

NATRONA COUNTY, WYOMING

FINANCIAL AND COMPLIANCE REPORT

June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Natrona County, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Natrona County, Wyoming, as of and for the year ended June 30, 2015, 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

Natrona County, Wyoming's 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 69%, 76%, and 44%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Natrona County International Airport, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Natrona County, Wyoming, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Natrona County, Wyoming's basic financial statements. The other supplementary information as listed in the table of contents and the schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2016 on our consideration of Natrona County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Natrona County, Wyoming's internal control over financial reporting and compliance.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
February 16, 2016

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015 (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, 2015. 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, 2015.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$253,597,384.
- Of this amount, the unrestricted net position available to meet the County's ongoing obligations to citizens and creditors is a balance of \$28,355,774.
- The County's total net position increased by \$2,500,667.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$42,318,655, an increase of \$4,424,300 in comparison with the prior year. Approximately 87% of this total amount, \$36,752,714, 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 \$3,997,058, or 9% percent of total general fund expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(UNAUDITED)

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

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

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

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

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

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

Fund Financial Statements

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

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(UNAUDITED)

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

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

The County governmental fund financial statements are presented on pages 19 through 22.

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

The fiduciary funds statements are presented on pages 23 through 25.

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 30 through 62.

Other Information

Required supplementary information is presented concerning infrastructure assets reported using the modified approach. The County also presents schedules concerning the changes in net pension liability as well as pension contributions. Last, the County adopts an annual budget for its general fund. A budgetary comparison schedule has been provided to demonstrate compliance with this budget. Required supplementary information is presented on pages 63 through 76.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(UNAUDITED)

In addition to the required elements, we have included combining statements that provide details about our non-major governmental funds and fiduciary funds presented as single columns in the basic financial statements. Additionally, we have included fund financial statements and information about budgetary compliance for the discretely presented component units which do not issue separate financial statements. This information is presented as other supplementary information immediately following the required supplementary information. Other supplementary information is presented on pages 77 through 95.

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 (87%) reflects its investment in capital assets. The vast majority of these capital assets are the \$50 million in buildings, \$26 million investment in infrastructure assets, and \$130 million in hospital assets leased to the Wyoming Medical Center. These assets are not available for future spending. The County has \$6,702,540 in outstanding certificates of participation with financial institutions. An additional \$5,504,398 of the County's net position (approximately 13 percent) represents resources that are subject to external restrictions on how they may be used.

The County was able to report positive balances in all three categories of net position for the current year and in the prior year. The County has a balance of \$28,355,774 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 increased by \$2,500,667 during the current fiscal year. This directly impacted current assets and capital assets.

The County's net position as of June 30, 2015 and 2014 was as follows:

	Primary Government		
	2015	Restated 2014	Variance
ASSETS			
Current assets	\$ 62,330,562	\$ 58,226,589	\$ 4,103,973
Capital assets, net of accumulated depreciation	226,337,212	228,132,760	(1,795,548)
Other assets	2	7,937	(7,935)
Total assets	<u>288,667,776</u>	<u>286,367,286</u>	<u>2,300,490</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>2,555,118</u>	<u>1,238,474</u>	<u>1,316,644</u>
LIABILITIES			
Current liabilities	3,190,294	4,167,476	(977,182)
Due in more than one year	16,958,306	15,574,141	1,384,165
Total liabilities	<u>20,148,600</u>	<u>19,741,617</u>	<u>406,983</u>
DEFERRED INFLOWS OF RESOURCES	<u>17,476,910</u>	<u>16,767,426</u>	<u>709,484</u>
NET POSITION			
Net investment in capital assets	219,737,212	220,830,754	(1,093,542)
Restricted	5,504,398	6,903,663	(1,399,265)
Unrestricted	28,355,774	23,362,300	4,993,474
Total net position	<u>\$ 253,597,384</u>	<u>\$ 251,096,717</u>	<u>\$ 2,500,667</u>

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(UNAUDITED)

Governmental Activities

Governmental activities increased the County's net position by \$2,500,667, approximately \$24 million less than the prior year increase. Key elements of this increase are as follows:

- Increase in tax revenues of \$2.0 million due to an increase in the property tax valuation.
- Decrease in payments in lieu of taxes of \$310,000 due to federal funding cuts as well as delayed funding of \$269,690 received in fiscal year 2016.
- Decrease in capital grants and contributions of \$21 million comprised of a decrease of \$17 million in assets purchased by the Wyoming Medical Center, approximately \$2.5 million in roads donated to the county in the prior year, decrease of approximately \$1 million in State of Wyoming Business Council grants, and a decrease of \$91,000 in Juvenile Detention Center funding.
- Increase in public safety expenses of \$377,000 due to Sheriff's department step and grade increases as well as filling vacant positions.
- Increase in public works expenses of \$4 million due to maintenance work on various roads.
- Increase in culture and recreation expenses of \$697,000 due to snow machines, trail widening and a temporary caretaker on Casper Mountain.
- Increase in Hospital depreciation expense of \$323,000.
- Decrease in interest on long-term debt of \$361,000 due to refunding of prior certificates of participation and issuance of new certificates in the prior year.

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NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(UNAUDITED)

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

Revenues	2015		2014	
General				
Taxes	\$ 32,499,972	49.87%	\$ 30,473,874	36.30%
Payments in lieu of taxes	3,164,444	4.86%	3,474,159	4.14%
Investment income	213,668	0.33%	173,012	0.21%
Miscellaneous revenue	1,239,772	1.90%	989,301	1.18%
Program revenues				
Charges for services	5,747,922	8.82%	5,914,701	7.04%
Operating grants and contributions	4,176,951	6.41%	4,189,590	4.99%
Capital grants and contributions	18,129,569	27.82%	38,743,535	46.15%
Total revenues	65,172,298	25.96%	83,958,172	100.00%
Expenses				
General government	12,007,965	19.16%	11,939,560	20.78%
Public safety	19,683,338	31.41%	19,305,836	33.60%
Public works	8,830,447	14.09%	4,799,661	8.35%
Health and welfare	2,456,658	3.92%	2,440,020	4.25%
Culture and recreation	5,390,879	8.60%	4,694,172	8.17%
Conservation of natural resources	504,780	0.81%	441,157	0.77%
Assets leased to hospital	13,635,066	21.76%	13,311,794	23.17%
Interest on long-term debt	162,498	0.26%	524,050	0.91%
Total expenses	62,671,631	100.00%	57,456,250	100.00%
Total changes in net position	2,500,667		26,501,922	
Beginning net position	251,096,717		231,195,944	
Prior period adjustment	-		(6,601,149)	
Beginning net position, restated	-		224,594,795	
Ending net position	\$ 253,597,384		\$ 251,096,717	

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, 2015

(UNAUDITED)

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$42,318,655, an increase of \$4,424,300 in comparison with the prior year. Of that, \$5,565,941 is subject to external restrictions or is not available for spending: (1) \$61,543 held in reserve for inventory, (2) \$4,291,506 for the County Road Construction Fund, (3) \$147,358 for the Drug Court Fund, and (4) \$979,891 for the lake under an agreement with the Bureau of Reclamation, and (5) \$85,643 for water and sewer projects at the lake. The County Road Construction Fund is restricted to road construction and major maintenance projects. 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 \$37,706,696. Of that, \$10,630,571 has been committed by resolution of the Board of County Commissioners: (1) \$2,265,327 for perpetual care of one cent projects, (2) \$8,365,244 for the transportation department road funds. \$21,951,990 has been assigned by designation of the Board of County Commissioners: (1) \$7,324,833 for emergency reserves and (2) \$14,627,157 for future capital projects. The remaining \$3,997,058 is unassigned in the General Fund.

The fund balance of the County's general fund increased \$5,736,496 during the current fiscal year. Key factors in this increase are as follows:

- Increase in tax revenues of \$2.1 million primarily due to an increase in the property tax valuation.
- Decrease in intergovernmental revenues of \$2.3 million due to a decrease in State of Wyoming Business Council grants of \$1 million, decrease in PILT funding of \$309,000, decrease in Legislature approved distribution of \$285,000 as well as decrease in other Federal and State grants.
- Decrease in general government expenditures of \$1 million primarily due to a large crack seal project and other various road maintenance projects performed in the prior year.
- Decrease of \$1.4 million in public safety expenditures due to the availability of grants from SLIB and the Wyoming Business Council in the prior year which were not available in the current year.
- Decrease in principal payments of \$8.8 million due to the refunding of the 2004 certificates of participation.
- Increase in capital outlay of \$700,000 due to air compressor and front step replacement at the Courthouse, sprinklers at the Hall of Justice, boiler replacement at the AG building, repoint sealing at the Townsend Justice Center and snow machines for the Parks department.

The Road Construction fund is used to account for the acquisition and construction of major capital facilities other than those financed by the general fund. At the end of the current fiscal year, the fund balance decreased to \$4,291,506. The fund balance of the County's road construction fund decreased \$1,297,293 during the current fiscal year due to expenditures outpacing revenues.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(UNAUDITED)

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

	2015		2014	
Revenues				
Taxes	\$ 33,458,847	67.61%	\$ 30,491,908	59.92%
Licenses and permits	2,007,643	4.06%	2,116,399	4.16%
Intergovernmental revenues	8,828,584	17.84%	13,317,651	26.17%
Charges for services	3,740,278	7.56%	3,798,302	7.46%
Investment income	213,668	0.43%	173,013	0.34%
Miscellaneous revenues	1,239,772	2.51%	989,301	1.94%
Total revenues	49,488,792	100.00%	50,886,574	100.00%
Expenditures				
Current				
General government	9,811,822	21.77%	10,839,060	19.78%
Public safety	18,592,960	41.26%	20,031,007	36.55%
Public works	3,420,476	7.59%	3,073,787	5.61%
Health and welfare	2,395,125	5.31%	2,407,726	4.39%
Culture and recreation	4,788,003	10.62%	4,638,331	8.46%
Conservation of natural resources	351,390	0.78%	339,722	0.62%
Debt service				
Principal	590,000	1.31%	9,360,000	17.08%
Interest	171,963	0.38%	406,804	0.74%
Capital outlay	4,942,753	10.97%	3,700,663	6.75%
Total expenditures	\$ 45,064,492	100.00%	\$ 54,797,100	100.00%

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were approximately \$1.2 million summarized as follows:

