community Action Partnership of Natrona County for the year ended June 30, 2019, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Building improvements	\$ 82,003	\$ -	\$ -	\$ 82,003
Machinery and equipment	197,748	-	16,500	181,248
Total capital assets being depreciated	<u>279,751</u>	<u>-</u>	<u>16,500</u>	<u>263,251</u>
Less accumulated depreciation for				
Building improvements	22,415	1,857	-	24,272
Machinery and equipment	174,690	5,579	16,500	163,769
Total accumulated depreciation	<u>197,105</u>	<u>7,436</u>	<u>16,500</u>	<u>188,041</u>
Capital assets, net	<u>\$ 82,646</u>	<u>\$ (7,436)</u>	<u>\$ -</u>	<u>\$ 75,210</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 4. Capital Assets (Continued)

Component Units (Continued)

Capital asset activity for the Natrona County International Airport for the year ended June 30, 2019, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 4,146,968	\$ -	\$ -	\$ 4,146,968
Construction in progress	15,306,721	5,891,349	(9,317,842)	11,880,228
Total capital assets not being depreciated	<u>19,453,689</u>	<u>5,891,349</u>	<u>(9,317,842)</u>	<u>16,027,196</u>
Capital assets being depreciated				
Buildings and improvements	93,008,177	7,760,994	-	100,769,171
Machinery and equipment	6,698,904	103,895	-	6,802,799
Water and sewage system	830,928	98,892	-	929,820
Total capital assets being depreciated	<u>100,538,009</u>	<u>7,963,781</u>	<u>-</u>	<u>108,501,790</u>
Less accumulated depreciation for				
Buildings and improvements	67,331,777	2,236,727	-	69,568,504
Machinery and equipment	4,945,895	434,153	-	5,380,048
Water and sewage system	792,399	4,585	-	796,984
Total accumulated depreciation	<u>73,070,071</u>	<u>2,675,465</u>	<u>-</u>	<u>75,745,536</u>
Total capital assets being depreciated, net	<u>27,467,938</u>	<u>5,288,316</u>	<u>-</u>	<u>32,756,254</u>
Capital assets, net	<u>\$ 46,921,627</u>	<u>\$ 11,179,665</u>	<u>\$ (9,317,842)</u>	<u>\$ 48,783,450</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 5. County Debt

The Wyoming Constitution (Article 16 §3) limits the amount of indebtedness for any County to be not more than two percent of the last general assessment. This limit was \$24,217,948 at June 30, 2019. The County had \$4,130,000 in outstanding debt subject to this limitation.

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2019:

	Balance June 30, 2018	New Debt Incurred	Debt Retired	Balance June 30, 2019	Due Within One Year
Primary Government					
Certificates of participation	\$ 4,765,000	\$ -	\$ 635,000	\$ 4,130,000	\$ 650,000
Compensated absences	1,119,537	1,140,889	1,119,537	1,140,889	80,092
Net pension liability	14,180,074	10,863,250	-	25,043,324	-
Total debt	<u>20,064,611</u>	<u>12,004,139</u>	<u>1,754,537</u>	<u>30,314,213</u>	<u>730,092</u>
Original issue premium	74,145	-	9,465	64,680	9,465
	<u>\$ 20,138,756</u>	<u>\$ 12,004,139</u>	<u>\$ 1,764,002</u>	<u>\$ 30,378,893</u>	<u>\$ 739,557</u>

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

	Balance June 30, 2018	New Debt Incurred	Debt Retired	Balance June 30, 2019	Due Within One Year
Component Units					
Note payable	\$ 1,375,795	\$ -	\$ 175,858	\$ 1,199,937	\$ 95,401
Capital lease obligations	566	-	566	-	-
Compensated absences	432,869	42,472	5,686	469,655	15,256
Net pension liability	<u>8,616,751</u>	<u>2,358,920</u>	<u>-</u>	<u>10,975,671</u>	<u>-</u>
	<u>\$ 10,425,981</u>	<u>\$ 2,401,392</u>	<u>\$ 182,110</u>	<u>\$ 12,645,263</u>	<u>\$ 110,657</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 5. County Debt (Continued)

Primary Government, Certificates of Participation

During 2014, the County issued Certificates of Participation for a current refunding of Certificates of Participation previously issued in 2004 to finance the expansion and renovations of the Natrona County Detention Center. The refunding was undertaken to reduce future debt service payments; reducing interest requirements by approximately \$981,000, the 2004 certificates were redeemed and fully discharged with the refunding. A summary of the outstanding Certificates of Participation as of June 30, 2019 is as follows:

Certificates of participation series 2014, due in remaining annual installments of \$635,000 to \$735,000 through June 2025, interest at 3.0% to 4.0%, original amount issued \$7,900,000 at premium of \$113,584, secured by an interest in the Detention Center.	<u>\$ 4,130,000</u>
	<u><u>\$ 4,130,000</u></u>

Scheduled principal and interest requirements as of June 30, 2019 are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	650,000	109,775	759,775
2021	665,000	96,775	761,775
2022	680,000	80,150	760,150
2023	695,000	62,300	757,300
2024-2025	1,440,000	64,369	1,504,369
	<u>\$ 4,130,000</u>	<u>\$ 413,369</u>	<u>\$ 4,543,369</u>

The balances above do not include the unamortized premium in the amount of \$64,680 that is reported as a component of the certificates of participation.

Component Units, Note Payable

A summary of the note payable for the Natrona County International Airport as of June 30, 2019 is as follows:

Note payable to a government agency, payable in annual installments of \$155,397 including interest at 5%, matures January 2029.	<u>\$ 1,199,937</u>
Total notes payable	1,199,937
Less current portion	(95,401)
Total non current portion	<u><u>\$ 1,104,536</u></u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 5. County Debt (Continued)

Component Units, Note Payable (Continued)

Scheduled principal and interest requirements as of June 30, 2019 are as follows:

Fiscal year ending, June 30	Principal	Interest	Total
2020	\$ 95,401	\$ 59,996	\$ 155,397
2021	100,171	55,226	155,397
2022	105,179	50,218	155,397
2023	110,438	44,959	155,397
2024	115,960	39,437	155,397
2025 - 2029	672,788	104,198	776,986
	<u>\$ 1,199,937</u>	<u>\$ 354,034</u>	<u>\$ 1,553,971</u>

Note 6. Natrona County Memorial Hospital Lease

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

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

Under this lease, the Center is responsible for all costs, expenses, and obligations of every kind and nature relating to the use and occupancy of the leased premises. The Center is required to comply with all covenants imposed on the County and/or Landlord by the Bond Indenture (Note 7) and is required to meet certain financial covenants, as defined in the lease.

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

Services provided and payments in lieu of rent for the years ended June 30 are as follows:

	2019	2018
Indigent and prisoner care	\$ 14,939,465	\$ 16,137,701
Property insurance	588,760	580,828
	<u>\$ 15,528,225</u>	<u>\$ 16,718,529</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 6. Natrona County Memorial Hospital Lease (Continued)

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

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

Note 7. Revenue Bonds

In February 2011, the Wyoming Medical Center (the Center) issued \$20,000,000 aggregate principal amount of its Revenue Bonds, Series 2011, dated February 17, 2011 through Natrona County, Wyoming. The bond issuance resulted in net proceeds to the Center of \$20,039,244, including a premium of \$39,244. The Series 2011 Bonds are special, limited obligations of the Center and the Board of Trustees of the Memorial Hospital of Natrona County, equally and ratably payable from the "Net Pledged Revenues" and certain funds held under the Indenture. As of June 30, 2019, \$1,520,000 of principal on the Series 2011 was outstanding. This obligation is not included on the balance sheet of the County since the County is not obligated in any manner for repayment of the bonds.

In fiscal year 2018, the Wyoming Medical Center (the Center) refinanced its Series 2011 Hospital Revenue Bonds through the issuance of the Series 2017 Hospital Revenue Refunding Bonds and a \$3,000,000 contribution from the Medical Center. As part of this transaction, \$14,105,000 of the Series 2011 Hospital Revenue Bonds were retired. As a result of the transaction, the Medical Center recognized a loss on refinancing of long-term debt of \$2,303,873 for the fiscal year ending June 30, 2018. As of June 30, 2019, \$11,845,000 of principal on the Series 2017 was outstanding. This obligation is not included on the balance sheet of the County since the County is not obligated in any manner for repayment of the bonds.

In fiscal year 2019, the Wyoming Medical Center (the Center) issued a Promissory Note Taxable Series 2018 for \$37,000,000 which matures on December 2, 2019 and was subsequently refinanced. This obligation is not included on the balance sheet of the County since the County is not obligated in any manner for repayment of the bonds.

Note 8. Beneficial Interest in Assets Held by Others

In the past, the Library Foundation transferred investments to the Wyoming Community Foundation specifying itself as the beneficiary. The Library Foundation receives distributions from the Wyoming Community Foundation which approximate the earnings on the investments held on the Library Foundation's behalf. The Wyoming Community Foundation may substitute another beneficiary in place of the Library Foundation, should the Library Foundation cease to exist or if the governing board of the Wyoming Community Foundation votes that support of the Library Foundation is not necessary, or is inconsistent with the needs of the community. No other explicit variance power was granted in conjunction with the transfer. Financial Accounting Standards Board (FASB) ASC 958-605-50-4 requires those transferred assets to be reported on the Library Foundation's books at fair value, which was \$272,855 as of June 30, 2019, as beneficial interest in assets held by others.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 9. Defined Benefit Pension Plans

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

Public Employees' Pension Plan

The County participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer defined benefit, contributory retirement plan administered by the State of Wyoming Retirement System Board. Substantially all County full-time employees are eligible to participate.

PEPP members are required to contribute 8.50% of their annual covered salary and the County is required to contribute 8.62%, of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The County currently pays 15.37% of the annual covered payroll and employees pay the remaining 1.75%. As of July 1, 2019, the statutory employer contribution rate will increase by 0.25% and the statutory employee contribution rate will increase by 0.25%.

The County's contributions to the PEPP for the years ended June 30, 2019, 2018, and 2017, were \$1,208,850, \$1,207,685, and \$1,223,857, while the employees' portion was \$137,637, \$98,218, and \$99,533, respectively, equal to the required contributions for each year.

The Weed and Pest, the Fair and the Health Department component units currently pay all of the required employee's contribution. The Library pays 16.62% of the annual covered payroll and the employees pay the remaining 0.50%. Community Action Partnership pays 14.44% of the annual covered payroll and the employees pay the remaining 2.68%. The component units' contributions to the System, excluding the Airport, for the years ended June 30, 2019, 2018, and 2017, were \$791,340, \$732,163, and \$746,490, while the employees' portion was \$29,278, \$28,686, and \$28,958, respectively, equal to the required contributions for each year for regular employees.

The Airport's contributions to the System for the years ended June 30, 2019, 2018, and 2017, were \$209,173, \$186,396, and \$184,228, respectively, equal to the required contributions for each year for regular employees, respectively, for each year. The Airport also pays 100 percent of the full required contribution which is 17.12% for regular employees.

Through legislation passed during the 2014 legislative session, two tiers of benefits were established for participants of this plan. For Tier 1 (first contribution before 9/1/2012), the Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60. For Tier 2, the plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65. All employees may also retire on the basis that the sum of the member's age and service is at least 85.

Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The PEPP provides retirement, disability, and death benefits according to predetermined formulas and allows retirees to select one of seven methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost of living adjustment provided to retirees must be granted by the State Legislature. In addition, a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 9. Defined Benefit Pension Plans (Continued)

Public Employees' Pension Plan (Continued)

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through the date of termination or, if they are vested, they may elect to remain in the plan and be eligible for unreduced retirement benefits at age 60 (Tier 1 employee) or 65 (Tier 2 employee).

Law Enforcement Pension Plan

The County participates in the Law Enforcement Pension Plan ("LEPP"), a state-wide, cost-sharing, multiple-employer defined benefit, contributory plan administered by the State of Wyoming Retirement System Board. The LEPP covers any county sheriff, deputy county sheriff, municipal police officer, Wyoming correctional officer, Wyoming law enforcement academy instructor, University of Wyoming campus police officer, detention officer or dispatcher for law enforcement agencies and certain investigators of the Wyoming Livestock Board.

The LEPP statutorily provides retirement, disability and death benefits according to predetermined amounts primarily determined by salary, age and years of service of the participant. Any cost of living adjustment provided to retirees must be granted by the State Legislature. In addition a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded. Participants may withdraw from the LEPP at any time and receive refunds of participant contributions plus accumulated interest.

The LEPP is funded by amounts withheld from participating employees' salaries and by contributions from the County. These contributions are determined by state statutes and as of June 30, 2019, the percentages to be contributed on compensation were 8.60% for the employees and the same for the County. Currently, the County pays 13.42% of the covered payroll, while employees pay the remaining 3.78%.

For the years ended June 30, 2019, 2018, and 2017, total contributions for the LEPP were \$1,307,756, \$1,264,549, and \$1,276,291 respectively, equal to the required contributions for each year. The County's portion of these contributions was \$1,020,354, \$995,804, and \$995,804, while the employees' portion was \$287,402, \$268,745 and \$280,487, equal to the required contributions for each year.

Paid Firemen's Pension Fund

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

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 9. Defined Benefit Pension Plans (Continued)

Paid Firemen's Pension Fund (Continued)

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

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

Under Plan B, participants contribute 9.245% of their gross monthly salary and the employer contributes 12% of the participant's gross monthly salary. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The Airport currently pays 100% of the required employee's contribution. The Airport's contributions to the plan for the years ended June 30, 2019, 2018, and 2017, were \$83,143, \$82,968, and \$85,393, respectively, which were equal to the required contributions for those years.

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

At June 30, 2019, the County reported a liability of \$25,043,324 for its proportionate share of the net pension liability. The County's component units: Weed and Pest, Library, Fair, Health Department, Community Action Partnership, and Airport reported \$693,555, \$2,335,010, \$661,983, \$3,051,922, \$1,394,145, and \$2,839,056, respectively, for their proportionate share of the net pension liability. The net pension liability for the Public Employee Plan and the Law Enforcement Plan is calculated using a discount rate of 7.00% and 5.92%, respectively, which is the expected rate of return on investments reduced by investment expenses. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covering the five year period ending December 31, 2016. The net pension liability as of December 31, 2018 is based on the results of an actuarial valuation as of January 1, 2018, rolled forward to a measurement date of December 31, 2018, and taking into consideration information from the recent experience study.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 9. Defined Benefit Pension Plans (Continued)

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

The schedule below shows the County's and each of its component units' liability proportionate share of the net pension liability at June 30, 2019, the proportionate portion at the measurement date of December 31, 2018, and the change in the proportion from the previous measurement date:

	Pension liability at June 30, 2019	Proportion at December 31, 2018	Increase (decrease) from December 31, 2017
Primary Government			
Public Employees' Pension Plan	\$ 13,776,358	0.452382321%	0.006498346%
Law Enforcement Pension Plan	11,266,966	4.65438122400%	(0.013973979%)
	<u>\$ 25,043,324</u>		
Component Units			
Public Employees' Pension Plan			
Natrona County Weed and Pest Control	\$ 693,555	0.022774661%	0.000041198%
Natrona County Public Library	2,335,010	0.076676060%	(0.001926826%)
Natrona County Fair Board	661,983	0.021737924%	0.000732276%
City of Casper/Natrona County Health Department	3,051,922	0.100217749%	0.009039415%
Community Action Partnership of Natrona County	1,394,145	0.045780354%	-0.003241843%
Natrona County International Airport Paid Firemen's Retirement Plan A	1,996,371	0.065566000%	0.001410800%
Natrona County International Airport Paid Firemen's Retirement Plan B	556,974	0.245362600%	0.001314200%
Natrona County International Airport	285,711	1.361619300%	(0.152677700%)
	<u>\$ 10,975,671</u>		

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 9. Defined Benefit Pension Plans (Continued)

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

For the year ended June 30, 2019, the County and its component units Weed and Pest, Library, Fair, Health Department, Community Action Partnership, and the Airport recognized pension expense of \$6,154,759 and \$1,866,557, respectively. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PEPP		LEPP		Total	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
<i>Primary Government</i>						
Net difference between projected and actual earnings on pension plan investments	\$ 3,349,464	\$ (1,243,796)	\$ 2,949,097	\$ (1,093,554)	\$ 6,298,561	\$ (2,337,350)
Changes in assumptions	678,411		4,812,514	-	5,490,925	
Difference between actual and expected experience rate	-	(344,200)	15,722	(510,299)	15,722	(854,499)
Change in employer's proportion	108,719	(144,139)	121	(24,657)	108,840	(168,796)
Amortizing deferred outflows and deferred inflows	4,136,594	(1,732,135)	7,777,454	(1,628,510)	11,914,048	(3,360,645)
Contributions subsequent to the measurement date	677,008	-	649,197	-	1,326,205	-
Total	\$ 4,813,602	\$ (1,732,135)	\$ 8,426,651	\$ (1,628,510)	\$ 13,240,253	\$ (3,360,645)

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

	Natrona County Weed and Pest		Natrona County Public Library		Natrona County Fair	
	Control		PEPP		PEPP	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
Net difference between projected and actual earnings on pension plan investments	\$ 161,296	\$ (63,415)	\$ 567,990	\$ (219,263)	\$ 160,602	\$ (58,595)
Changes in assumptions	34,589	-	119,594	-	31,960	-
Difference between actual and expected experience rate	-	(17,219)	-	(59,421)	-	(16,544)
Change in employer's proportion	34,204	-	-	(36,883)	16,644	(22,687)
Amortizing deferred outflows and deferred inflows	230,089	(80,634)	687,584	(315,567)	209,206	(97,826)
Contributions subsequent to the measurement date	31,992	-	116,184	-	30,181	-
Total	\$ 262,081	\$ (80,634)	\$ 803,768	\$ (315,567)	\$ 239,387	\$ (97,826)

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 9. Defined Benefit Pension Plans (Continued)

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

	City of Casper/Natrona County Health Department		Community Action Partnership of Natrona County	
	PEPP		PEPP	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
Net difference between projected and actual earnings on pension plan investments	\$ 730,631	\$ (254,343)	\$ 329,548	\$ (136,748)
Changes in assumptions	138,728	-	74,587	-
Difference between actual and expected experience rate	-	(73,419)	-	(35,744)
Change in employer's proportion	151,243	(36,844)	75,171	(54,237)
Amortizing deferred outflows and deferred inflows	1,020,602	(364,606)	479,306	(226,729)
Contributions subsequent to the measurement date	162,140	-	70,100	-
Total	<u>\$ 1,182,742</u>	<u>\$ (364,606)</u>	<u>\$ 549,406</u>	<u>\$ (226,729)</u>

	Natrona County International Airport					
	PEPP		Fire A		Fire B	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
Net difference between projected and actual earnings on pension plan investments	\$ 475,994	\$ (178,934)	\$ 28,258	\$ (11,296)	\$ 207,521	\$ (80,774)
Difference between actual and expected experience rate	-	(49,299)	-	-	1,077	(101,752)
Difference due to changes in assumptions	99,743	-	-	-	369,409	(365,582)
Change in employer's proportion	67,187	-	-	-	631	(43,892)
Amortizing deferred outflows and deferred inflows	642,924	(228,233)	28,258	(11,296)	578,638	(592,000)
Contributions subsequent to the measurement date	109,191	-	-	-	34,361	-
Total	<u>\$ 752,115</u>	<u>\$ (228,233)</u>	<u>\$ 28,258</u>	<u>\$ (11,296)</u>	<u>\$ 612,999</u>	<u>\$ (592,000)</u>

Natrona County International Airport reported total deferred outflows of \$1,392,372 and total deferred inflows of \$831,529 at June 30, 2018.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 9. Defined Benefit Pension Plans (Continued)

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

The County and its component units reported \$1,326,205 and \$554,149, respectively, as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Primary Government

Year Ended June 30,	PEPP		LEPP		Total	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
2020	\$ 1,603,895	\$ (671,306)	\$ 2,565,145	\$ (550,856)	\$ 4,169,040	\$ (1,222,162)
2021	1,063,003	(569,029)	2,109,419	(541,256)	3,172,422	(1,110,285)
2022	781,809	(488,905)	1,953,363	(493,745)	2,735,172	(982,650)
2023	687,887	(2,895)	1,149,527	(42,653)	1,837,414	(45,548)
	<u>\$ 4,136,594</u>	<u>\$ (1,732,135)</u>	<u>\$ 7,777,454</u>	<u>\$ (1,628,510)</u>	<u>\$ 11,914,048</u>	<u>\$ (3,360,645)</u>

Component Units

Year Ended June 30,	Natrona County Weed and Pest Control		Natrona County Public Library		Natrona County Fair	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
2020	\$ 94,873	\$ (29,009)	\$ 268,056	\$ (114,647)	\$ 83,033	\$ (37,602)
2021	61,072	(26,977)	176,369	(104,640)	53,184	(35,348)
2022	39,596	(24,502)	126,884	(95,233)	39,813	(24,737)
2023	34,548	(146)	116,275	(1,047)	33,176	(139)
	<u>\$ 230,089</u>	<u>\$ (80,634)</u>	<u>\$ 687,584</u>	<u>\$ (315,567)</u>	<u>\$ 209,206</u>	<u>\$ (97,826)</u>

Year Ended June 30,	City of Casper/Natrona County Health Department		Community Action Partnership of Natrona County		Natrona County International Airport	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
2020	\$ 380,745	\$ (135,282)	\$ 194,879	\$ (79,765)	\$ 412,813	\$ (194,180)
2021	271,451	(126,063)	133,672	(75,535)	298,748	(188,212)
2022	213,822	(102,619)	81,332	(70,199)	241,812	(181,230)
2023	154,584	(642)	69,423	(1,230)	221,430	(81,569)
2024	-	-	-	-	48,259	(80,914)
Thereafter	-	-	-	-	26,758	(105,424)
	<u>\$ 1,020,602</u>	<u>\$ (364,606)</u>	<u>\$ 479,306</u>	<u>\$ (226,729)</u>	<u>\$ 1,249,820</u>	<u>\$ (831,529)</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 9. Defined Benefit Pension Plans (Continued)

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

Actuarial Assumptions

The total pension liability in the December 31, 2018 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Public Employee Pension Plan and Law Enforcement Pension Plan

Actuarial Assumptions and Methods

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Inflation	2.25%
Salary increases	4.75% to 8.75%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment rate of return	7.00%, net of pension plan investment expense
Post-retirement mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale MP-2017
	Males: No set back with a 100% multiplier
	Females: No set back with a 88% multiplier
Pre-retirement mortality	RP - 2014 Employee Mortality Table, fully generational, projected with Scale MP-2017
	Males: No set back with a multiplier of 100%
	Females: No set back with a multiplier of 100%