Agriculture	\$ 2,157
Assessor	14,968
Clerk	64,527
Coroner	8,148
Clerk of Court	58,816
Commissioners	871,841
Information technology	6,920
Road and bridge	49,589
Sheriff	86,150
Treasurer	7,010
	\$ 1,170,126

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

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2015
 (UNAUDITED)

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2015 amounted to \$226,337,212 (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 1 percent. The schedule below shows the changes in capital assets during the year:

	2015	2014	Variance
Capital assets, not being depreciated			
Land	\$ 16,241,656	\$ 16,241,656	\$ -
Infrastructure	25,698,770	28,757,300	(3,058,530)
Construction in progress	-	504,112	(504,112)
Total capital assets not being depreciated	<u>41,940,426</u>	<u>45,503,068</u>	<u>(3,562,642)</u>
Capital assets being depreciated			
Buildings	145,489,605	145,489,605	-
Machinery and equipment	21,127,474	19,513,986	1,613,488
Hospital assets*	335,718,442	319,929,669	15,788,773
Total capital assets being depreciated	<u>502,335,521</u>	<u>484,933,260</u>	<u>17,402,261</u>
Less accumulated depreciation for			
Buildings	95,476,406	93,712,838	1,763,568
Machinery and equipment	17,142,530	16,905,997	236,533
Hospital assets*	205,319,799	191,684,733	13,635,066
Total accumulated depreciation	<u>317,938,735</u>	<u>302,303,568</u>	<u>15,635,167</u>
Total capital assets being depreciated, net	<u>184,396,786</u>	<u>182,629,692</u>	<u>1,767,094</u>
Capital assets, net	<u>\$ 226,337,212</u>	<u>\$ 228,132,760</u>	<u>\$ (1,795,548)</u>

* 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, 2015
(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:

2015 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	30	21.4%	1	0.4%	n/a	n/a
80 - 84	n/a	n/a	8	2.9%	n/a	n/a
70 - 85	29	20.7%	n/a	n/a	n/a	n/a
70 - 79	n/a	n/a	43	15.4%	n/a	n/a
Sub-standard						
Less than 70	76	54.3%	n/a	n/a	n/a	n/a
60 - 69	n/a	n/a	64	22.6%	n/a	n/a
40 - 59	n/a	n/a	110	38.9%	n/a	n/a
10 - 39	n/a	n/a	56	19.8%	n/a	n/a
Not evaluated	5	3.6%	n/a	n/a	n/a	n/a
Unimproved	n/a	n/a	n/a	n/a	352	100%
	<u>140</u>	<u>100%</u>	<u>282</u>	<u>100%</u>	<u>352</u>	<u>100%</u>

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

Actual expenditures for the year ended June 30, 2015 on infrastructure for maintenance and preservation were \$4.5 million, compared to budgeted amounts of \$10.8 million.

Additional information on the County's capital assets can be found in Note 4 on pages 41 through 45 of this report.

Debt Administration

The County's total debt increased by \$1,326,627 (8 percent) during the current fiscal year. The increase reflects a decrease from principal payments of \$590,000 on the 2014 certificates of participation as well as an increase of \$1,907,847 in net pension liability. In addition, vacation and sick leave increased \$18,246 net. Additional information on the County's long term debt can be found in Note 5 on pages 46 through 48 of this report.

In the fiscal year 2015 the County implemented GASB 68 and 71 and recorded its proportional share of the State of Wyoming Retirement System plan's net pension liability, the statewide cost sharing multi-employer public employee retirement plan. This resulted in recording a net pension liability of \$9,747,470 and \$7,839,623 as of June 30, 2015 and 2014, respectively.

NATRONA COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(UNAUDITED)

Economic Factors and Next Year's Budget

The local economy, increases in property tax revenues, and increases in state funding, as well as PILT funding concerns are the main issues affecting development of the fiscal year 2016 budget. Excessive downturns in the oil and natural gas industries will affect the State and Local economies for FY16 and at least in the near future. The main concern for FY16 because of the economy will be the effect on sales tax revenues.

Based on current available data, the unemployment rate near the end of the fiscal year for Natrona County is 4.8% which is slightly higher than the State of Wyoming average unemployment rate of 4.2%. Fiscal year 2016 budgeted General Fund revenues are expected to be approximately \$300,000 higher than FY15 because of a slight increase in property tax revenues. PILT is expected to be slightly higher in FY16 than in FY15.

Efforts continue by each County department to keep expenditures to a minimum.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

NATRONA COUNTY, WYOMING

STATEMENT OF NET POSITION

June 30, 2015

	Primary Government		Component
	Governmental		Units
	Activities	Total	Total
ASSETS			
Cash and cash equivalents	\$ 30,411,337	\$ 30,411,337	\$ 2,778,159
Investments	9,788,834	9,788,834	2,791,866
Beneficial interest in assets held by others	-	-	266,246
Property taxes receivable	19,080,774	19,080,774	-
Accounts receivable	480,495	480,495	214,213
Accrued interest receivable	-	-	1,049
Due from other governments	2,507,579	2,507,579	1,781,776
Due from primary government	-	-	1,507,928
Inventory	61,543	61,543	182,362
Prepaid items	-	-	5,770
Capital assets not being depreciated	41,940,426	41,940,426	11,545,556
Capital assets being depreciated, net	184,396,786	184,396,786	27,632,974
Restricted cash and cash equivalents	2	2	191,453
Restricted investments	-	-	2,987,207
Total assets	<u>288,667,776</u>	<u>288,667,776</u>	<u>51,886,559</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	<u>2,555,118</u>	<u>2,555,118</u>	<u>1,006,620</u>
LIABILITIES			
Accounts payable and accrued liabilities	917,887	917,887	1,587,219
Unearned revenues	84,000	84,000	144,073
Due to component units	1,507,928	1,507,928	-
Noncurrent liabilities			
Due within one year	680,479	680,479	100,258
Due in more than one year	16,958,306	16,958,306	7,739,603
Total liabilities	<u>20,148,600</u>	<u>20,148,600</u>	<u>9,571,153</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenues	<u>17,476,910</u>	<u>17,476,910</u>	<u>1,449,671</u>
Total deferred inflows of resources	<u>17,476,910</u>	<u>17,476,910</u>	<u>1,449,671</u>
NET POSITION			
Net investment in capital assets	219,737,212	219,737,212	36,292,818
Restricted, expendable			
Restricted by the State of Wyoming	4,291,506	4,291,506	-
Restricted by statute and grantors	147,358	147,358	-
Restricted from passenger facility charges	-	-	227,837
Restricted for lake, water, and sewer	1,065,534	1,065,534	-
Restricted, nonexpendable			
Restricted by donors	-	-	2,987,207
Unrestricted	<u>28,355,774</u>	<u>28,355,774</u>	<u>2,364,493</u>
Total net position	<u>\$ 253,597,384</u>	<u>\$ 253,597,384</u>	<u>\$ 41,872,355</u>

See accompanying notes to the financial statements

NATRONA COUNTY, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 12,007,965	\$ 2,225,817	\$ 2,335,513	\$ -
Public safety	19,683,338	2,133,083	479,449	614,972
Public works	8,830,447	-	47,870	1,725,824
Health and welfare	2,456,658	1,307,499	444,660	-
Culture and recreation	5,390,879	81,523	-	-
Conservation of natural resources	504,780	-	869,459	-
Assets leased to hospital	13,635,066	-	-	15,788,773
Interest on long-term debt	162,498	-	-	-
Total governmental activities	<u>62,671,631</u>	<u>5,747,922</u>	<u>4,176,951</u>	<u>18,129,569</u>
Total primary government	<u>\$ 62,671,631</u>	<u>\$ 5,747,922</u>	<u>\$ 4,176,951</u>	<u>\$ 18,129,569</u>
Component units	<u>\$ 18,397,170</u>	<u>\$ 6,097,414</u>	<u>\$ 8,031,388</u>	<u>\$ 4,670,234</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,
 as previously reported
 Prior period adjustment
 Net position - beginning of year, as restated
 Net position - end of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

<u>Primary Government</u>		<u>Component Units Totals</u>
<u>Governmental Activities</u>	<u>Total</u>	
\$ (7,446,635)	\$ (7,446,635)	\$ -
(16,455,834)	(16,455,834)	-
(7,056,753)	(7,056,753)	-
(704,499)	(704,499)	-
(5,309,356)	(5,309,356)	-
364,679	364,679	-
2,153,707	2,153,707	-
(162,498)	(162,498)	-
<u>(34,617,189)</u>	<u>(34,617,189)</u>	<u>-</u>
<u>(34,617,189)</u>	<u>(34,617,189)</u>	<u>-</u>
-	-	401,866
16,702,475	16,702,475	847,459
9,655,272	9,655,272	-
6,142,225	6,142,225	372,607
3,164,444	3,164,444	-
213,668	213,668	94,991
1,239,772	1,239,772	187,814
-	-	72,854
<u>37,117,856</u>	<u>37,117,856</u>	<u>1,575,725</u>
2,500,667	2,500,667	1,977,591
257,697,866	257,697,866	44,295,796
<u>(6,601,149)</u>	<u>(6,601,149)</u>	<u>(4,401,032)</u>
<u>251,096,717</u>	<u>251,096,717</u>	<u>39,894,764</u>
<u>\$ 253,597,384</u>	<u>\$ 253,597,384</u>	<u>\$ 41,872,355</u>

NATRONA COUNTY, WYOMING

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	Major Funds			Totals
	General Fund	County Road Construction Fund	Nonmajor Funds	
ASSETS				
Cash and cash equivalents	\$ 30,284,019	\$ -	\$ 127,318	\$ 30,411,337
Investments	9,788,834	-	-	9,788,834
Property taxes receivable	19,080,774	-	-	19,080,774
Accounts receivable	480,495	-	-	480,495
Due from other funds	-	4,291,506	193,135	4,484,641
Due from other governments	2,507,579	-	-	2,507,579
Inventory	61,543	-	-	61,543
Restricted cash	2	-	-	2
Total assets	\$ 62,203,246	\$ 4,291,506	\$ 320,453	\$ 66,815,205
LIABILITIES				
Accounts payable and accrued liabilities	\$ 917,887	\$ -	\$ -	\$ 917,887
Unearned revenues	84,000	-	-	84,000
Compensated absences	11,836	-	-	11,836
Due to other funds	4,484,641	-	-	4,484,641
Due to component units	1,507,928	-	-	1,507,928
Total liabilities	7,006,292	-	-	7,006,292
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenues	17,490,258	-	-	17,490,258
Total deferred inflows of resources	17,490,258	-	-	17,490,258
FUND BALANCES				
Nonspendable	61,543	-	-	61,543
Restricted	1,065,534	4,291,506	147,358	5,504,398
Unrestricted				
Committed	10,630,571	-	173,095	10,803,666
Assigned	21,951,990	-	-	21,951,990
Unassigned	3,997,058	-	-	3,997,058
Total fund balances	37,706,696	4,291,506	320,453	42,318,655
Total liabilities, deferred inflows of resources, and fund balances	\$ 62,203,246	\$ 4,291,506	\$ 320,453	\$ 66,815,205

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, 2015

Total fund balances - governmental funds	\$	42,318,655
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>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.</p>		
		226,337,212
<p>Since the focus of governmental fund statements is on short-term financing, some assets (property taxes receivable) 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.</p>		
Governmental funds - deferred property tax revenues	\$	17,490,258
Government-wide - deferred property tax revenues		(17,476,910)
		13,348
<p>Deferred outflows for pension items are not available to pay for current period expenditures and therefore the underlying resources are not reported in the governmental funds.</p>		
		2,555,118
<p>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:</p>		
Certificates of participation		(6,600,000)
Premium on certificates of participation		(102,540)
Total compensated absences		(1,188,775)
Compensated absences recorded in governmental funds		11,836
Net pension liability		(9,747,470)
		(17,626,949)
Net position of governmental activities		\$ 253,597,384

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, 2015**

	Major Funds			Totals
	General Fund	County Road Construction Fund	Nonmajor Funds	
Revenues				
Taxes	\$ 32,605,240	\$ 853,607	\$ -	\$ 33,458,847
Licenses and permits	2,007,643	-	-	2,007,643
Intergovernmental revenues	8,419,073	-	409,511	8,828,584
Charges for services	3,705,384	-	34,894	3,740,278
Investment income	208,975	4,693	-	213,668
Miscellaneous revenues	1,227,946	-	11,826	1,239,772
Total revenues	<u>48,174,261</u>	<u>858,300</u>	<u>456,231</u>	<u>49,488,792</u>
Expenditures				
Current				
General government	9,811,822	-	-	9,811,822
Public safety	18,592,960	-	-	18,592,960
Public works	3,420,476	-	-	3,420,476
Health and welfare	1,936,611	-	458,514	2,395,125
Culture and recreation	4,788,003	-	-	4,788,003
Conservation of natural resources	351,390	-	-	351,390
Debt service				
Principal	590,000	-	-	590,000
Interest	171,963	-	-	171,963
Capital outlay	2,774,540	2,155,593	12,620	4,942,753
Total expenditures	<u>42,437,765</u>	<u>2,155,593</u>	<u>471,134</u>	<u>45,064,492</u>
Net change in fund balances	5,736,496	(1,297,293)	(14,903)	4,424,300
Fund balances - beginning of year, as previously reported	31,970,200	5,588,799	289,685	37,848,684
Prior period adjustment	-	-	45,671	45,671
Fund balances - beginning of year, as restated	<u>31,970,200</u>	<u>5,588,799</u>	<u>335,356</u>	<u>37,894,355</u>
Fund balances - end of year	<u>\$ 37,706,696</u>	<u>\$ 4,291,506</u>	<u>\$ 320,453</u>	<u>\$ 42,318,655</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, 2015**

Net changes in fund balances - total governmental funds		\$ 4,424,300
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures.		
However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Additionally, the County's assets increase from new capital assets purchased by the Wyoming Medical Center under the terms of their lease. These changes are detailed as follows:		
Additions to capital assets in the governmental funds	\$ 2,593,901	
Contributions of capital assets from the Wyoming Medical Center	15,788,773	
Sales of capital assets include the effects of past depreciation when recorded in the statement of activities	(3,594,053)	
Depreciation expense for the year	<u>(16,584,169)</u>	(1,795,548)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Deferred outflows - pension plan items June 30, 2014	(1,238,474)	
Deferred outflows - pension plan items June 30, 2015	<u>2,555,118</u>	1,316,644
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	9,466	
Payment of principal on certificates of participation	590,000	
Prior year total compensated absences	1,170,529	
Prior year compensated absences - general fund short-term	(24,669)	
Current year total compensated absences	(1,188,775)	
Current year compensated absences - general fund short-term	11,836	
Pension liability June 30, 2014	7,839,623	
Pension liability June 30, 2015	<u>(9,747,470)</u>	(1,339,460)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Prior year deferred inflows - general fund property taxes	(16,886,043)	
Prior year deferred inflows - government-wide property taxes	16,767,426	
Current year deferred inflows - general fund property taxes	17,490,258	
Current year deferred inflows - government-wide property taxes	<u>(17,476,910)</u>	(105,269)
Changes in net position of governmental activities		<u>\$ 2,500,667</u>

See accompanying notes to the financial statements

NATRONA COUNTY, WYOMING

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2015

	Agency Funds		
	Property Tax Fund	General Agency Fund	Fire Fighters of Natrona County
ASSETS			
Cash and cash equivalents	\$ -	\$ 18,917,302	\$ 27,492
Investments	-	-	93,613
Property taxes receivable	712,864	-	-
 Total assets	 <u>712,864</u>	 <u>18,917,302</u>	 <u>121,105</u>
LIABILITIES			
Due to other governments	712,864	18,917,302	121,105
Medical claims payable	-	-	-
 Total liabilities	 <u>712,864</u>	 <u>18,917,302</u>	 <u>121,105</u>
NET POSITION			
Restricted for			
Employees medical benefits	-	-	-
Other governments and organizations	-	-	-
 Total net position	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

See accompanying notes to the financial statements

Employee Benefit Trust Fund	Investment Pool Trust Fund	Total
\$ 1,713,793	\$ -	\$ 20,658,587
2,385	1,983,846	2,079,844
-	-	712,864
<u>1,716,178</u>	<u>1,983,846</u>	<u>23,451,295</u>
-	-	19,751,271
232,500	-	232,500
<u>232,500</u>	<u>-</u>	<u>19,983,771</u>
1,483,678	-	1,483,678
-	1,983,846	1,983,846
<u>\$ 1,483,678</u>	<u>\$ 1,983,846</u>	<u>\$ 3,467,524</u>

NATRONA COUNTY, WYOMING

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2015

	Employee Benefit Trust Fund	Investment Pool Trust Fund
Additions		
Contributions from pool participants	\$ -	\$ 1,860,236
Contributions from employer	5,973,125	-
Investment income	50	109,827
	5,973,175	1,970,063
Deductions		
Medical benefits paid	5,075,330	-
Distributions to pool participants	-	1,725,000
	5,075,330	1,725,000
Change in net position	897,845	245,063
Net position - beginning of year	585,833	1,738,783
Net position - end of year	\$ 1,483,678	\$ 1,983,846

See accompanying notes to the financial statements

NATRONA COUNTY, WYOMING

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

June 30, 2015

	Natrona County Weed and Pest Control	Natrona County Public Library	Natrona County Fair
ASSETS			
Cash and cash equivalents	\$ 801,427	\$ 733,979	\$ 187,436
Investments	188,986	98,959	-
Beneficial interest in assets held by others	-	266,246	-
Accounts receivable	13,475	-	-
Accrued interest receivable	639	-	410
Due from other governments	-	-	-
Due from primary government	1,474,379	-	-
Inventory	158,624	-	-
Prepaid items	5,770	-	-
Capital assets not being depreciated	-	2,165,680	-
Capital assets being depreciated, net	373,282	1,346,227	3,778,174
Restricted cash and cash equivalents	-	-	-
Restricted investments	-	2,398,033	589,174
Total assets	<u>3,016,582</u>	<u>7,009,124</u>	<u>4,555,194</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	53,503	227,819	61,801
Total deferred outflows of resources	<u>53,503</u>	<u>227,819</u>	<u>61,801</u>
LIABILITIES			
Accounts payable and accrued liabilities	31,649	56,309	12,087
Unearned revenue	-	-	-
Noncurrent liabilities			
Due within one year	2,684	9,446	301
Due in more than one year	363,520	1,489,980	433,451
Total current liabilities	<u>397,853</u>	<u>1,555,735</u>	<u>445,839</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenues	1,449,671	-	-
Total deferred inflows of resources	<u>1,449,671</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	373,282	2,165,680	3,778,174
Restricted, expendable			
Restricted for passenger facility charges	-	-	-
Restricted, nonexpendable			
Restricted by donors	-	2,398,033	589,174
Unrestricted (deficit)	<u>849,279</u>	<u>1,117,495</u>	<u>(196,192)</u>
Total net position (deficit)	<u>\$ 1,222,561</u>	<u>\$ 5,681,208</u>	<u>\$ 4,171,156</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
\$ 98,213	\$ 88,724	\$ 868,380	\$ 2,778,159
507,544	-	1,996,377	2,791,866
-	-	-	266,246
3,118	3,854	193,766	214,213
-	-	-	1,049
435,820	133,019	1,212,937	1,781,776
-	33,549	-	1,507,928
-	-	23,738	182,362
-	-	-	5,770
-	-	9,379,876	11,545,556
68,769	96,946	21,969,576	27,632,974
-	-	191,453	191,453
-	-	-	2,987,207
<u>1,113,464</u>	<u>356,092</u>	<u>35,836,103</u>	<u>51,886,559</u>
<u>283,940</u>	<u>103,591</u>	<u>275,966</u>	<u>1,006,620</u>
<u>283,940</u>	<u>103,591</u>	<u>275,966</u>	<u>1,006,620</u>
28,307	89,428	1,369,439	1,587,219
16,149	21,830	106,094	144,073
4,635	3,293	79,899	100,258
1,869,257	656,612	2,926,783	7,739,603
<u>1,918,348</u>	<u>771,163</u>	<u>4,482,215</u>	<u>9,571,153</u>
-	-	-	1,449,671
-	-	-	1,449,671
68,769	96,946	29,809,967	36,292,818
-	-	227,837	227,837
-	-	-	2,987,207
<u>(589,713)</u>	<u>(408,426)</u>	<u>1,592,050</u>	<u>2,364,493</u>
<u>\$ (520,944)</u>	<u>\$ (311,480)</u>	<u>\$ 31,629,854</u>	<u>\$ 41,872,355</u>