Paid Fire A Pension Plan

Actuarial Assumptions and Methods

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Inflation	2.25%
Salary increases	4.50% including inflation
Cost of living increase	3.00%
Investment rate of return	7.00%, net of pension plan investment expense
Post-retirement mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale MP-2017
	Males: No set back with a 100% multiplier
	Females: No set back with a 88% multiplier
Pre-retirement mortality	RP - 2014 Employee Mortality Table, fully generational, projected with Scale MP-2017
	Males: No set back with a multiplier of 100%
	Females: No set back with a multiplier of 100%

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 9. Defined Benefit Pension Plans (Continued)

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

Actuarial Assumptions (Continued)

Paid Fire B Pension Plan

	Actuarial Assumptions and Methods
Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Inflation	2.25%
Salary increases	4.50% to 7.50%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment rate of return	7.00%, net of pension plan investment expense
Post-retirement mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected Scale MP-2017 Males: No set back with a 100% multiplier Females: No set back with a 88% multiplier
Pre-retirement mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale MP-2017 Males: No set back with a multiplier of 100% Females: No set back with a 100% multiplier

The assumed rate of investment return was adopted by the plan’s trustees after considering input from the plan’s investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in the WRS actuarial valuation report as of January 1, 2018. In addition, an experience study was completed as of December 31, 2016 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% (composed of an assumed 2.25% inflation rate and a 4.75% real rate of return) falls within a reasonable range of the long-term expected rate of return.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 9. Defined Benefit Pension Plans (Continued)

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 arithmetic 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. For each major asset class that is included in the pension plans' target allocation as of January 1, 2018, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>	<u>Long-Term Expected Arithmetic Real of Return</u>
Cash	0.00%	0.30%	0.30%
Fixed income	20.00%	1.50%	2.00%
Equity	49.00%	6.00%	7.40%
Marketable alternatives	19.00%	3.10%	3.50%
Private markets	12.00%	5.20%	7.00%
Total	<u>100.00%</u>	<u>4.40%</u>	<u>5.50%</u>

Discount Rate

The discount rate used to measure the Public Employees Plan and the Law Enforcement Plan total pension liability was 7.00 percent. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits using a 100 year analysis) and 2) tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). However, for the Paid Firemen's Retirement Fund Plan B, the discount rate was changed from 6.59% in the prior valuation to 5.65% for the current valuation. The discount rate for the Paid Fireman's Retirement Fund Plan A was changed from 4.38% to 3.75%.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 9. Defined Benefit Pension Plans (Continued)

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

The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate. Differences in the Fire Pension Plans A and B are noted below.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Primary Government	6.00%	7.00%	8.00%
Public Employees' Pension Plan	\$ 19,105,951	\$ 13,776,358	\$ 9,328,862
	<u>4.92%</u>	<u>5.92%</u>	<u>6.92%</u>
Wyoming Law Enforcement Retirement Plan	16,963,441	11,266,966	6,648,809
Component Units			
Natrona County Weed and Pest Public Employees' Pension Plan	961,867	693,555	469,651
Natrona County Library Public Employees' Pension Plan	3,238,343	2,335,010	1,581,185
Natrona County Fair Board Public Employees' Pension Plan	918,081	661,983	448,271
City of Casper/Natrona County Health Department Public Employees' Pension Plan	4,232,604	3,051,922	2,066,654
Natrona County Community Action Partnership Public Employees' Pension Plan	1,933,491	1,394,145	944,066
Natrona County International Airport Public Employees' Pension Plan	2,768,697	1,996,371	1,351,872
	<u>3.01%</u>	<u>4.01%</u>	<u>5.01%</u>
Fire Pension Plan A	\$ 673,491	\$ 556,974	\$ 463,050
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Fire Pension Plan B	\$ 595,207	\$ 285,711	\$ 28,989

Payables to the Pension Plans – At June 30, 2019, the County reported \$222,046 as payable to the pension plans.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 10. Deferred Compensation Plans

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

Note 11. County Equity

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

	General Fund	County Road Construction Fund	Other Nonmajor Funds	Totals
Fund balances				
Nonspendable				
Inventory	\$ 42,759	\$ -	\$ -	\$ 42,759
Restricted for				
Road construction	-	331,683	-	331,683
Drug court	-	-	149,339	149,339
Lake water and sewer	109,550	-	-	109,550
Bureau of Reclamation lake	2,213,007	-	-	2,213,007
Committed to				
Perpetual care of one cent projects	2,267,663	-	-	2,267,663
Natrona County Detention Center Joint Powers Board	-	-	48,121	48,121
Hall of Justice Joint Powers Board	-	-	86,156	86,156
County roads	7,564,714	-	-	7,564,714
Assigned to				
Emergency reserves	7,324,833	-	-	7,324,833
Planned capital projects	16,141,961	-	-	16,141,961
Unassigned	6,514,809	-	-	6,514,809
Totals	<u>\$ 42,179,296</u>	<u>\$ 331,683</u>	<u>\$ 283,616</u>	<u>\$ 42,794,595</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 12. Deficit Net Position

At June 30, 2019, the component units of the County had an unrestricted deficit in the amount of \$724,760, \$343,296, \$1,059,731, and \$850,199 in the Natrona County Public Library, Natrona County Fair, the City of Casper/Natrona County Health Department, and Community Action Partnership of Natrona County, respectively. These deficits were the direct result of recognizing the net pension liability.

Note 13. Commitments and Contingencies

Contingencies

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

Note 14. Risk Management Programs

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. As a result of these and other risks, the County participates in Wyoming Association of Risk Management (WARM), a management risk pool and WARM property insurance pool. Assessments for premiums or retroactive premiums are based on each member's payroll costs in relation to the total payroll costs of all members. Historically, the County's payroll has represented approximately 17.4% of the total payroll of all participants in the pool. The Coverage limit is \$21,000,000, which also includes various sub-limits. Claims have not exceeded coverage amounts in any of the last three years. Premiums paid to WARM by the County totaled \$467,360 and \$498,475 for the years ended June 30, 2019 and 2018, respectively.

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

Wyoming Statute §27-14-101 created the Wyoming Workers' Compensation Act which is administered as an enterprise fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan with only a few exceptions. This Act provides for the payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the County. The County makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and is a split rate between hazardous and non-hazardous positions. Amounts paid by the County to the State for Workers' Compensation during fiscal year 2019 and 2018 were \$491,584 and \$416,660, respectively.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 14. Risk Management Programs (Continued)

The County also provides health care benefits for primary government and component unit employees. Under this program, the County is insured under a stop-loss policy for individual claims exceeding \$100,000 per year. Premiums paid for stop-loss insurance were \$810,531 and \$729,237 respectively, for the years ended June 30, 2019 and 2018. Estimated medical claims are calculated by the plan administrator based on past historical experience and current economic events. Claims are usually paid within one year of submission. Changes in the County's health care risk management liability during the years ended June 30, 2019 and 2018 are as follows:

	2019	2018
Health care risk management liability, beginning of year	\$ 247,500	\$ 515,000
Claims incurred	(5,195,384)	(5,247,705)
Claims paid	5,580,384	4,980,205
Health care risk management liability, end of year	\$ 632,500	\$ 247,500

Insurance settlements during the last three fiscal years have not exceeded the County's insurance coverage. There has been no significant change in insurance coverage or the County's risk management programs during the year ended June 30, 2019.

Note 15. Investment Pool

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

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

	Primary Government	Component Units	External Participants	Total
Statement of Net Position				
Investments	\$ 2,910,857	\$ 647,810	\$ 711,230	\$ 4,269,897
Net position, restricted for external pool participants	-	-	711,230	711,230
Net position, unrestricted	2,910,857	647,810	-	3,558,667
Total net position	\$ 2,910,857	\$ 647,810	\$ 711,230	\$ 4,269,897

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 15. Investment Pool (Continued)

	Primary Government	Component Units	External Participants	Total
Statement of Changes in Net Position				
Investment income	\$ 181,901	\$ 9,952	\$ 11,516	\$ 203,369
Distributions to participants	-	-	(200,000)	(200,000)
Change in net position	181,901	9,952	(188,484)	3,369
Net position, beginning	2,728,956	637,858	899,714	4,266,528
Net position, ending	<u>\$ 2,910,857</u>	<u>\$ 647,810</u>	<u>\$ 711,230</u>	<u>\$ 4,269,897</u>

All investments of the Natrona County Investment Pool are reported at fair value which is determined at least annually through market quotes. Each participant's position in the investment pool is calculated by the proportion of the cost of their contribution to the total funds invested in the pool multiplied by the pool's total fair value as of any specific date. During the year ended June 30, 2019, the County did not provide or obtain any legally binding guarantees to support the value of the participant's shares. The following schedule summarizes the holdings of the investment pool as of June 30, 2019:

	Carrying Value	Fair Value
Cash deposits	\$ 608,524	\$ 608,524
FHLB notes, interest rates at 1.5 %, maturing 2027	2,142,990	2,120,435
FNMA mortgage backed securities, interest rates from 1.25% to 2.50%, maturing 2019 to 2032	255,000	253,975
FHLMC note, interest at 1.0%, maturing 2021	1,290,006	1,262,655
GNMA pass thru pool, interest at 4.5%, maturing 2023	23,600	24,308
Total investments	<u>\$ 4,320,120</u>	<u>\$ 4,269,897</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 16. Related Organizations

The County provided revenues to various component units during the fiscal year ended June 30, 2019. Following are the amounts provided and the associated amounts payable to these component units as of June 30, 2019.

	Revenues Provided	Amounts Payable June 30, 2019
Natrona County Weed and Pest Control	\$ -	\$ 1,294,221
Natrona County Fair	2,020,454	-
Natrona County Public Library	2,460,721	-
City of Casper/Natrona County Health Department	640,000	-
Community Action Partnership of Natrona County	161,682	-

Note 17. Accounting Standards Issued, But Not Implemented

Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement 84 provides that governments should report activities meeting certain criteria in a fiduciary fund in the basic financial statements and present a statement of fiduciary net position and a statement of changes in fiduciary net position. Statement 84 also describes four fiduciary funds that should be reported, if applicable: pension/employee benefit trust funds; investment trust funds; private purpose trust funds; and custodial funds with fiduciary activities that are not held in a trust or equivalent arrangement. This Statement is effective for reporting periods beginning after December 15, 2018. Management has not concluded its assessment of the effect of implementing this guidance.

Governmental Accounting Standards Board Statement No. 87, *Leases*, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Under this standard, government lessors must recognize (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and report in its financial statements (a) lease revenue recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable; and (c) note disclosures about the lease. This standard is effective for reporting periods beginning after December 15, 2019. Management has not concluded its assessment of the effect of implementing this guidance.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

Note 18. Subsequent Events

In August 2019, the County awarded a contract to an equipment company for \$106,286 to purchase a Ram 5500 truck.

In September 2019, the County awarded a contract to a construction company for \$827,089 to load and haul 53,177 tons of crushed road base to various county roads.

This page is intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

This page is intentionally left blank

NATRONA COUNTY, WYOMING

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019
(Unaudited)

Infrastructure Assets Reported Using the Modified Approach

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

The County manages its road network with an assessment system under a contract with an outside party. The network is assessed every three years, with the most recent assessment of paved roads completed in fiscal year 2017 and gravel roads completed in fiscal year 2015. The roads may be rated as being in standard or substandard condition. Standard paved roads will not need major repairs for 8 to 20 years. Substandard paved roads will need major repairs within 0 to 7 years. Standard gravel roads will not need major repairs for 4 years. Substandard gravel roads will need major repairs within 0 to 4 years due to not having the proper structural base. The following table outlines condition levels, relative remaining life, and maintenance/rehabilitation required for paved and gravel roads as determined by the outside party which prepared the detailed condition survey for the County.