NATRONA COUNTY, WYOMING

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

Year Ended June 30, 2015

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units				
Natrona County Weed and Pest Control	\$ 1,587,465	\$ 274,675	\$ 65,000	\$ -
Natrona County Public Library	3,312,809	47,623	2,914,361	74,964
Natrona County Fair	1,757,088	771,755	609,745	159,095
City of Casper/Natrona County Health Department	3,088,469	766,657	2,291,515	-
Community Action Partnership of Natrona County	2,031,225	6,236	1,873,938	-
Natrona County International Airport	6,620,114	4,230,468	276,829	4,436,175
	\$ 18,397,170	\$ 6,097,414	\$ 8,031,388	\$ 4,670,234

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

Change in net position

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

Net position (deficit) - end of year

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

Natrona County Weed and Pest Control	Natrona County Public Library	Natrona County Fair	City of Casper/ Natrona County Health Department	Community Action Partnership of Natrona County	Natrona County International Airport	Totals
\$ (1,247,790)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,247,790)
-	(275,861)	-	-	-	-	(275,861)
-	-	(216,493)	-	-	-	(216,493)
-	-	-	(30,297)	-	-	(30,297)
-	-	-	-	(151,051)	-	(151,051)
-	-	-	-	-	2,323,358	2,323,358
<u>(1,247,790)</u>	<u>(275,861)</u>	<u>(216,493)</u>	<u>(30,297)</u>	<u>(151,051)</u>	<u>2,323,358</u>	<u>401,866</u>
847,459	-	-	-	-	-	847,459
276,751	-	-	-	-	95,856	372,607
2,045	64,896	2,613	22,279	7	3,151	94,991
5,788	37,326	-	18,285	126,415	-	187,814
-	70,437	2,417	-	-	-	72,854
<u>1,132,043</u>	<u>172,659</u>	<u>5,030</u>	<u>40,564</u>	<u>126,422</u>	<u>99,007</u>	<u>1,575,725</u>
(115,747)	(103,202)	(211,463)	10,267	(24,629)	2,422,365	1,977,591
1,549,249	6,846,032	4,703,815	953,403	195,871	30,047,426	44,295,796
(210,941)	(1,061,622)	(321,196)	(1,484,614)	(482,722)	(839,937)	(4,401,032)
<u>1,338,308</u>	<u>5,784,410</u>	<u>4,382,619</u>	<u>(531,211)</u>	<u>(286,851)</u>	<u>29,207,489</u>	<u>39,894,764</u>
<u>\$ 1,222,561</u>	<u>\$ 5,681,208</u>	<u>\$ 4,171,156</u>	<u>\$ (520,944)</u>	<u>\$ (311,480)</u>	<u>\$ 31,629,854</u>	<u>\$ 41,872,355</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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 major component units to emphasize it is legally separate from the County. Each blended and discretely presented component unit has a June 30 year end.

Blended Component Units

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

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

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

Discretely Presented Component Units

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

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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

Discretely Presented Component Units (Continued)

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

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

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

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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

Government-wide and Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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

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

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

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

The government reports the following major governmental funds:

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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

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

Investments (Continued)

The County maintains an investment pool that is available for use by all funds and component units, as well as several outside 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.

Endowments

Restricted nonexpendable net position as of June 30, 2015 represents the principal of permanent endowments restricted to investment in perpetuity by donors of the Library and Fair Foundations. Investment earnings, except for changes in fair market value, are expendable to support the purposes designated by the donors.

Receivables and Payables

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

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

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

The County is permitted by Wyoming Statutes to levy up to 12 mils of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2015, was 12 mils, which means the County has levied to the maximum amount available.

Major Taxpayers

The County's 10 largest taxpayers account for over 37% of the County's total assessed property valuation. Eight of the 10 taxpayers are involved in mineral extraction industries. A utility company and a transportation company make up the other two major taxpayers. The County received approximately 19% of its total tax revenues from these taxpayers.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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

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

Inventory

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

Capital Assets

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

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

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

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

Pensions

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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 of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has only one item that qualified for reporting in this category. It is the pension plan items reported in the government-wide funds statement of net position. The pension plan items are the result of differences between the projected and actual earnings on pension plan items, as well as the County's contributions subsequent to the measurement date used by the Wyoming Retirement System for the pension plan liability.

Inflows of Resources

In addition to liabilities, the statement of net position or balance sheet may sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item that qualifies for reporting in this category. Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available. In the government-wide statement of net position, property taxes for which a lien has been established but have not yet been levied are reported as a deferred inflow of resources. Property taxes are recognized as an inflow of resources in the year they are levied.

Compensated Absences

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

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

Budgets

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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

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

Budgets (Continued)

The County Commissioners exercise legal spending control at the department level. Any over-expenditures or transfers of appropriations must be approved by them, as are all departmental budget amendments. Management control is exercised at budgetary line item levels. The County Commissioners and the governing Boards of the component units may also amend the budget after it is approved, using the same procedures necessary to approve the original budget. The budgetary data presented in the financial statements reflects all approved budget amendments. Supplemental budget appropriations of \$1,170,126 were approved for the general fund during the year.

Fund Equity

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

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

Restricted Net Position

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

Collections

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

Short-term Financing

The County did not issue any tax anticipation notes or use any other type of short-term financing for the year ended June 30, 2015.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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

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

Accounting Estimates

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

Note 2. Deposits and Investments

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that the County's deposits in excess of Federal depository insurance must be collateralized. At June 30, 2015, the County's deposits were fully insured or collateralized as required by statutes.

Investments

As of June 30, 2015, the primary government had the following investments:

Investment Type	Fair Value	Interest Rate	Investment Maturities in Years				Rating
			Less Than 1	1 - 5	6 - 10	More Than 10	
External							
investment pool	\$ 2,522,383	n/a	\$ 2,522,383	\$ -	\$ -	\$ -	n/a
WGIF	4,351,124	n/a	4,351,124	-	-	-	AAAm
WGIF - CD	650,000	n/a	650,000	-	-	-	n/a
FNMA MBS	<u>2,265,327</u>	2% to 3.25%	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,265,327</u>	AA+
Total	<u>\$ 9,788,834</u>		<u>\$ 7,523,507</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,265,327</u>	

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 2. Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2015, the component units of the County had the following investments:

Investment Type	Fair Value	Interest Rate	Investment Maturities in Years				Rating
			Less Than 1	1 - 5	6 - 10	More Than 10	
U.S. Government							
agency securities	\$ 280,049	.125% -1.93%	\$ 50,028	\$ 230,021	\$ -	\$ -	Not rated
Mutual funds	1,852,179	n/a	1,852,179	-	-	-	n/a
External							
investment pool	606,503	n/a	606,503	-	-	-	n/a
Municipal bonds	25,281	1.55%	-	25,281	-	-	n/a
Corporate bonds	50,137	0.0% to 3.0%	50,137	-	-	-	n/a
Certificates of deposit	2,964,924	.25% to 2.0%	2,804,657	160,267	-	-	n/a
Total	\$ 5,779,073		\$ 5,363,504	\$ 415,569	\$ -	\$ -	

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

Investments	\$ 2,791,866
Restricted investments	<u>2,987,207</u>
	<u><u>\$ 5,779,073</u></u>

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Credit Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk – Investments

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

Note 3. Interfund Balances

Interfund and intra-entity receivables and payables at June 30, 2015 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ -	\$ 5,992,569
County Road Construction Fund	4,291,506	-
Drug Court Fund	147,358	-
Jail Joint Powers Board	45,724	-
Hall of Justice Joint Powers Board	53	-
Component Units	1,507,928	-
	<u>\$ 5,992,569</u>	<u>\$ 5,992,569</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 3. Interfund Balances (Continued)

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 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 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.

Note 4. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 16,241,656	\$ -	\$ -	\$ 16,241,656
Infrastructure	28,757,300	-	(3,058,530)	25,698,770
Construction in progress	504,112	-	(504,112)	-
Total capital assets not being depreciated	<u>45,503,068</u>	<u>-</u>	<u>(3,562,642)</u>	<u>41,940,426</u>
Capital assets being depreciated				
Buildings	145,489,605	-	-	145,489,605
Machinery and equipment	19,513,986	2,593,901	(980,413)	21,127,474
Hospital assets*	319,929,669	15,788,773	-	335,718,442
Total capital assets being depreciated	<u>484,933,260</u>	<u>18,382,674</u>	<u>(980,413)</u>	<u>502,335,521</u>
Less accumulated depreciation for				
Buildings	93,712,838	1,763,568	-	95,476,406
Machinery and equipment	16,905,997	1,185,535	(949,002)	17,142,530
Hospital assets*	191,684,733	13,635,066	-	205,319,799
Total accumulated depreciation	<u>302,303,568</u>	<u>16,584,169</u>	<u>(949,002)</u>	<u>317,938,735</u>
Total capital assets being depreciated, net	<u>182,629,692</u>	<u>1,798,505</u>	<u>(31,411)</u>	<u>184,396,786</u>
Capital assets, net	<u>\$ 228,132,760</u>	<u>\$ 1,798,505</u>	<u>\$ (3,594,053)</u>	<u>\$ 226,337,212</u>

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 4. Capital Assets (Continued)

Primary Government (Continued)

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

Governmental activities	
General government	\$ 1,332,365
Public safety	1,235,886
Public works	313,916
Health and welfare	25,000
Conservation of natural resources	41,936
Hospital	13,635,066
Total depreciation expense - governmental activities	\$ 16,584,169

Component Units

Capital asset activity for each component unit for the year ended June 30, 2015 follows.