Paved Roads

Pavement Condition No.	Relative Remaining Life Prior to Rehabilitation	Maintenance/Rehabilitation Required
85 - 100	12 to 15 years	Minimal - minor patching and crack sealing
80 - 84	10 to 12 years	Some - slurry seal or thin resurfacing
70 - 79	8 to 10 years	Routine - slurry seal, thin to thick resurfacing
60 - 69	6 to 8 years	Increasing - thicker resurfacing, surface replacement and possibly some subgrade stabilization
40 - 59	3 to 6 years	High - surface replacement, base reconstruction and possibly some subgrade stabilization
0 - 39	Less than 3 years	Very high - total reconstruction with subgrade preparation

Gravel Roads

Surface Condition No.	Relative Remaining Life Prior to Rehabilitation	Maintenance/Rehabilitation Required
85 - 100	12 to 15 years	Minimal - some grading
80 - 84	10 to 12 years	Some - moderate grading
70 - 79	8 to 10 years	Thick to thin layer of gravel and potential for some sub base reconstruction and recompaction
60 - 69	6 to 8 years	Potential reshaping, gravel and recompaction
40 - 59	3 to 6 years	Some sub base reconstruction, gravel and recompaction
0 - 39	Less than 3 years	Total sub base reconstruction, reshaping, gravel and reconstruction

Effective July 1, 2006, it is the County's policy to maintain its paved roads with at least 25% rated as standard and to maintain its gravel roads with at least 21% rated as standard. Standard includes pavement/gravel condition numbers 70 and above. The County added an additional category of dirt/unimproved roads which are not assessed or maintained. The assessment of paved roads in 2018 was performed by the Wyoming Technology Transfer Center. This resulted in condition categories which differed from the prior year. The number of miles of paved and gravel rated standard and substandard are as follows:

See accompanying notes to required supplementary information

NATRONA COUNTY, WYOMING

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

June 30, 2019

(Unaudited)

Infrastructure Assets Reported Using the Modified Approach (Continued)

2019 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	5	3.7%	n/a	n/a	n/a	n/a
70 - 85	60	44.4%	n/a	n/a	n/a	n/a
60 - 80	n/a	n/a	79	22.3%	n/a	n/a
Sub-standard						
Less than 70	70	51.9%	n/a	n/a	n/a	n/a
50 - 60	n/a	n/a	164	46.3%	n/a	n/a
40 - 50	n/a	n/a	87	24.6%	n/a	n/a
30 - 40	n/a	n/a	20	5.6%	n/a	n/a
20 - 30	n/a	n/a	4	1.1%	n/a	n/a
Unimproved	n/a	n/a	n/a	n/a	260	100%
	<u>135</u>	<u>100%</u>	<u>354</u>	<u>100%</u>	<u>260</u>	<u>100%</u>
2018 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	3	2.2%	1	0.3%	n/a	n/a
80 - 84	n/a	n/a	8	2.3%	n/a	n/a
70 - 85	48	35.8%	n/a	n/a	n/a	n/a
70 - 79	n/a	n/a	43	12.3%	n/a	n/a
Sub-standard						
Less than 70	83	61.9%	n/a	n/a	n/a	n/a
60 - 69	n/a	n/a	64	18.0%	n/a	n/a
40 - 59	n/a	n/a	110	31.0%	n/a	n/a
0 - 39	n/a	n/a	56	15.8%	n/a	n/a
Not evaluated	n/a	n/a	n/a	n/a	n/a	n/a
Unimproved	n/a	n/a	n/a	n/a	352	100%
	<u>134</u>	<u>100%</u>	<u>282</u>	<u>80%</u>	<u>352</u>	<u>100%</u>
2017 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	3	2.2%	1	0.4%	n/a	n/a
80 - 84	n/a	n/a	8	2.9%	n/a	n/a
70 - 85	48	35.8%	n/a	n/a	n/a	n/a
70 - 79	n/a	n/a	43	15.4%	n/a	n/a
Sub-standard						
Less than 70	83	61.9%	n/a	n/a	n/a	n/a
60 - 69	n/a	n/a	64	22.6%	n/a	n/a
40 - 59	n/a	n/a	110	38.9%	n/a	n/a
0 - 39	n/a	n/a	56	19.8%	n/a	n/a
Not evaluated	n/a	n/a	n/a	n/a	n/a	n/a
Unimproved	n/a	n/a	n/a	n/a	352	100%
	<u>134</u>	<u>100%</u>	<u>282</u>	<u>100%</u>	<u>352</u>	<u>100%</u>

See accompanying notes to required supplementary information

NATRONA COUNTY, WYOMING

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

June 30, 2019

(Unaudited)

Infrastructure Assets Reported Using the Modified Approach (Continued)

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

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

Condition Rating	2019		2018		2017	
	Bridges	Percent	Bridges	Percent	Bridges	Percent
Acceptable (80 to 100 points)	13	54%	12	50%	12	50%
Borderline (50 to 80 points)	6	25%	6	25%	6	25%
Deficient (less than 50 points)	5	21%	6	25%	6	25%
	<u>24</u>	<u>100%</u>	<u>24</u>	<u>100%</u>	<u>24</u>	<u>100%</u>

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

	2019	2018	2017	2016	2015
Estimated maintenance and preservation expenditures	\$ 6,212,930	\$ 6,228,252	\$ 11,372,123	\$ 13,868,932	\$ 10,854,717
Actual maintenance and preservation expenditures	4,094,909	3,684,096	3,927,347	8,292,729	4,484,356
	<u>\$ (2,118,021)</u>	<u>\$ (2,544,156)</u>	<u>\$ (7,444,776)</u>	<u>\$ (5,576,203)</u>	<u>\$ (6,370,361)</u>

See accompanying notes to required supplementary information

NATRONA COUNTY, WYOMING

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years **

(Unaudited)

<i>Primary Government</i>	2019	2018	2017	2016
Public Employees Pension Plan				
Proportion of the net pension liability	0.452382321%	0.445883975%	0.453968700%	0.468401280%
Proportionate share of the net pension liability	\$ 13,776,358	\$ 10,163,214	\$ 10,974,694	\$ 10,910,696
Covered payroll	\$ 7,877,580	\$ 7,920,583	\$ 8,093,832	\$ 8,169,264
Proportionate share of the net pension liability as a percentage of its covered payroll	174.88%	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	69.17%	76.35%	73.42%	73.40%
Law Enforcement Pension Plan				
Proportion of the net pension liability	4.654381224%	4.668355203%	4.723196200%	4.722061512%
Proportionate share of the net pension liability	\$ 11,266,966	\$ 4,016,860	\$ 3,565,632	\$ 3,547,210
Covered payroll	\$ 7,069,944	\$ 7,168,123	\$ 7,310,525	\$ 7,101,968
Proportionate share of the net pension liability as a percentage of its covered payroll	159.36%	56.04%	48.77%	49.95%
Plan fiduciary net position as a percentage of the total pension liability	71.22%	87.99%	88.11%	87.49%
Component Units				
Public Employees Pension Plan				
Natrona County Community Action Partnership				
Proportion of the net pension liability	0.045780354%	0.049022197%	0.043420300%	0.039561313%
Proportionate share of the net pension liability	\$ 1,394,145	\$ 1,117,383	\$ 1,049,686	\$ 921,521
Covered payroll	\$ 797,198	\$ 870,819	\$ 774,143	\$ 689,979
Proportionate share of the net pension liability as a percentage of its covered payroll	174.88%	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	69.17%	76.35%	73.42%	73.40%
Natrona County Fair				
Proportion of the net pension liability	0.021737924%	0.021005648%	0.023136300%	0.022044287%
Proportionate share of the net pension liability	\$ 661,983	\$ 478,790	\$ 559,320	\$ 513,488
Covered payroll	\$ 378,534	\$ 373,140	\$ 412,498	\$ 384,469
Proportionate share of the net pension liability as a percentage of its covered payroll	174.88%	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	69.17%	76.35%	73.42%	73.40%
City of Casper/Natrona County Health Department				
Proportion of the net pension liability	0.100217749%	0.091178334%	0.094638500%	0.094635664%
Proportionate share of the net pension liability	\$ 3,051,922	\$ 2,078,265	\$ 2,287,886	\$ 2,204,394
Covered payroll	\$ 1,745,146	\$ 1,619,671	\$ 1,687,315	\$ 1,650,516
Proportionate share of the net pension liability as a percentage of its covered payroll	174.88%	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	69.17%	76.35%	73.42%	73.40%
Natrona County Public Library				
Proportion of the net pension liability	0.076676060%	0.078602886%	0.078820500%	0.079399399%
Proportionate share of the net pension liability	\$ 2,335,010	\$ 1,791,627	\$ 1,905,486	\$ 1,849,488
Covered payroll	\$ 1,335,202	\$ 1,396,284	\$ 1,405,295	\$ 1,384,784
Proportionate share of the net pension liability as a percentage of its covered payroll	174.88%	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	69.17%	76.35%	73.42%	73.40%

See accompanying notes to required supplementary information

2015	2014	2013	2012	2011	2010
0.471110030%	*	*	*	*	*
\$ 8,313,642	*	*	*	*	*
\$ 8,053,213	*	*	*	*	*
103.23%	*	*	*	*	*
79.08%	*	*	*	*	*
4.866427377%	*	*	*	*	*
\$ 1,433,828	*	*	*	*	*
\$ 7,192,134	*	*	*	*	*
19.94%	*	*	*	*	*
94.76%	*	*	*	*	*
0.034926668%	*	*	*	*	*
\$ 616,348	*	*	*	*	*
\$ 597,041	*	*	*	*	*
103.23%	*	*	*	*	*
79.08%	*	*	*	*	*
0.022385761%	*	*	*	*	*
\$ 395,040	*	*	*	*	*
\$ 382,665	*	*	*	*	*
103.23%	*	*	*	*	*
79.08%	*	*	*	*	*
0.101745508%	*	*	*	*	*
\$ 1,795,494	*	*	*	*	*
\$ 1,739,250	*	*	*	*	*
103.23%	*	*	*	*	*
79.08%	*	*	*	*	*
0.079183759%	*	*	*	*	*
\$ 1,397,350	*	*	*	*	*
\$ 1,353,577	*	*	*	*	*
103.23%	*	*	*	*	*
79.08%	*	*	*	*	*

(Continued)

NATRONA COUNTY, WYOMING

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)

Last 10 Fiscal Years **
(Unaudited)