Capital asset activity for the Natrona County Weed and Pest Control for the year ended June 30, 2015 was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Buildings and improvements	\$ 419,077	\$ -	\$ -	\$ 419,077
Machinery and equipment	560,965	23,145	(23,925)	560,185
Total capital assets being depreciated	980,042	23,145	(23,925)	979,262
Less accumulated depreciation for				
Buildings and improvements	142,595	11,704	-	154,299
Machinery and equipment	409,751	48,310	(6,380)	451,681
Total accumulated depreciation	552,346	60,014	(6,380)	605,980
Capital assets, net	\$ 427,696	\$ (36,869)	\$ (17,545)	\$ 373,282

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 4. Capital Assets (Continued)

Component Units (Continued)

Capital asset activity for the Natrona County Public Library for the year ended June 30, 2015 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	702,200	-	(81,600)	620,600
Total capital assets not being depreciated	<u>2,247,280</u>	<u>-</u>	<u>(81,600)</u>	<u>2,165,680</u>
Capital assets being depreciated				
Machinery and equipment	778,332	54,357	(53,220)	779,469
Library collection	3,059,912	-	227,057	3,286,969
Total capital assets being depreciated	<u>3,838,244</u>	<u>54,357</u>	<u>173,837</u>	<u>4,066,438</u>
Less accumulated depreciation for				
Machinery and equipment	549,440	61,288	(53,220)	557,508
Library collection	1,980,142	282,676	(100,115)	2,162,703
Total accumulated depreciation	<u>2,529,582</u>	<u>343,964</u>	<u>(153,335)</u>	<u>2,720,211</u>
Total capital assets being depreciated, net	<u>1,308,662</u>	<u>(289,607)</u>	<u>327,172</u>	<u>1,346,227</u>
Capital assets, net	<u>\$ 3,555,942</u>	<u>\$ (289,607)</u>	<u>\$ 245,572</u>	<u>\$ 3,511,907</u>

Capital asset activity for the Natrona County Fair for the year ended June 30, 2015, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Buildings and improvements	\$ 6,419,647	\$ -	\$ -	\$ 6,419,647
Machinery and equipment	1,251,463	302,499	-	1,553,962
Total capital assets being depreciated	<u>7,671,110</u>	<u>302,499</u>	<u>-</u>	<u>7,973,609</u>
Less accumulated depreciation for				
Buildings and improvements	3,074,939	160,492	-	3,235,431
Machinery and equipment	915,112	44,892	-	960,004
Total accumulated depreciation	<u>3,990,051</u>	<u>205,384</u>	<u>-</u>	<u>4,195,435</u>
Capital assets, net	<u>\$ 3,681,059</u>	<u>\$ 97,115</u>	<u>\$ -</u>	<u>\$ 3,778,174</u>

Approximately \$3,421,693 of buildings has been acquired under capital leases. The related amortization expense of \$85,542 has been included in annual depreciation expense.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Machinery and equipment	\$ 493,702	\$ 17,658	\$ (19,169)	\$ 492,191
Total capital assets being depreciated	493,702	17,658	(19,169)	492,191
Less accumulated depreciation for				
Machinery and equipment	423,754	18,837	(19,169)	423,422
Total accumulated depreciation	423,754	18,837	(19,169)	423,422
Capital assets, net	<u>\$ 69,948</u>	<u>\$ (1,179)</u>	<u>\$ -</u>	<u>\$ 68,769</u>

Capital asset activity for the Community Action Partnership of Natrona County for the year ended June 30, 2015, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Building improvements	\$ 82,003	\$ -	\$ -	\$ 82,003
Machinery and equipment	185,675	-	-	185,675
Total capital assets being depreciated	267,678	-	-	267,678
Less accumulated depreciation for				
Building improvements	14,758	2,086	-	16,844
Machinery and equipment	147,424	6,464	-	153,888
Total accumulated depreciation	162,182	8,550	-	170,732
Capital assets, net	<u>\$ 105,496</u>	<u>\$ (8,550)</u>	<u>\$ -</u>	<u>\$ 96,946</u>

Approximately \$16,500 of equipment has been acquired under capital leases. The related amortization expense of \$3,300 has been included in annual depreciation expense.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 4. Capital Assets (Continued)

Component Units (Continued)

Capital asset activity for the Natrona County International Airport for the year ended June 30, 2015, 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	1,142,785	4,286,198	(196,075)	5,232,908
Total capital assets not being depreciated	<u>5,289,753</u>	<u>4,286,198</u>	<u>(196,075)</u>	<u>9,379,876</u>
Capital assets being depreciated				
Buildings and improvements	81,109,601	796,642	(270,167)	81,636,076
Machinery and equipment	5,410,817	78,976	(25,621)	5,464,172
Water and sewage system	801,207	-	-	801,207
Total capital assets being depreciated	<u>87,321,625</u>	<u>875,618</u>	<u>(295,788)</u>	<u>87,901,455</u>
Less accumulated depreciation for				
Buildings and improvements	59,344,393	2,270,469	(270,167)	61,344,695
Machinery and equipment	3,488,218	342,205	(25,621)	3,804,802
Water and sewage system	778,354	4,028	-	782,382
Total accumulated depreciation	<u>63,610,965</u>	<u>2,616,702</u>	<u>(295,788)</u>	<u>65,931,879</u>
Total capital assets being depreciated, net	<u>23,710,660</u>	<u>(1,741,084)</u>	<u>-</u>	<u>21,969,576</u>
Capital assets, net	<u>\$ 29,000,413</u>	<u>\$ 2,545,114</u>	<u>\$ (196,075)</u>	<u>\$ 31,349,452</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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 \$28,257,063 at June 30, 2015. The County had no outstanding debt subject to this limitation.

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2015:

	Restated Balance June 30, 2014	New Debt Incurred	Debt Retired	Balance June 30, 2015	Due Within One Year
Primary Government					
Certificates of participation	\$ 7,190,000	\$ -	\$ 590,000	\$ 6,600,000	\$ 600,000
Original issue premium	112,006	-	9,466	102,540	9,467
Compensated absences	1,170,529	1,188,775	1,170,529	1,188,775	71,012
Net pension liability	7,839,623	1,907,847	-	9,747,470	-
	<u>\$ 16,312,158</u>	<u>\$ 3,096,622</u>	<u>\$ 1,769,995</u>	<u>\$ 17,638,785</u>	<u>\$ 680,479</u>

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

	Restated Balance June 30, 2014	New Debt Incurred	Debt Retired	Balance June 30, 2015	Due Within One Year
Component Units					
Note payable	\$ 1,609,973	\$ -	\$ 70,488	\$ 1,539,485	\$ 79,899
Capital lease obligations	13,817	-	3,255	10,562	3,293
Compensated absences	555,386	545,636	555,386	545,636	17,066
Net pension liability	4,847,871	896,307	-	5,744,178	-
	<u>\$ 7,027,047</u>	<u>\$ 1,441,943</u>	<u>\$ 629,129</u>	<u>\$ 7,839,861</u>	<u>\$ 100,258</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015 is as follows:

Certificates of participation series 2014, due in annual installments of \$590,000 to \$735,000 through June 2025, interest at 3.0% to 4.0%, original amount issued \$7,900,000 at premium of \$113,584.	\$ 6,600,000
	\$ 6,600,000

Scheduled principal and interest requirements as of June 30, 2015 are as follows:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 600,000	\$ 159,175	\$ 759,175
2017	610,000	147,175	757,175
2018	625,000	134,975	759,975
2019	635,000	122,475	757,475
2020	650,000	109,775	759,775
2021-2025	3,480,000	303,593	3,783,593
	\$ 6,600,000	\$ 977,168	\$ 7,577,168

The balances above do not include the unamortized premium in the amount of \$102,540 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, 2015 is as follows:

Note payable to a government agency, with interest at 5%, payable in annual installments of \$155,397 due each January, through January 2029	\$ 1,539,485
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NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 5. County Debt (Continued)

Component Units, Note Payable (Continued)

Scheduled principal and interest requirements as of June 30, 2015 are as follows:

Fiscal year ending, June 30	Principal	Interest	Total
2016	\$ 79,899	\$ 75,498	\$ 155,397
2017	82,418	72,979	155,397
2018	86,539	68,858	155,397
2019	90,866	64,531	155,397
2020	95,409	59,988	155,397
2021 thru 2025	553,557	223,431	776,988
2026 thru 2029	550,797	70,507	621,304
	<u>\$ 1,539,485</u>	<u>\$ 635,792</u>	<u>\$ 2,175,277</u>

Component Units, Capital Lease Payable

A summary of the capital leases for Community Action Partnership of Natrona County (CAP) as of June 30, 2015 is as follows:

Lease/buy back obligation on copier, due in monthly installments of \$283, including interest at 1.18%, through August 2018, collateralized by the copier	\$ 10,562
	<u>\$ 10,562</u>

Future minimum lease payments as of June 30, 2015 are as follows:

Fiscal year ending, June 30	
2016	\$ 3,400
2017	3,400
2018	3,400
2019	566
Total minimum lease payments	<u>10,766</u>
Less: interest	204
Present value minimum lease payments	<u>\$ 10,562</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 6. Revenue Bonds

In February 2011, the Wyoming Medical Center (the Center) issued \$20,000,000 aggregate principal amount of its Revenue Bonds, Series 2011, dated February 17, 2011 through Natrona County, Wyoming. The bond issuance resulted in net proceeds to the Center of approximately \$20,039,244, including a premium of \$39,244. The Series 2011 Bonds are special, limited obligations of the Center and the Board of Trustees of the Memorial Hospital of Natrona County, equally and ratably payable from the "Net Pledged Revenues" and certain funds held under the Indenture. As of June 30, 2015, \$18,270,000 of principal on the Series 2011 was outstanding. This obligation is not included on the balance sheet of the County since it is not obligated in any manner for repayment of the bonds.

Note 7. Natrona County Memorial Hospital Lease

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

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

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

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

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

	2015	2014
Indigent and prisoner care	\$ 18,774,549	\$ 19,981,013
Property insurance	456,455	294,039
	<u>\$ 19,231,004</u>	<u>\$ 20,275,052</u>

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

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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 \$266,246 as of June 30, 2015, as beneficial interest in assets held by others.

Note 9. Defined Benefit Pension Plans

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

Law Enforcement Pension Plan

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

The LEPP is funded by amounts withheld from participating employees' salaries and by contributions from the County. These contributions are determined by state statutes and as of June 30, 2015, the percentages to be contributed on compensation were 8.60% for the employees and the same for the County. Currently, the County pays 13.42%, while employees pay 3.78%.

For the years ended June 30, 2015, 2014, and 2013 total contributions for the LREP were \$1,283,134, \$1,274,661, and \$1,262,766 respectively, equal to the required contributions for each year. The County's portion of these contributions was \$1,001,143, \$994,532, and \$985,251, while the employees' portion was \$281,991, \$280,129, and \$277,515, equal to the required contributions for each year.

Public Employees' Pension Plan

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

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 9. Defined Benefit Pension Plans (Continued)

Public Employees' Pension Plan (Continued)

PEPP members are required to contribute 8.25% of their annual covered salary and the County is required to contribute 7.12%, increasing to 7.62% effective September 1, 2014, 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 14.62% and employees pay 1.25%. The County's contributions to the PEPP for the years ended June 30, 2015, 2014 and 2013 were \$1,209,766, \$1,086,925, and \$988,517, while the employees' portion was \$103,434, \$92,931, and \$84,518, 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 15.37% of the required contribution and the employees pay 0.50%. Community Action Partnership pays 13.815% of the required contribution and the employees pay 2.055%. The component units' contributions to the System, excluding the Airport, for the years ended June 30, 2015, 2014 and 2013 were \$698,499, \$616,719, and \$600,965, while the employees' portion was \$20,768, \$16,626, and \$16,793, 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, 2015, 2014 and 2013 were \$170,491, \$155,424, and \$135,758, respectively, equal to the required contributions for each year for regular employees, respectively, for each year. The Airport also pays 100% the full required contribution which is 15.87% for regular employees.

Paid Firemen's Pension Plan A

The Airport also participates in the Wyoming Paid Firemen's Retirement Fund ("Fund"), a statewide cost-sharing multiple-employer paid fireman's retirement system administered by the State of Wyoming Retirement System Board. Substantially all Airport full-time fire personnel are eligible to participate. The Fund provides retirement, disability and death benefits according to predetermined formulas, as established by Title 15, Chapter 5 of the Wyoming Statutes. Fire personnel hired prior to July 1, 1981 participate in Plan A. Under this plan, participants contribute 8% of their gross monthly salary up to the maximum monthly salary of a fireman first class, and the employer contributed 21% of the participant's gross monthly salary up to the maximum monthly salary of a fireman first class.

Contributions - Effective April 1997, Plan A was declared to be fully funded, and the Airport is not required to make further contributions.

Paid Firemen's Pension Plan B

The Airport also participates in the Wyoming Paid Firemen's Retirement Fund, a statewide cost-sharing multiple-employer paid fireman's retirement system administered by the State of Wyoming Retirement System Board. Substantially all Airport full-time fire personnel are eligible to participate. The Fund provides retirement, disability and death benefits according to predetermined formulas, as established by Title 15, Chapter 5 of the Wyoming Statutes. Fire personnel hired after July 1, 1981 participate in Plan B. Under this plan, participants contribute 9.245% of their gross monthly salary and the employer contributes 12% of the participant's gross monthly salary.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 9. Defined Benefit Pension Plans (Continued)

Paid Firemen's Pension Plan B (Continued)

Contributions - 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, 2015, 2014 and 2013 were \$96,864, \$95,065, and \$85,402, 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, 2015, the County reported a liability of \$9,747,470 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 \$335,605, \$1,397,350, \$395,040, \$1,795,494, \$616,348, and \$1,204,341, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation January 1, 2014. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plans relative to the projected contributions of all participating governmental entities, actuarially determined. At December 31, 2014, the County's liability as well as their proportion and increase or decrease from its proportion measured at December 31, 2013 were as follows for each plan in which the county participates:

	Pension liability at June 30, 2015	Proportion at December 31, 2014	Increase (decrease) from December 31, 2013
Primary Government			
Public Employees' Pension Plan	\$ 8,313,642	0.471110003%	0.012564355%
Wyoming Law Enforcement Retirement Plan	1,433,828	4.866427377%	0.113271715%
	<u>\$ 9,747,470</u>		
Component Units			
Public Employees' Pension Plan			
Natrona County Weed and Pest Control	\$ 335,605	0.019017767%	0.003527823%
Natrona County Public Library	1,397,350	0.079183759%	0.002902324%
Natrona County Fair Board	395,040	0.022385761%	-0.000622263%
Natrona County City of Casper Health Department	1,795,494	0.101745508%	-0.004435050%
County Community Action Partnership of Natrona County	616,348	0.034926668%	0.000467020%
Natrona County International Airport	1,048,411	0.062000000%	0.003000000%
Paid Firemen's Retirement Plan A			
Natrona County International Airport	152,245	0.236000000%	0.003000000%
Paid Firemen's Retirement Plan B			
Natrona County International Airport	3,685	1.677000000%	-0.090000000%
	<u>\$ 5,744,178</u>		

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2015, the County and its component units Weed and Pest, Library, Fair, Health Department, Community Action Partnership, and the Airport recognized pension expense of \$2,784,785 and \$1,034,419, respectively. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Net difference between projected and actual earnings on pension plan investments	County contributions subsequent to the measurement date	Total
Primary Government	\$ 1,247,912	\$ 1,307,206	\$ 2,555,118
Component Units			
Natrona County Weed and Pest Control	27,517	25,986	53,503
Natrona County Public Library	114,571	113,249	227,820
Natrona County Fair Board	32,390	29,411	61,801
Natrona County City of Casper Health Department	147,215	136,725	283,940
County Community Action Partnership of Natrona County	50,535	53,056	103,591
Natrona County International Airport	140,301	135,665	275,966

The County and its component units reported \$1,307,206 and \$494,092, 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, 2016. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	2016	2017	2018	2019	Total
Primary Government	\$ 311,978	\$ 311,978	\$ 311,978	\$ 311,978	\$ 1,247,912
Component Units					
Natrona County Weed and Pest Control	6,879	6,879	6,879	6,880	27,517
Natrona County Public Library	28,643	28,643	28,643	28,642	114,571
Natrona County Fair Board	8,097	8,097	8,098	8,098	32,390
Natrona County City of Casper Health Department	36,804	36,804	36,804	36,803	147,215
County Community Action Partnership of Natrona County	12,634	12,634	12,634	12,633	50,535
Natrona County International Airport	35,477	35,477	35,477	33,870	140,301

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

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, 2014 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions and Methods	
Valuation date	1/1/2014
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent or level dollar open
Remaining amortization period	10 to 60
Asset valuation method	5-year
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases (includes inflation)	4.25% to 8.00%
Assumed inflation rate	3.25%
Mortality	RP-2000 Combined Mortality Table, fully generational

The current actuarial assumptions and methods used in the January 1, 2014 valuation were based on an experience study that covered a five-year period ending December 31, 2011. Differences between assumptions and actual experience since the prior valuation are identified as actuarial gains and losses. These gains and losses impact the unfunded actuarial liability and future funding requirements determined in subsequent valuations.

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

For each major asset class that is included in the pension plans' target allocation as of January 1, 2014, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.50%	0.50%
Fixed income	15.00%	0.98%
Equity	55.00%	6.66%
Marketable alternatives	15.50%	4.19%
Private markets	12.00%	7.13%
Total	100.00%	

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 9. Defined Benefit Pension Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions for participating governmental entities will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. However, for the Wyoming Paid Firemen's Retirement Fund Plan A, the discount rate was changed from 7.75% in the prior valuation to 4.468% for the current valuation.

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

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

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Primary Government			
Public Employees' Pension Plan	\$ 12,991,700	\$ 8,313,642	\$ 4,385,151
Wyoming Law Enforcement Retirement Plan	5,006,477	1,433,828	(1,514,446)
Component Units			
Natrona County Weed and Pest			
Public Employees' Pension Plan	524,449	335,605	177,020
Natrona County Library			
Public Employees' Pension Plan	2,183,634	1,397,350	737,052
Natrona County Fair Board			
Public Employees' Pension Plan	617,327	395,040	208,369
Natrona County City of Casper Health Department			
Public Employees' Pension Plan	2,805,814	1,795,494	947,060
Natrona County Community Action Partnership			
Public Employees' Pension Plan	963,165	616,348	325,102
Natrona County International Airport			
Public Employees' Pension Plan	1,696,644	1,085,715	572,676
Fire Pension Plan A	496,720	388,481	301,773
Fire Pension Plan B	249,273	(18,854)	(242,290)

Payables to the pension plans – At June 30, 2015, the County did not have any payables to the pension plans. However, Natrona County Weed and Pest reported \$4,789 as payable to the pension plans.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 10. Deferred Compensation Plans

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

Note 11. County Equity

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

	General Fund	County Road Construction Fund	Other Nonmajor Funds	Totals
Fund balances				
Nonspendable				
Inventory	\$ 61,543	\$ -	\$ -	\$ 61,543
Restricted for				
Road construction	-	4,291,506	-	4,291,506
Drug court	-		147,358	147,358
Lake water and sewer	85,643	-	-	85,643
Bureau of Reclamation lake	979,891	-	-	979,891
Committed to				
Perpetual care of one cent projects	2,265,327	-	-	2,265,327
Natrona County Detention Center Joint Powers Board	-	-	71,815	71,815
Hall of Justice Joint Powers Board	-	-	101,280	101,280
Transportation Department Road Funds	8,365,244	-	-	8,365,244
Assigned to				
Emergency reserves	7,324,833	-	-	7,324,833
Planned capital projects	14,627,157	-	-	14,627,157
Unassigned	3,997,058	-	-	3,997,058
Totals	<u>\$ 37,706,696</u>	<u>\$ 4,291,506</u>	<u>\$ 320,453</u>	<u>\$ 42,318,655</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 12. Commitments and Contingencies

Contingencies

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

Note 13. Risk Management Programs

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. As a result of these and other risks, the County participates in Wyoming Association of Risk Management (WARM), a management risk pool and WARM property insurance pool. Assessments for premiums or retroactive premiums are based on each member's payroll costs in relation to the total payroll costs of all members. Historically, the County's payroll has represented approximately 13.2% of the total payroll of all participants in the pool. The Coverage limit is \$10,000,000, which also includes various sub-limits. Claims have not exceeded coverage amounts in any of the last three years. Premiums paid to WARM by the County totaled \$484,319 and \$470,506 for the years ended June 30, 2015 and 2014, 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 2015 and 2014 were approximately \$193,979 and \$269,839, respectively.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 13. Risk Management Programs (Continued)

The County also provides health care benefits for primary government and component unit employees. Under this program, the County is insured under a stop-loss policy for individual claims exceeding \$100,000 per year. Premiums paid for stop-loss insurance were \$372,857 and \$351,788 respectively, for the years ended June 30, 2015 and 2014. 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, 2015 and 2014 are as follows:

	2015	2014
Health care risk management liability, beginning of year	\$ 532,500	\$ 307,500
Claims incurred	(4,906,811)	(3,370,331)
Claims paid	4,606,811	3,595,331
Health care risk management liability, end of year	\$ 232,500	\$ 532,500

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, 2015.