<i>Component Units (Continued)</i>	2019	2018	2017	2016
Public Employees Pension Plan				
Natrona County Weed and Pest				
Proportion of the net pension liability	0.022774661%	0.022733463%	0.020864600%	0.017447965%
Proportionate share of the net pension liability	\$ 693,555	\$ 518,173	\$ 504,402	\$ 406,424
Covered payroll	\$ 396,588	\$ 403,832	\$ 371,996	\$ 304,305
Proportionate share of the net pension liability as a percentage of its covered payroll	174.88%	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	69.17%	76.35%	73.42%	73.40%
Natrona County International Airport				
Proportion of the net pension liability	0.065600000%	0.064100000%	0.061255600%	0.060307348%
Proportionate share of the net pension liability	\$ 1,996,371	\$ 1,462,088	\$ 1,480,854	\$ 1,404,769
Covered payroll	\$ 1,152,425	\$ 1,121,516	\$ 1,108,472	\$ 1,051,805
Proportionate share of the net pension liability as a percentage of its covered payroll	130.37%	130.37%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	69.17%	76.35%	73.42%	73.40%
Fire Pension Plan A				
Natrona County International Airport				
Proportion of the net pension liability	0.245362600%	0.242000000%	0.242200000%	0.239134445%
Proportionate share of the net pension liability	\$ 556,974	\$ 546,007	\$ 444,373	\$ 443,485
Covered payroll	\$ -	\$ -	\$ -	\$ -
Proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	29.99%	34.28%	38.91%	40.05%
Fire Pension Plan B				
Natrona County International Airport				
Proportion of the net pension liability	1.361619300%	1.514300000%	1.555900000%	1.714325603%
Proportionate share of the net pension liability	\$ 285,711	\$ 624,418	\$ 491,090	\$ 524,148
Covered payroll	\$ 380,805	\$ 390,530	\$ 401,944	\$ 475,401
Proportionate share of the net pension liability as a percentage of its covered payroll	75.03%	159.89%	122.18%	110.25%
Plan fiduciary net position as a percentage of the total pension liability	87.07%	77.98%	80.16%	79.33%

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

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

See accompanying notes to required supplementary information

2015	2014	2013	2012	2011	2010
0.019017767%	*	*	*	*	*
\$ 335,605	*	*	*	*	*
\$ 325,092	*	*	*	*	*
103.23%	*	*	*	*	*
79.08%	*	*	*	*	*
0.061524350%	*	*	*	*	*
\$ 1,085,715	*	*	*	*	*
\$ 1,051,705	*	*	*	*	*
103.23%	*	*	*	*	*
79.08%	*	*	*	*	*
0.236033104%	*	*	*	*	*
\$ 388,481	*	*	*	*	*
\$ -	*	*	*	*	*
0.00%	*	*	*	*	*
45.95%	*	*	*	*	*
1.676523750%	*	*	*	*	*
\$ (18,854)	*	*	*	*	*
\$ 411,629	*	*	*	*	*
-4.58%	*	*	*	*	*
100.98%	*	*	*	*	*

NATRONA COUNTY, WYOMING

SCHEDULE OF PENSION CONTRIBUTIONS

Last 10 Fiscal Years

(Unaudited)

<i>Primary Government</i>	2019	2018	2017	2016
Public Employees Pension Plan				
Contractually required contribution	\$ 1,346,487	\$ 1,305,903	\$ 1,323,390	\$ 1,387,809
Contributions in relation to the contractually required contribution	<u>(1,346,487)</u>	<u>(1,305,903)</u>	<u>(1,323,390)</u>	<u>(1,387,809)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 7,864,994</u>	<u>\$ 7,857,419</u>	<u>\$ 7,962,635</u>	<u>\$ 8,350,235</u>
Contributions as a percentage of covered payroll	17.12%	16.62%	16.62%	16.62%
Law Enforcement Pension Plan				
Contractually required contribution	\$ 1,307,756	\$ 1,264,549	\$ 1,276,291	\$ 1,277,699
Contributions in relation to the contractually required contribution	<u>(1,307,756)</u>	<u>(1,264,549)</u>	<u>(1,276,291)</u>	<u>(1,277,699)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 7,603,233</u>	<u>\$ 7,352,029</u>	<u>\$ 7,420,295</u>	<u>\$ 7,428,483</u>
Contributions as a percentage of covered payroll	17.20%	17.20%	17.20%	17.20%
Component Units				
Public Employees Pension Plan				
Natrona County Community Action Partnership				
Contractually required contribution	\$ 138,619	\$ 136,240	\$ 135,801	\$ 126,746
Contributions in relation to the contractually required contribution	<u>(138,619)</u>	<u>(136,240)</u>	<u>(135,801)</u>	<u>(126,746)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 809,690</u>	<u>\$ 819,735</u>	<u>\$ 817,094</u>	<u>\$ 762,611</u>
Contributions as a percentage of covered payroll	17.12%	16.62%	16.62%	16.62%
Natrona County Fair				
Contractually required contribution	\$ 65,277	\$ 61,042	\$ 68,074	\$ 68,074
Contributions in relation to the contractually required contribution	<u>(65,277)</u>	<u>(61,042)</u>	<u>(68,074)</u>	<u>(68,074)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 381,291</u>	<u>\$ 367,280</u>	<u>\$ 409,591</u>	<u>\$ 409,591</u>
Contributions as a percentage of covered payroll	17.12%	16.62%	16.62%	16.62%
City of Casper/Natrona County Health Department				
Contractually required contribution	\$ 321,168	\$ 273,827	\$ 273,510	\$ 290,070
Contributions in relation to the contractually required contribution	<u>(321,168)</u>	<u>(273,827)</u>	<u>(273,510)</u>	<u>(290,070)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,875,981</u>	<u>\$ 1,647,575</u>	<u>\$ 1,645,668</u>	<u>\$ 1,745,307</u>
Contributions as a percentage of covered payroll	17.12%	16.62%	16.62%	16.62%
Natrona County Public Library				
Contractually required contribution	\$ 229,865	\$ 223,159	\$ 233,318	\$ 234,762
Contributions in relation to the contractually required contribution	<u>(229,865)</u>	<u>(223,159)</u>	<u>(233,318)</u>	<u>(234,762)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,342,669</u>	<u>\$ 1,342,714</u>	<u>\$ 1,403,839</u>	<u>\$ 1,412,527</u>
Contributions as a percentage of covered payroll	17.12%	16.62%	16.62%	16.62%

See accompanying notes to required supplementary information

2015	2014	2013	2012	2011	2010
\$ 1,313,200	*	*	*	*	*
<u>(1,313,200)</u>	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
<u>\$ 8,274,732</u>	*	*	*	*	*
15.87%	*	*	*	*	*
\$ 1,283,134	*	*	*	*	*
<u>(1,283,134)</u>	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
<u>\$ 7,460,081</u>	*	*	*	*	*
17.20%	*	*	*	*	*
\$ 105,648	*	*	*	*	*
<u>(105,648)</u>	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
<u>\$ 665,709</u>	*	*	*	*	*
15.87%	*	*	*	*	*
\$ 60,137	*	*	*	*	*
<u>(60,137)</u>	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
<u>\$ 378,935</u>	*	*	*	*	*
15.87%	*	*	*	*	*
\$ 276,671	*	*	*	*	*
<u>(276,671)</u>	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
<u>\$ 1,743,359</u>	*	*	*	*	*
15.87%	*	*	*	*	*
\$ 224,981	*	*	*	*	*
<u>(224,981)</u>	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
<u>\$ 1,417,650</u>	*	*	*	*	*
15.87%	*	*	*	*	*

(Continued)

NATRONA COUNTY, WYOMING

SCHEDULE OF PENSION CONTRIBUTIONS (CONTINUED)

Last 10 Fiscal Years

(Unaudited)

<i>Component Units (Continued)</i>	2019	2018	2017	2016
Public Employees Pension Plan				
Natrona County Weed and Pest				
Contractually required contribution	\$ 66,540	\$ 65,581	\$ 65,638	\$ 56,627
Contributions in relation to the contractually required contribution	(66,540)	(65,581)	(65,638)	(56,627)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 388,668</u>	<u>\$ 394,591</u>	<u>\$ 394,934</u>	<u>\$ 340,716</u>
Contributions as a percentage of covered payroll	17.12%	16.62%	16.62%	16.62%
Natrona County International Airport				
Contractually required contribution	\$ 191,533	\$ 186,396	\$ 184,228	\$ 174,032
Contributions in relation to the contractually required contribution	(191,533)	(186,396)	(184,228)	(174,032)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 1,152,425</u>	<u>\$ 1,121,516</u>	<u>\$ 1,108,472</u>	<u>\$ 1,047,124</u>
Contributions as a percentage of covered payroll	16.62%	16.62%	16.62%	16.62%
Fire Pension Plan A				
Natrona County International Airport				
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%
Fire Pension Plan B				
Natrona County International Airport				
Contractually required contribution	\$ 80,902	\$ 82,968	\$ 85,393	\$ 100,999
Contributions in relation to the contractually required contribution	(80,902)	(82,968)	(85,393)	(100,999)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 380,805</u>	<u>\$ 390,438</u>	<u>\$ 401,849</u>	<u>\$ 475,289</u>
Contributions as a percentage of covered payroll	21.245%	21.25%	21.25%	21.25%

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

2015	2014	2013	2012	2011	2010
\$ 59,314	*	*	*	*	*
(59,314)	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
<u>\$ 373,749</u>	*	*	*	*	*
15.87%	*	*	*	*	*
\$ 170,491	*	*	*	*	*
(170,491)	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
<u>\$ 1,074,297</u>	*	*	*	*	*
15.87%	*	*	*	*	*
\$ -	*	*	*	*	*
-	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
0.00%	*	*	*	*	*
\$ 96,864	*	*	*	*	*
(96,864)	*	*	*	*	*
<u>\$ -</u>	*	*	*	*	*
<u>\$ 455,831</u>	*	*	*	*	*
21.25%	*	*	*	*	*

NATRONA COUNTY, WYOMING

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
Year Ended June 30, 2019
(Unaudited)**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 17,030,999	\$ 17,030,999	\$ 17,652,925	\$ 621,926
Licenses and permits	1,765,239	1,765,239	1,745,613	(19,626)
Intergovernmental	19,627,843	19,627,843	20,174,575	546,732
Charges for services	3,652,193	3,652,193	3,812,603	160,410
Investment income	144,311	144,311	642,373	498,062
Miscellaneous	607,822	607,822	818,592	210,770
Total revenues	<u>42,828,407</u>	<u>42,828,407</u>	<u>44,846,681</u>	<u>2,018,274</u>
Expenditures				
Current				
Agriculture	286,499	286,499	253,500	32,999
Assessor	923,008	923,008	784,166	138,842
Clerk	1,737,155	1,737,155	1,653,317	83,838
Coroner	458,108	458,108	451,683	6,425
Clerk of Court	1,771,130	1,833,916	1,716,349	117,567
Commissioners	15,347,806	16,939,631	15,224,197	1,715,434
Information technology	1,650,782	1,650,782	1,589,146	61,636
One percent	3,042,080	3,858,817	3,365,541	493,276
Road and bridge	4,911,433	4,911,433	3,835,377	1,076,056
Sheriff	15,482,292	15,572,632	15,313,350	259,282
Treasurer	1,009,022	1,009,022	882,877	126,145
Total expenditures	<u>46,619,315</u>	<u>49,181,003</u>	<u>45,069,503</u>	<u>4,111,500</u>
Net change in fund balance	<u>\$ (3,790,908)</u>	<u>\$ (6,352,596)</u>	(222,822)	<u>\$ 6,129,774</u>
Fund balance - beginning of year			<u>42,089,133</u>	
Fund balance - end of year			<u>\$ 41,866,311</u>	

See accompanying note to required supplementary information

NATRONA COUNTY, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019
(UNAUDITED)

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

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

	General Fund
Revenues	
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 44,846,681
Difference - Budget Basis to GAAP Basis	
Accrual of accounts receivable	(60,686)
Accrual of property taxes receivable	163,589
Accrual of grants receivable	46,515
Total revenue as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 44,996,099
Expenditures	
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 45,069,503
Difference - Budget Basis to GAAP Basis	
Accrual of accounts payable	(679,298)
Accrual of interest expense	(1,776)
Accrual of compensated absences	11,768
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 44,400,197

NATRONA COUNTY, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019
(UNAUDITED)

Note 2. Explanation of Changes to Pension Plans

Changes of assumptions – There have been no changes of assumptions in the Public Employees’ Pension Plan from January 1, 2017 to January 1, 2018. However, for the Paid Firemen’s Pension Plan B, amounts reported in 2018 reflect an adjustment in the blended single discount rate from 6.593% to the blended single discount rate of 5.65%. For the Paid Firemen’s Pension Plan A, amounts reported in 2018 reflect an adjustment in the blended single discount rate from 4.377% to the blended single discount rate of 3.75%.