Note 14. Investment Pool

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

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

	Primary Government	Component Units	External Participants	Total
Statement of Net Position				
Investments	\$ 2,522,383	\$ 606,503	\$ 2,079,844	\$ 5,208,730
Net position, restricted for external pool participants	-	-	2,079,844	2,079,844
Net position, unrestricted	2,522,383	606,503	-	3,128,886
Total net position	\$ 2,522,383	\$ 606,503	\$ 2,079,844	\$ 5,208,730

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 14. Investment Pool (Continued)

	Primary Government	Component Units	External Participants	Total
Statement of Changes in Net Position				
Investment income	\$ 53,381	\$ 12,835	\$ 111,859	\$ 178,075
Contributions from participants	-	-	1,860,236	1,860,236
Distributions to participants	-	-	(1,725,000)	(1,725,000)
Change in net position	53,381	12,835	247,095	313,311
Net position, beginning	2,469,002	593,668	1,832,749	4,895,419
Net position, ending	<u>\$ 2,522,383</u>	<u>\$ 606,503</u>	<u>\$ 2,079,844</u>	<u>\$ 5,208,730</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, 2015, 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, 2015:

	Carrying Value	Fair Value
Cash deposits	\$ 1,630,332	\$ 1,630,332
FHLB notes, interest rates at 1.00 % to 2.05%, maturing 2027	1,644,403	1,604,544
FNMA MBS, interest rates at .875% to 2.5%, maturing 2032	1,644,193	1,623,010
FHLMC note, interest at 1.50%, maturing 2020	250,000	249,607
GNMA pass thru pool, interest at 0.00%, maturing 2023	99,028	98,989
FNMA MBS pass thru pool, interest at 6.5%, maturing 2026	1,948	2,248
Total investments	<u>\$ 5,269,904</u>	<u>\$ 5,208,730</u>

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 15. Related Organizations

The County provided revenues to various component units during the fiscal year ended June 30, 2015. Following are the amounts provided and the associated amounts payable to these component units as of June 30, 2015.

	Revenues Provided	Amounts Payable June 30, 2015
Natrona County Weed and Pest Control	\$ -	\$ 1,474,379
Natrona County Fair	768,840	-
Natrona County Public Library	2,639,425	-
City of Casper/Natrona County Health Department	650,000	-
Community Action Partnership of Natrona County	203,666	33,549

Note 16. Implementation of Governmental Accounting Standards Board Statements 68 and 71

The County implemented the following two standards in the current year. Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB 68)* were issued to improve accounting and financial reporting by state and local governments for pensions. They also improve information provided by state and local governmental employers about financial support for pensions that is provided by other entities. These Statements result from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision–useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Note 17. Standards Issued, But Not Yet Implemented

As of June 30, 2015, the Governmental Accounting Standards Board had issued the following standards which the County will implement in its 2016 fiscal year.

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

Management has not concluded its assessment of the effect of implementing this guidance.

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 18. Prior Period Adjustments

As part of implementing the requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement No. 68)*, the County and its component units adjusted their statements of net position for the portion of the pension liability attributable to periods before the year ended June 30, 2014. In addition, amounts due to the Jail Joint Powers Board had not been recorded and activities associated with the Friends of Community Action Partnership, a component unit of CAP were recorded within CAP. The table below illustrates the cash, due from other funds, deferred outflows, net pension liability, fund balance, and net position as originally stated and restated:

	As originally stated June 30, 2014	Adjustment	Restated June 30, 2014
<i>Governmental activities</i>			
Deferred outflows - pension items	\$ -	\$ 1,238,474	\$ 1,238,474
Net pension liability	-	(7,839,623)	(7,839,623)
Net position	(257,697,866)	6,601,149	(251,096,717)
<i>Governmental funds</i>			
Jail Joint Powers Board			
Due from other funds	-	45,671	45,671
Fund balance	(21,759)	(45,671)	(67,430)
<i>Component units</i>			
Natrona County Weed and Pest			
Deferred outflows - pension items	-	24,568	24,568
Net pension liability	-	(235,509)	(235,509)
Net position	(1,549,249)	210,941	(1,338,308)
Natrona County Library			
Deferred outflows - pension items	-	98,161	98,161
Net pension liability	-	(1,159,783)	(1,159,783)
Net position	(6,846,032)	1,061,622	(5,784,410)
Natrona County Fair Board			
Deferred outflows - pension items	-	28,618	28,618
Net pension liability	-	(349,814)	(349,814)
Net position	(4,703,815)	321,196	(4,382,619)
Natrona County City of Casper Health Department			
Deferred outflows - pension items	-	129,756	129,756
Net pension liability	-	(1,614,370)	(1,614,370)
Net position	(953,403)	1,484,614	531,211

NATRONA COUNTY, WYOMING

NOTES TO FINANCIAL STATEMENTS

June 30, 2015

Note 18. Prior Period Adjustments (Continued)

<i>Component units (Continued)</i>	As originally stated June 30, 2014	Adjustment	Restated June 30, 2014
County Community Action Partnership of Natrona County			
Cash	\$ -	\$ 936	\$ 936
Deferred outflows - pension items	-	40,267	40,267
Net pension liability	-	(523,925)	(523,925)
Net position	(195,871)	482,722	286,851
Natrona County International Airport			
Deferred outflows - pension items	-	124,533	124,533
Net pension liability	-	(964,470)	(964,470)
Net position	(30,047,426)	839,937	(29,207,489)

Note 19. Subsequent Events

After June 30, 2015, the County entered into several contracts subsequent to year end. The most material contracts are as follows:

Construction Project	Amount
Milling and overlay of 33 Mile Road and Poison Spider Road	\$ 3,651,532
Amoco Park renovations	274,754

REQUIRED SUPPLEMENTARY INFORMATION

NATRONA COUNTY, WYOMING

REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

Infrastructure Assets Reported Using the Modified Approach

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

The County manages its road network with an assessment system under a contract with an outside party. The network is assessed every three years, with the most recent assessment completed in fiscal year 2013. The roads may be rated as being in standard or substandard condition. Standard paved roads will not need major repairs for 8 to 20 years. Substandard paved roads will need major repairs within 0 to 7 years. Standard gravel roads will not need major repairs for 4 years. Substandard gravel roads will need major repairs within 0 to 4 years due to not having the proper structural base. The following table outlines condition levels, relative remaining life, and maintenance/rehabilitation required for paved and gravel roads as determined by the outside party which prepared the detailed condition survey for the County.

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

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

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

NATRONA COUNTY, WYOMING

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2015

Infrastructure Assets Reported Using the Modified Approach (Continued)

2015 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	30	21.4%	1	0.4%	n/a	n/a
80 - 84	n/a	n/a	8	2.9%	n/a	n/a
70 - 85	29	20.7%	n/a	n/a	n/a	n/a
70 - 79	n/a	n/a	43	15.4%	n/a	n/a
Sub-standard						
Less than 70	76	54.3%	n/a	n/a	n/a	n/a
60 - 69	n/a	n/a	64	22.6%	n/a	n/a
40 - 59	n/a	n/a	110	38.9%	n/a	n/a
10 - 39	n/a	n/a	56	19.8%	n/a	n/a
Not evaluated	5	3.6%	n/a	n/a	n/a	n/a
Unimproved	n/a	n/a	n/a	n/a	352	100%
	140	100%	282	100%	352	100%
2014 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	15	10.3%	6	2.1%	-	0.0%
80 - 84	32	21.9%	2	0.7%	-	0.0%
70 - 79	50	34.2%	25	8.9%	-	0.0%
Sub-standard						
60 - 69	39	26.7%	25	8.9%	-	0.0%
40 - 59	10	6.8%	42	14.9%	-	0.0%
10 - 39	-	0%	182	64.5%	-	0.0%
Unimproved	-	0%	-	0%	352	100%
	146	100%	282	100%	352	100%
2013 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard						
85 - 100	15	10.3%	4	1.4%	-	0.0%
80 - 84	32	21.9%	2	0.7%	-	0.0%
70 - 79	50	34.2%	25	8.9%	-	0.0%
Sub-standard						
60 - 69	39	26.7%	25	8.9%	-	0.0%
40 - 59	10	6.8%	42	15.0%	-	0.0%
10 - 39	-	0%	182	65.0%	-	0.0%
Unimproved	-	0%	-	0%	352	100%
	146	100%	280	100%	352	100%

NATRONA COUNTY, WYOMING

REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2015

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	2015		2014		2013	
	Bridges	Percent	Bridges	Percent	Bridges	Percent
Acceptable (80 to 100 points)	12	50%	12	50%	11	46%
Borderline (50 to 80 points)	6	25%	6	25%	6	25%
Deficient (less than 50 points)	6	25%	6	25%	7	29%
	<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.

	2015	2014	2013	2012	2011
Estimated maintenance and preservation expenditures	\$ 10,854,717	\$ 4,766,897	\$ 4,938,727	\$ 4,414,935	\$ 3,958,625
Actual maintenance and preservation expenditures	4,484,356	5,124,357	2,914,896	4,300,637	3,717,206
	<u>\$ (6,370,361)</u>	<u>\$ 357,460</u>	<u>\$ (2,023,831)</u>	<u>\$ (114,298)</u>	<u>\$ (241,419)</u>

NATRONA COUNTY, WYOMING

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years (Unaudited)

<i>Primary Government</i>	2015	2014	2013	2012
Public Employees Pension Plan				
Proportion of the net pension liability	0.471110003%	*	*	*
Proportionate share of the net pension liability	\$ 8,313,642	*	*	*
Covered-employee payroll	\$ 8,274,732	*	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	100.47%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	79.08%	*	*	*
Wyoming Law Enforcement Retirement Plan				
Proportion of the net pension liability	4.866427377%	*	*	*
Proportionate share of the net pension liability	\$ 1,433,828	*	*	*
Covered-employee payroll	\$ 7,460,081	*	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	19.22%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	94.76%	*	*	*
Component Units				
Public Employees Pension Plan				
Natrona County Community Action Partnership				
Proportion of the net pension liability	0.034926668%	*	*	*
Proportionate share of the net pension liability	\$ 616,348	*	*	*
Covered-employee payroll	\$ 665,709	*	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	92.59%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	79.08%	*	*	*
Natrona County Fair Board				
Proportion of the net pension liability	0.022385761%	*	*	*
Proportionate share of the net pension liability	\$ 395,040	*	*	*
Covered-employee payroll	\$ 378,935	*	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	104.25%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	79.08%	*	*	*
Natrona County City of Casper Health Department				
Proportion of the net pension liability	0.101745508%	*	*	*
Proportionate share of the net pension liability	\$ 1,795,494	*	*	*
Covered-employee payroll	\$ 1,743,359	*	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	102.99%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	79.08%	*	*	*
Natrona County Library				
Proportion of the net pension liability	0.079183759%	*	*	*
Proportionate share of the net pension liability	\$ 1,397,350	*	*	*
Covered-employee payroll	\$ 1,417,650	*	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	98.57%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	79.08%	*	*	*