Changes in benefits - There have been no changes in the benefit provisions of any pension plans since the prior valuation.

OTHER SUPPLEMENTARY INFORMATION

This page is intentionally left blank

NATRONA COUNTY, WYOMING

COMBINING BALANCE SHEET
NONMAJOR FUNDS

June 30, 2019

	Special Revenue Funds			Totals
	Drug Court Fund	Hall of Justice Joint Powers Board	Natrona County Jail Joint Powers Board	
ASSETS				
Cash and cash equivalents	\$ -	\$ 86,156	\$ 48,121	\$ 134,277
Due from other funds	149,339	-	-	149,339
Total assets	<u>\$ 149,339</u>	<u>\$ 86,156</u>	<u>\$ 48,121</u>	<u>\$ 283,616</u>
FUND BALANCES				
Restricted	149,339	-	-	149,339
Unrestricted				
Committed	-	86,156	48,121	134,277
Total fund balances	<u>\$ 149,339</u>	<u>\$ 86,156</u>	<u>\$ 48,121</u>	<u>\$ 283,616</u>

NATRONA COUNTY, WYOMING

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

June 30, 2019

	Special Revenue Funds			Totals
	Drug Court Fund	Hall of Justice Joint Powers Board	Natrona County Jail Joint Powers Board	
Revenues				
Intergovernmental revenues	\$ 478,519	\$ -	\$ -	\$ 478,519
Charges for services	24,550	-	-	24,550
Miscellaneous revenues	1,000	2,200	60,865	64,065
Total revenues	<u>504,069</u>	<u>2,200</u>	<u>60,865</u>	<u>567,134</u>
Expenditures				
Current				
Health and welfare	493,080	-	-	493,080
Capital outlay	765	-	50,970	51,735
Total expenditures	<u>493,845</u>	<u>-</u>	<u>50,970</u>	<u>544,815</u>
Net change in fund balances	<u>10,224</u>	<u>2,200</u>	<u>9,895</u>	<u>22,319</u>
Fund balances - beginning of year	<u>139,115</u>	<u>83,956</u>	<u>38,226</u>	<u>261,297</u>
Fund balances - end of year	<u>\$ 149,339</u>	<u>\$ 86,156</u>	<u>\$ 48,121</u>	<u>\$ 283,616</u>

NATRONA COUNTY, WYOMING

**NATRONA COUNTY COURT SUPERVISED TREATMENT PROGRAM
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS**

Year Ended June 30, 2019

	State	Program Income	Total
CASH RECEIPTS			
State funds	\$ 395,605	\$ -	\$ 395,605
Program income	-	28,208	28,208
Total cash receipts	<u>395,605</u>	<u>28,208</u>	<u>423,813</u>
CASH DISBURSEMENTS			
<i>Administrative</i>			
Salaries and wages	102,000	1,935	103,935
Employee benefits	44,206	2,747	46,953
Telephone/cell phone	1,966	1,186	3,152
Office supplies	1,000	625	1,625
Photocopier	1,000	3,911	4,911
Office space	33,784	-	33,784
<i>Travel and training</i>	3,000	17,381	20,381
<i>Treatment and supervision</i>			
Salaries and wages	141,003	2,673	143,676
Employee benefits	58,600	3,793	62,393
Drug testing supplies	-	2,915	2,915
Drug testing	22,690	138	22,828
Electronic monitoring	-	127	127
Other program materials	2,000	2,857	4,857
Total cash disbursements	<u>411,249</u>	<u>40,288</u>	<u>451,537</u>
Decrease in cash	(15,644)	(12,080)	(27,724)
Cash balance (deficit) held by general fund, beginning of year	<u>(19,026)</u>	<u>119,491</u>	<u>100,465</u>
Cash balance (deficit) held by general fund, end of year	<u>\$ (34,670)</u>	<u>\$ 107,411</u>	<u>\$ 72,741</u>

NATRONA COUNTY, WYOMING

**SCHEDULE OF PROPERTY TAXES LEVIED AND COLLECTED -
LAST FIVE FISCAL YEARS**

Year Ended June 30, 2019

<u>Year</u>	<u>Property Taxes Levied</u>	<u>Property Taxes Collected</u>	<u>Percentage of Taxes Collected</u>
2019	\$ 85,929,166	\$ 84,626,484	98.48%
2018	84,254,402	83,775,324	99.43%
2017	84,489,576	84,372,146	99.86%
2016	100,943,902	100,702,346	99.76%
2015	99,503,492	99,184,728	99.68%

NATRONA COUNTY, WYOMING

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

June 30, 2019

	Natrona County Public Library	Natrona County Public Library Foundation	Total
ASSETS			
Cash and cash equivalents	\$ 760,888	\$ 172,246	\$ 933,134
Investments	105,699	-	105,699
Beneficial interest in assets held by others	-	272,855	272,855
Accounts receivable	-	4,790	4,790
Capital assets not being depreciated	803,480	1,500,000	2,303,480
Capital assets being depreciated, net	763,074	-	763,074
Restricted cash and cash equivalents	-	33,401	33,401
Restricted investments	-	3,016,741	3,016,741
Total assets	<u>2,433,141</u>	<u>5,000,033</u>	<u>7,433,174</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	803,768	-	803,768
Total deferred outflows of resources	<u>803,768</u>	<u>-</u>	<u>803,768</u>
LIABILITIES			
Accounts payable and accrued liabilities	84,230	-	84,230
Noncurrent liabilities			
Due within one year	9,441	-	9,441
Due in more than one year	2,435,768	-	2,435,768
Total liabilities	<u>2,529,439</u>	<u>-</u>	<u>2,529,439</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	315,567	-	315,567
Total deferred inflows of resources	<u>315,567</u>	<u>-</u>	<u>315,567</u>
NET POSITION			
Net investment in capital assets	1,566,554	1,533,401	3,066,554
Restricted by donors	-	3,050,142	3,050,142
Unrestricted (deficit)	<u>(1,174,651)</u>	<u>416,490</u>	<u>(724,760)</u>
Total net position	<u>\$ 391,903</u>	<u>\$ 5,000,033</u>	<u>\$ 5,391,936</u>

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF ACTIVITIES
 NATRONA COUNTY PUBLIC LIBRARY
 Year Ended June 30, 2019

		Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units				
Natrona County Public Library	\$ 3,084,514	\$ 39,605	\$ 2,680,826	\$ -
Natrona County Public Library Foundation	339,119	-	-	-
	\$ 3,423,633	\$ 39,605	\$ 2,680,826	\$ -
		General revenues		
		Unrestricted investment earnings		
		Miscellaneous revenues		
		Contributions to permanent endowment		
		Total general revenues		
		Change in net position		
		Net position - beginning of year		
		Net position - end of year		

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Natrona County Public Library</u>	<u>Natrona County Public Library Foundation</u>	<u>Totals</u>
\$ (364,083)	\$ -	\$ (364,083)
-	(339,119)	(339,119)
<u>(364,083)</u>	<u>(339,119)</u>	<u>(703,202)</u>
3,286	131,167	134,453
22,356	75,602	97,958
-	1,580	1,580
<u>25,642</u>	<u>208,349</u>	<u>233,991</u>
(338,441)	(130,770)	(469,211)
<u>730,344</u>	<u>5,130,803</u>	<u>5,861,147</u>
<u>\$ 391,903</u>	<u>\$ 5,000,033</u>	<u>\$ 5,391,936</u>

This page is intentionally left blank

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF NET POSITION
NATRONA COUNTY FAIR
June 30, 2019

	<u>Natrona County Fair</u>	<u>Central Wyoming Sports Foundation Executrust</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 176,291	\$ 75,080	\$ 251,371
Accrued interest receivable	-	2,183	2,183
Accounts receivable	16,109	-	16,109
Due from primary government	70,659	-	70,659
Capital assets not being depreciated	1,368,217	-	1,368,217
Capital assets being depreciated, net	3,268,134	-	3,268,134
Restricted investments	116,049	430,465	546,514
Total assets	<u>5,015,459</u>	<u>507,728</u>	<u>5,523,187</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	239,387	-	239,387
Total deferred outflows of resources	<u>239,387</u>	<u>-</u>	<u>239,387</u>
LIABILITIES			
Accounts payable and accrued liabilities	111,849	-	111,849
Noncurrent liabilities			
Due in more than one year	713,330	-	713,330
Total liabilities	<u>825,179</u>	<u>-</u>	<u>825,179</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	97,826	-	97,826
Total deferred inflows of resources	<u>97,826</u>	<u>-</u>	<u>97,826</u>
NET POSITION			
Net investment in capital assets	4,636,351	-	4,636,351
Restricted by donors	116,049	430,465	546,514
Unrestricted (deficit)	(420,559)	77,263	(343,296)
Total net position	<u>\$ 4,331,841</u>	<u>\$ 507,728</u>	<u>\$ 4,839,569</u>

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF ACTIVITIES
 NATRONA COUNTY FAIR
 Year Ended June 30, 2019

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component Units			
Natrona County Fair	\$ 1,975,006	\$ 801,665	\$ 693,250
Central Wyoming Sports Foundation Executrust	18,702	-	-
	\$ 1,993,708	\$ 801,665	\$ 693,250
		General revenues	
		Unrestricted investment earnings	
		Total general revenues	
		Change in net position	
		Net position - beginning of year	
		Net position - end of year	

Net (Expense) Revenue and Changes in Net Position

Natrona County Fair	Central Wyoming Sports Foundation Executrust	Totals
\$ 1,049,930	\$ -	\$ 1,049,930
-	(18,702)	(18,702)
<u>1,049,930</u>	<u>(18,702)</u>	<u>1,031,228</u>
1,959	21,368	23,327
<u>1,959</u>	<u>21,368</u>	<u>23,327</u>
1,051,889	2,666	1,054,555
<u>3,279,952</u>	<u>505,062</u>	<u>3,785,014</u>
<u>\$ 4,331,841</u>	<u>\$ 507,728</u>	<u>\$ 4,839,569</u>

This page is intentionally left blank

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF NET POSITION
COMMUNITY ACTION PARTNERSHIP OF NATRONA COUNTY
June 30, 2019

	Community Action Partnership of Natrona County	Friends of Community Action Partnership	Total
ASSETS			
Cash and cash equivalents	\$ 192,468	\$ 11,139	\$ 203,607
Due from other governments	99,669	-	99,669
Due from primary government	21,618	-	21,618
Capital assets being depreciated, net	75,210	-	75,210
Total assets	<u>388,965</u>	<u>11,139</u>	<u>400,104</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	549,406	-	549,406
Total deferred outflows of resources	<u>549,406</u>	<u>-</u>	<u>549,406</u>
LIABILITIES			
Accounts payable and accrued liabilities	61,323	50	61,373
Unearned revenue	9,866	-	9,866
Noncurrent liabilities			
Due within one year	-	-	-
Due in more than one year	1,426,531	-	1,426,531
Total liabilities	<u>1,497,720</u>	<u>50</u>	<u>1,497,770</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	226,729	-	226,729
Total deferred inflows of resources	<u>226,729</u>	<u>-</u>	<u>226,729</u>
NET POSITION			
Net investment in capital assets	75,210	-	75,210
Unrestricted (deficit)	(861,288)	11,089	(850,199)
Total net position (deficit)	<u>\$ (786,078)</u>	<u>\$ 11,089</u>	<u>\$ (774,989)</u>

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF ACTIVITIES
 COMMUNITY ACTION PARTNERSHIP OF NATRONA COUNTY
 Year Ended June 30, 2019

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units				
Community Action Partnership of Natrona County	\$ 2,512,357	\$ 39,452	\$ 2,322,159	\$ -
Friends of Community Action Partnership	5,140	-	-	-
	\$ 2,517,497	\$ 39,452	\$ 2,322,159	\$ -
		General revenues		
		Miscellaneous revenues		
		Total general revenues		
		Change in net position		
		Net position (deficit) - beginning of year		
		Net position (deficit) - end of year		

Net (Expense) Revenue and Changes in Net Position

<u>Community Action Partnership of Natrona County</u>	<u>Friends of Community Action Partnership</u>	<u>Totals</u>
\$ (150,746)	\$ -	\$ (150,746)
-	(5,140)	(5,140)
<u>(150,746)</u>	<u>(5,140)</u>	<u>(155,886)</u>
(418)	1,759	1,341
<u>(418)</u>	<u>1,759</u>	<u>1,341</u>
(151,164)	(3,381)	(154,545)
(634,914)	14,470	(620,444)
<u>\$ (786,078)</u>	<u>\$ 11,089</u>	<u>\$ (774,989)</u>

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NATRONA COUNTY WEED AND PEST CONTROL
 BUDGET AND ACTUAL (BUDGETARY BASIS - NON-GAAP)
 Year Ended June 30, 2019

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 1,454,134	\$ 1,454,134	\$ 1,503,029	\$ 48,895
Intergovernmental	130,575	130,575	130,188	(387)
Charges for services	254,371	254,371	306,860	52,489
Investment income	1,647	1,647	5,802	4,155
Miscellaneous	550	550	(14,027)	(14,577)
Total revenues	<u>1,841,277</u>	<u>1,841,277</u>	<u>1,931,852</u>	<u>90,575</u>
Expenditures				
Conservation of natural resources	2,216,999	2,216,999	2,095,698	121,301
Capital outlay	50,600	50,600	17,190	33,410
Total expenditures	<u>2,267,599</u>	<u>2,267,599</u>	<u>2,112,888</u>	<u>154,711</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (426,322)</u>	<u>\$ (426,322)</u>	(181,036)	<u>\$ 245,286</u>
Fund balance - beginning of year			<u>710,979</u>	
Fund balance - end of year			<u>\$ 529,943</u>	

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NATRONA COUNTY FAIR
 BUDGET AND ACTUAL (BUDGETARY BASIS - NON-GAAP)
 Year Ended June 30, 2019

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 686,531	\$ 2,152,612	\$ 1,466,081
Charges for services	835,300	835,300	807,312	(27,988)
Investment income	350	350	1,959	1,609
Total revenues	<u>835,650</u>	<u>1,522,181</u>	<u>2,961,883</u>	<u>1,439,702</u>
Expenditures				
Culture and recreation	1,528,900	1,528,900	1,511,743	17,157
Capital outlay	1,006,000	1,692,531	1,458,830	233,701
Total expenditures	<u>2,534,900</u>	<u>3,221,431</u>	<u>2,970,573</u>	<u>250,858</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,699,250)</u>	<u>\$ (1,699,250)</u>	(8,690)	<u>\$ 1,690,560</u>
Fund balance - beginning of year			<u>360,825</u>	
Fund balance - end of year			<u>\$ 352,135</u>	

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NATRONA COUNTY PUBLIC LIBRARY
 BUDGET AND ACTUAL (BUDGETARY BASIS - NON-GAAP)
 Year Ended June 30, 2019

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 2,633,452	\$ 2,682,452	\$ 2,680,826	\$ (1,626)
Charges for services	39,200	39,200	39,605	405
Investment income	1,200	1,200	3,286	2,086
Miscellaneous	21,600	21,600	22,355	755
Total revenues	<u>2,695,452</u>	<u>2,744,452</u>	<u>2,746,072</u>	<u>1,620</u>
Expenditures				
Culture and recreation	2,838,532	2,887,532	2,707,175	180,357
Capital outlay	183,694	183,694	50,813	132,881
Total expenditures	<u>3,022,226</u>	<u>3,071,226</u>	<u>2,757,988</u>	<u>313,238</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (326,774)</u>	<u>\$ (326,774)</u>	(11,916)	<u>\$ 314,858</u>
Fund balance - beginning of year			<u>779,755</u>	
Fund balance - end of year			<u>\$ 767,839</u>	

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 CITY OF CASPER/NATRONA COUNTY HEALTH DEPARTMENT
 BUDGET AND ACTUAL (BUDGETARY BASIS - NON-GAAP)
 Year Ended June 30, 2019

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 2,640,726	\$ 2,637,811	\$ 2,638,492	\$ 681
Charges for services	1,435,614	1,472,445	1,282,116	(190,329)
Investment income	3,000	8,881	8,882	1
Miscellaneous	44,050	81,907	86,178	4,271
Total revenues	<u>4,123,390</u>	<u>4,201,044</u>	<u>4,015,668</u>	<u>(185,376)</u>
Expenditures				
Health and welfare	4,020,843	3,949,470	3,766,264	183,206
Capital outlay	66,109	113,850	114,081	(231)
Total expenditures	<u>4,086,952</u>	<u>4,063,320</u>	<u>3,880,345</u>	<u>182,975</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 36,438</u>	<u>\$ 137,724</u>	135,323	<u>\$ (2,401)</u>
Fund balance - beginning of year			<u>1,656,190</u>	
Fund balance - end of year			<u>\$ 1,791,513</u>	

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 COMMUNITY ACTION PARTNERSHIP OF NATRONA COUNTY
 BUDGET AND ACTUAL (BUDGETARY BASIS - NON-GAAP)
 Year Ended June 30, 2019

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 2,417,020	\$ 2,417,020	\$ 2,325,914	\$ (91,106)
Charges for services	-	-	47,324	47,324
Total revenues	<u>2,417,020</u>	<u>2,417,020</u>	<u>2,373,238</u>	<u>(43,782)</u>
Expenditures				
Health and welfare	2,393,509	2,393,509	2,321,330	72,179
Capital outlay	23,511	23,511	3,305	20,206
Total expenditures	<u>2,417,020</u>	<u>2,417,020</u>	<u>2,324,635</u>	<u>92,385</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	48,603	<u>\$ 48,603</u>
Fund balance - beginning of year			<u>204,486</u>	
Fund balance - end of year			<u>\$ 253,089</u>	

SINGLE AUDIT SECTION

This page is intentionally left blank

NATRONA COUNTY, WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Passed through Wyoming Department of Family Services				
Emergency Solutions Grant Program	14.231	17-01-ESG-CAPNC	\$ -	\$ 145,319
Emergency Solutions Grant Program	14.231	18-01-ESG-CAPNC	-	2,572
			-	147,891
Direct				
Continuum of Care Program	14.267	-	-	64,766
			-	64,766
Total U.S. Department of Housing and Urban Development			-	212,657
<u>U.S. Department of Justice</u>				
Direct				
Bulletproof Vest Partnership Program	16.607	-	-	4,609
Bulletproof Vest Partnership Program	16.607	-	-	1,673
Total U.S. Department of Justice			-	6,282
<u>U.S. Department of Transportation</u>				
Passed through Wyoming Association of Sheriffs and Chiefs of Police				
<i>Highway Safety Cluster</i>				
National Priority Safety Programs	20.616	405d Funds:DUI	-	1,869
National Priority Safety Programs	20.616	405b Funds: OP HVE	-	5,438
<i>Total Highway Safety Cluster</i>			-	7,307
Passed through Wyoming Association of Sheriffs and Chiefs of Police				
Alcohol Open Container Requirements	20.607	405D FUNDS: DUI	-	3,802
Total U.S. Department of Transportation			-	11,109
<u>U.S. Department of Health and Human Services</u>				
Passed through National Association of County and City Health Officials				
Medical Reserve Corps Small Grant Program	93.008	HITEP150032-01-00	-	2,639
			-	2,639
Passed through Wyoming Department of Health				
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements				
	93.074	Unknown	-	184,040
Passed through Wyoming Department of Health				
Affordable Care Act (ACA) Personal Responsibility Education Program				
	93.092	Unknown	-	14,178
			-	14,178

(Continued)

See accompanying notes to the schedule of expenditures of federal awards

NATRONA COUNTY, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
Passed through the University of Washington HIV-Related Training and Technical Assistance	93.145	UWSC8757 (BPO34572)	\$ -	\$ 173,292
			-	173,292
Passed through Wyoming Department of Health Projects for Assistance in Transition from Homelessness (PATH)	93.150	2X06SM016051-17	-	67,713
Projects for Assistance in Transition from Homelessness (PATH)	93.150	SM01605118	-	18,351
			-	86,064
Direct <i>Health Center Program Cluster</i> Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	-	-	1,052,210
<i>Total Health Center Program Cluster</i>			-	1,052,210
Passed through Wyoming Department of Health Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	Unknown	-	74,077
			-	74,077
<i>TANF Cluster</i> Passed through Wyoming Department of Health Temporary Assistance for Needy Families	93.558	Unknown	-	108,505
Passed through Wyoming Department of Family Services Temporary Assistance for Needy Families	93.558	Unknown	45,004	96,298
<i>Total TANF Cluster</i>			45,004	204,803
Passed through Wyoming Department of Health Community Services Block Grant	93.569	Unknown	-	124,338
Community Services Block Grant	93.569	Unknown	-	424,541
Total Community Services Block Grant			-	548,879
Passed through Wyoming Department of Health Block Grants for Community Mental Health Services	93.958	2B09SM01059-17	-	5,274
Block Grants for Community Mental Health Services	93.958	19B1WYCMHS	-	18,400
			-	23,674
Passed through Wyoming Department of Health Block Grants for Prevention and Treatment of Substance Abuse	93.959	Unknown	-	68,637
			-	68,637
Total U.S. Department of Health and Human Services			45,004	2,432,493

(Continued)

See accompanying notes to the schedule of expenditures of federal awards

NATRONA COUNTY, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<u>Corporation for National and Community Service</u>				
Passed through Wyoming Division of Criminal Investigation				
Retired and Senior Volunteer Program	94.002	18SRPWY002	\$ -	\$ 75,622
Retired and Senior Volunteer Program	94.002	15SRPWY002	-	1,380
Total Corporation for National and Community Service			-	77,002
<u>Executive Office of the President</u>				
Passed through Wyoming Division of Criminal Investigation				
High Intensity Drug Trafficking Areas Program	95.001	G18RM0012A	-	40,880
High Intensity Drug Trafficking Areas Program	95.001	G19RM0012A	-	36,626
Total Executive Office of the President			-	77,506
<u>U.S. Department of Homeland Security</u>				
Passed through Wyoming Office of Homeland Security				
Homeland Security Grant Program	97.067	17-GDP-NAT-LS-HLE17	-	31,931
Homeland Security Grant Program	97.067	18-SHSP-NAT-LS-HIT18	-	31,647
Total U.S. Department of Homeland Security			-	63,578
<i>Total Expenditures of Federal Awards</i>			\$ 45,004	\$ 2,880,627

See accompanying notes to the schedule of expenditures of federal awards

This page is intentionally left blank

NATRONA COUNTY, WYOMING

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2019

Note 1. Basis of Accounting

The accompanying schedule of expenditures of Federal awards (the "Schedule") includes the federal grant activity of Natrona County, Wyoming under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Natrona County, Wyoming, it is not intended to and does not present the financial position, changes in net assets, or cash flows Natrona County, Wyoming. The Schedule does not include expenditures of federal awards by the Natrona County Airport, a component unit for which separate financial statements and schedule of expenditures of federal awards were issued.

Note 2. Summary of Significant Accounting Policies in the Schedule

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

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

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

To compensate local taxing units for the loss of taxes from Federally-owned and acquired lands, the Office of the Secretary, Department of the Interior makes direct payments to local governments that lost real property taxes because the jurisdiction contains eligible acres of PILT entitlement land under public law 97-258, as amended, 31 U.S.C. 6901-6907. Payments are unrestricted as to use by local governments and the program is excluded from coverage under the Uniform Guidance. Consequently, the program has been excluded from the Schedule of Expenditures of Federal Awards and the determination of major programs as there are no expenditure or other requirements for the entitlement program. During the fiscal year ended June 30, 2019, the County recognized \$3,725,447 of PILT payments received as income.

This page is intentionally left blank

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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Natrona County, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Natrona County, Wyoming as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Natrona County, Wyoming's basic financial statements and have issued our report thereon dated December 23, 2019. Our report includes a reference to other auditors, who audited the financial statements of the Natrona County International Airport, a discretely presented component unit of Natrona County, Wyoming, as described in our report on Natrona County, Wyoming's basic financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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



MAIL: PO Box 2750
Casper, WY 82602-2750



PHONE: (307) 265-4311
FAX: (307) 265-5180



LOCATION: 600 East 1st Street
Casper, WY 82601

Compliance and Other Matters

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

We noted certain matters we have reported to management of Natrona County, Wyoming in a separate letter dated December 23, 2019.

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



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
December 23, 2019

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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Natrona County, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Natrona County, Wyoming's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Natrona County, Wyoming's its major federal programs for the year ended June 30, 2019. Natrona County, Wyoming's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Natrona County, Wyoming's basic financial statements include the operations of the Natrona County International Airport, a discretely presented component unit, which received \$1,989,587 in federal awards which is not included in Natrona County, Wyoming's Schedule of Expenditures of Federal Awards during the year ended June 30, 2019. Our audit, described below, did not include the operations of the Natrona County International Airport because the component unit engaged other auditors to perform an audit of compliance.

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 Natrona County, Wyoming's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Natrona County, Wyoming's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



MAIL: PO Box 2750
Casper, WY 82602-2750



PHONE: (307) 265-4311
FAX: (307) 265-5180



LOCATION: 600 East 1st Street
Casper, WY 82601

Opinion on Each Major Federal Program

Natrona County, Wyoming complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

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

Report on Internal Control over Compliance

Management of Natrona County, Wyoming is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Natrona County, Wyoming's internal control over compliance with 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 Natrona County, Wyoming's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing on 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.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
December 23, 2019

This page is intentionally left blank

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

June 30, 2019

I. Summary of Independent Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? No

Significant deficiencies identified? Yes

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

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

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Expenditures</u>
	<i>Health Centers Program Cluster</i>	
93.224	Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	\$ 1,052,210
93.569	Community Services Block Grant	\$ 548,879
		\$ 1,601,089
		(Continued)

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee No

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

June 30, 2019

II. Financial Statement Findings

None

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

June 30, 2019

III. Federal Award Findings and Questioned Costs

Significant Deficiencies in Internal Control Over Compliance Findings

2019-001 Procurement

Program: Health Centers Cluster, Consolidated Health Centers - Health Care for the Homeless,
CFDA No: CFDA 93.224
County Recipient: Community Action Partnership of Natrona County
Federal Agency: Department of Health and Human Services
Federal Award Identification: None
Federal Award Identification Year: 2019
Applicable Pass-through Identification: None

Criteria or Specific Requirement

Non-Federal entities other than States, including those operating Federal programs as subrecipients of States, must follow the procurement standards set out at 2 CFR sections 200.318 through 200.326. They must use their own documented procurement procedures, which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal statutes and the procurement requirements identified in 2 CFR part 200.

Condition

The County has established procurement policies that meet the criteria described above. These policies are followed for all new procurement decisions and require documentation of the considerations in the procurement decision. Procurement decisions that were made in the past and vendor relationships established in the past are not fully documented as complying or being allowed exceptions to the procurement policies.

Questioned Costs

None.

Context

While few ongoing relationships such as those with software vendors and medical providers impact this program, they need to be documented within the terms of the current procurement policy.

Effect or Potential Effect

Without this documentation, the County may find it hard to evidence full compliance with the federal procurement requirements.

Cause

As entities are improving compliance with the procurement regulations, consideration of relationships that were established before the current policies were established may or may not be fully considered.

Identification as a Repeat Finding

No

Recommendation

We recommend documenting the considerations inherent in the past procurement decisions to the extent they are known. Consideration of re-evaluation of the procurement decision may be needed.

Views of Responsible Officials

See Corrective Action Plan

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

June 30, 2019

III. Federal Award Findings and Questioned Costs (Continued)

Significant Deficiencies in Internal Control Over Compliance Findings

2019-002 Special Tests and Provisions - Sliding Fee Discounts

Program: Health Centers Cluster, Consolidated Health Centers - Health Care for the Homeless,
CFDA No: CFDA 93.224
County Recipient: Community Action Partnership of Natrona County
Federal Agency: Department of Health and Human Services
Federal Award Identification: None
Federal Award Identification Year: 2019
Applicable Pass-through Identification: None

Criteria or Specific Requirement

Internal controls should be designed and operating to ensure the requirements related to sliding fee discounts are applied to fees for services provided to all individuals and families with incomes at or below 200% of the Federal Poverty Guidelines.

Condition

Internal controls over the sliding fee discount and input into the billing system were not properly designed or operating effectively. The information for all new patients was effectively reviewed as was the information for all patients recertifying in an annual recertification process. The information for all other patients receiving services was not reviewed, though correct fees were applied based on the sliding fee scale.

Questioned Costs

None.

Context

Patient information used for determination of the sliding discount to be applied must be reviewed for accuracy.

Effect or Potential Effect

Sliding fee discounts may have been provided to individuals in an incorrect amount and individuals entitled to lower fees may not have received them.

Cause

Due to limited staffing, information input into the system was not reviewed.

Identification as a Repeat Finding

Yes

Recommendation

Evidence of the review and approval should be retained. Patient information used for determination of the sliding discount should be carefully reviewed, with evidence of review as well.

Views of Responsible Officials

See Corrective Action Plan



NATRONA COUNTY CLERK

200 North Center • P.O. Box 863

Casper, WY 82602

307-235-9206

tgood@natronacounty-wy.gov

Natrona County, Wyoming
Summary Schedule of Prior Audit Findings
June 30, 2018

Material Weakness in Internal Control Over Compliance Finding and Compliance Finding

2018-001 Allowable Costs/Cost Principles

Program: Community Service Block Grants

Condition

Community Action Partnership of Natrona County (“CAP”) time cards do not clearly indicate time allocated to specific grants making it impossible for some time cards, to determine if the correct amount was charged to the grant. The time cards have columns to break out charges and those columns seem to be used consistently, but the columns are not labeled in all circumstances as to which grants the specific time is being allocated to by the employee.

Status

This condition has been corrected.

Material Weakness in Internal Control Over Compliance Finding and Compliance Finding

2018-002 Cash Management

Health Centers Cluster, Consolidated Health Centers - Health Care for the Homeless, CFDA 93.224 (Community Action Partnership of Natrona County)

Condition

Community Action Partnership of Natrona County (“CAP”) requested more funds in reimbursement requests than what was actually spent. While the granting agency will allow the County to request funds on the reimbursement or advance basis, the County did not consistently use either basis.

Status

This condition has been corrected.



NATRONA COUNTY CLERK
200 North Center • P.O. Box 863
Casper, WY 82602
307-235-9206
tgood@natronacounty-wy.gov

Material Weakness in Internal Control Over Compliance Finding

2018-003 Cash Management

Program: Community Service Block Grants

Condition

Community Action Partnership of Natrona County (“CAP”) did not include support for adjustments made to monthly expenditures prior to request for reimbursement. No evidence of review of request for reimbursement was present.

Status

This condition has been corrected.

Significant Deficiencies in Internal Control Over Compliance Findings

2018-004 Special Tests and Provisions - Sliding Fee Discounts

Program: Health Centers Cluster, Consolidated Health Centers - Health Care for the Homeless,

Condition

Internal controls over the sliding fee discount and input into the billing system were not properly designed or operating effectively.

Status

This condition has been partially corrected.

Advocacy & Self-Sufficiency

Aspen Creek Office Building

800 Werner Court, Suite 201
Casper, Wyoming 82601
PHONE: 307-232-0124
FAX: 307-232-0145
E-Mail: cap@natronacounty-wy.gov
<http://www.capnc.org>



12th Street HCH Clinic

1514 East 12th Street, Suite 201
Casper, Wyoming 82601
PHONE: 307-235-6116
FAX: 307-235-0249
E-Mail: hch@natronacounty-wy.gov
<http://www.capnc.org/services/Clinic.html>

Community Action Partnership

Corrective Action Plan

Finding 2019-001

Name of Contact Person – Marilyn Dymond Wagner, Executive Director

Corrective Action

CAPNC will document the procurement process regarding procurements for which the decision was made in prior years.

Finding 2019-002

Name of Contact Person – Marilyn Dymond Wagner, Executive Director

Corrective Action

This was a finding issued in FY 2017; a process to address this issue was created in 2018. Although the process was utilized, the responsible staff members did not follow the process for documenting the required action. The process is as follows: Although there were no instances where our sliding fee scale was applied incorrectly, the new HRSA requirements require a process to verify that the sliding fee discount is both accurately entered into the Electronic Health Record AND accurately applied to each patient. In order to address this issue, we are establishing a system that requires the billing coordinators Electronic Health Record data entry to be verified. This will be completed by the 12th Street Clinic's Operations Manager, no later than March 15 of each year prior to the sliding fee scale implementation April 1 of each year. A signed copy of this review will be maintained in a file to document the activity for the annual audit. In addition, the 12th Street Clinic case manager or Operations Manager will review each new client file in the electronic health record to ensure that the EHR system is correctly applying the sliding fee discount to each patient. This activity will be documented in the notes section of the patients' health record. Finally, the board of directors will review the updated Poverty Guidelines each year at the February board meeting along with the updated sliding fee scale that corresponds to the new poverty guidelines. The board will approve the new sliding fee scale. The 12th Street Clinic billing coordinator will be given the approved sliding fee scale to input into the Electronic Health Record system. Because the process was implemented but not documented according to the outlined plan of action last year, all affected staff members will be given a copy of the plan of action, which will be reviewed in detail with the Executive Director. Each staff member will sign a statement at the bottom acknowledging that they have had the opportunity to review the plan of action and ask any questions for clarification. They further understand they are responsible for the FULL implementation of the process, which includes required documentation. This will be maintained in the personnel file.

This page is intentionally left blank