2011	2010	2009	2008	2007	2006
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
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*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*

NATRONA COUNTY, WYOMING

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

<i>Component Units (Continued)</i>	2015	2014	2013	2012
Public Employees Pension Plan				
Natrona County Weed and Pest				
Proportion of the net pension liability	0.019017767%	*	*	*
Proportionate share of the net pension liability	\$ 335,605	*	*	*
Covered-employee payroll	\$ 326,591	*	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	102.76%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	79.08%	*	*	*
Natrona County International Airport				
Proportion of the net pension liability	0.06%	*	*	*
Proportionate share of the net pension liability	\$ 1,048,411	*	*	*
Covered-employee payroll	\$ 1,074,297	*	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	129.52%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	79.08%	*	*	*
Wyoming Law Enforcement Retirement Plan				
Fire Pension Plan A				
Natrona County International Airport				
Proportion of the net pension liability	0.24%	*	*	*
Proportionate share of the net pension liability	\$ 152,245	*	*	*
Covered-employee payroll	\$ -	*	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	45.95%	*	*	*
Fire Pension Plan B				
Natrona County International Airport				
Proportion of the net pension liability	1.68%	*	*	*
Proportionate share of the net pension liability	\$ 3,685	*	*	*
Covered-employee payroll	\$ 455,938	*	*	*
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	35.00%	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	100.98%	*	*	*

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

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

NATRONA COUNTY, WYOMING

SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Fiscal Years (Unaudited)

<i>Primary Government</i>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Public Employees Pension Plan				
Contractually required contribution	\$ 1,313,200	*	*	*
Contributions in relation to the contractually required contribution	<u>(1,313,200)</u>	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	*	*	*
Covered-employee payroll	<u>\$ 8,274,732</u>	*	*	*
Contributions as a percentage of covered-employee payroll	15.87%	*	*	*
Wyoming Law Enforcement Retirement Plan				
Contractually required contribution	\$ 1,283,134	*	*	*
Contributions in relation to the contractually required contribution	<u>(1,283,134)</u>	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	*	*	*
Covered-employee payroll	<u>\$ 7,460,081</u>	*	*	*
Contributions as a percentage of covered-employee payroll	17.20%	*	*	*
Component Units				
Public Employees Pension Plan				
Natrona County Community Action Partnership				
Contractually required contribution	\$ 105,648	*	*	*
Contributions in relation to the contractually required contribution	<u>(105,648)</u>	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	*	*	*
Covered-employee payroll	<u>\$ 665,709</u>	*	*	*
Contributions as a percentage of covered-employee payroll	15.87%	*	*	*
Natrona County Fair Board				
Contractually required contribution	\$ 60,137	*	*	*
Contributions in relation to the contractually required contribution	<u>(60,137)</u>	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	*	*	*
Covered-employee payroll	<u>\$ 378,935</u>	*	*	*
Contributions as a percentage of covered-employee payroll	15.87%	*	*	*
Natrona County City of Casper Health Department				
Contractually required contribution	\$ 276,671	*	*	*
Contributions in relation to the contractually required contribution	<u>(276,671)</u>	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	*	*	*
Covered-employee payroll	<u>\$ 1,743,359</u>	*	*	*
Contributions as a percentage of covered-employee payroll	15.87%	*	*	*
Natrona County Library				
Contractually required contribution	\$ 224,981	*	*	*
Contributions in relation to the contractually required contribution	<u>(224,981)</u>	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	*	*	*
Covered-employee payroll	<u>\$ 1,417,650</u>	*	*	*
Contributions as a percentage of covered-employee payroll	15.87%	*	*	*

NATRONA COUNTY, WYOMING

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

<i>Component Units (Continued)</i>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Public Employees Pension Plan				
Natrona County Weed and Pest				
Contractually required contribution	\$ 51,830	*	*	*
Contributions in relation to the contractually required contribution	<u>(51,830)</u>	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	*	*	*
Covered-employee payroll	<u>\$ 326,591</u>	*	*	*
Contributions as a percentage of covered-employee payroll	15.87%	*	*	*
Natrona County International Airport				
Contractually required contribution	\$ 170,491	*	*	*
Contributions in relation to the contractually required contribution	<u>(170,491)</u>	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	*	*	*
Covered-employee payroll	<u>\$ 1,074,297</u>	*	*	*
Contributions as a percentage of covered-employee payroll	15.87%	*	*	*
Wyoming Law Enforcement Retirement Plan				
Fire Pension Plan A				
Natrona County International Airport				
Contractually required contribution	\$ -	*	*	*
Contributions in relation to the contractually required contribution	<u>-</u>	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	*	*	*
Covered-employee payroll	<u>\$ -</u>	*	*	*
Contributions as a percentage of covered-employee payroll	0.00%	*	*	*
Fire Pension Plan B				
Natrona County International Airport				
Contractually required contribution	\$ 96,864	*	*	*
Contributions in relation to the contractually required contribution	<u>(96,864)</u>	*	*	*
Contribution deficiency (excess)	<u>\$ -</u>	*	*	*
Covered-employee payroll	<u>\$ 455,938</u>	*	*	*
Contributions as a percentage of covered-employee payroll	21.25%	*	*	*

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

NATRONA COUNTY, WYOMING

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	\$ 32,437,774	\$ 32,437,774	\$ 33,002,474	\$ 564,700
Licenses and permits	1,812,711	1,812,711	2,004,393	191,682
Intergovernmental	3,152,525	3,152,525	8,373,745	5,221,220
Charges for services	3,566,290	3,566,290	3,906,465	340,175
Investment income	43,915	43,915	208,975	165,060
Miscellaneous	1,443,741	1,443,741	1,260,236	(183,505)
Total revenues	42,456,956	42,456,956	48,756,288	6,299,332
Expenditures				
Current				
Agriculture	260,424	262,581	231,899	30,682
Assessor	958,869	973,837	868,178	105,659
Clerk	1,639,990	1,704,517	1,685,357	19,160
Coroner	396,968	405,116	404,640	476
Clerk of Court	1,601,979	1,660,795	1,614,247	46,548
Commissioners	14,733,088	15,604,929	14,881,524	723,405
Information technology	1,729,728	1,736,648	1,511,735	224,913
One percent	3,332,350	3,332,350	1,730,719	1,601,631
Road and bridge	4,430,390	4,479,979	4,103,287	376,692
Sheriff	15,576,718	15,662,868	15,116,657	546,211
Treasurer	964,970	971,980	847,956	124,024
Total expenditures	45,625,474	46,795,600	42,996,199	3,799,401
Excess (deficiency) of revenues over expenditures	\$ (3,168,518)	\$ (4,338,644)	5,760,089	\$ 2,499,931
Fund balance - beginning of year			36,121,310	
Fund balance - end of year			\$ 41,881,399	

See accompanying note to required supplementary information

NATRONA COUNTY, WYOMING

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

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

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

	<u>General Fund</u>
Revenues	
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 48,756,288
Difference - Budget Basis to GAAP Basis	
Accrual of accounts receivable	(48,309)
Accrual of property taxes receivable	(397,234)
Accrual of grants receivable	(136,484)
Total revenue as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 48,174,261
Expenditures	
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 42,996,199
Difference - Budget Basis to GAAP Basis	
Payment of principal on certificates of participation	
Accrual of accounts payable	(578,625)
Accrual of interest expense	(1,612)
Accrual of compensated absences	(12,834)
Adjust inventory	16,253
Record abandoned vehicle activity	18,384
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 42,437,765

OTHER SUPPLEMENTARY INFORMATION

NATRONA COUNTY, WYOMING

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS**

June 30, 2015

	<u>Drug Court Fund</u>	<u>Hall of Justice Joint Powers Board</u>	<u>Jail Joint Powers Board</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 101,227	\$ 26,091	\$ 127,318
Due from other funds	147,358	53	45,724	193,135
 Total assets	<u>\$ 147,358</u>	<u>\$ 101,280</u>	<u>\$ 71,815</u>	<u>\$ 320,453</u>
 LIABILITIES				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 FUND BALANCES				
Restricted	147,358	-	-	147,358
Unrestricted				
Committed	-	101,280	71,815	173,095
Total fund balances	<u>147,358</u>	<u>101,280</u>	<u>71,815</u>	<u>320,453</u>
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 147,358</u>	<u>\$ 101,280</u>	<u>\$ 71,815</u>	<u>\$ 320,453</u>

NATRONA COUNTY, WYOMING

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
June 30, 2015**

	Drug Court Fund	Hall of Justice Joint Powers Board	Jail Joint Powers Board	Totals
Revenues				
Intergovernmental revenues	\$ 409,511	\$ -	\$ -	\$ 409,511
Charges for services	34,894	-	-	34,894
Miscellaneous revenues	-	-	11,826	11,826
Total revenues	444,405	-	11,826	456,231
Expenditures				
Current				
Health and welfare	458,514	-	-	458,514
Capital outlay	5,179	-	7,441	12,620
Total expenditures	463,693	-	7,441	471,134
Excess (deficiency) of revenues over expenditures	(19,288)	-	4,385	(14,903)
Net change in fund balances	(19,288)	-	4,385	(14,903)
Fund balances - beginning of year, as previously reported	166,646	101,280	21,759	289,685
Prior period adjustment	-	-	45,671	45,671
Fund balances - beginning of year, as restated	166,646	101,280	67,430	335,356
Fund balances - end of year	\$ 147,358	\$ 101,280	\$ 71,815	\$ 320,453

NATRONA COUNTY, WYOMING

NATRONA COUNTY COURT SUPERVISED TREATMENT PROGRAM
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
Year Ended June 30, 2015

	State	Program Income	Total
CASH RECEIPTS			
State funds	\$ 373,289	\$ -	\$ 373,289
Program income	-	35,604	35,604
Total cash receipts	<u>373,289</u>	<u>35,604</u>	<u>408,893</u>
CASH DISBURSEMENTS			
Administrative	1,545	8,575	10,120
Client supplies	458	4,088	4,546
Drug testing contract	-	19,882	19,882
Insurance	48,274	-	48,274
Medicare	3,674	-	3,674
Office equipment	-	4,939	4,939
Office lease	30,969	-	30,969
Office supplies	1,157	2,289	3,446
Program materials	821	3,066	3,887
Salaries	255,301	-	255,301
Social security	15,711	-	15,711
Telephone equipment	1,086	1,858	2,944
Telephone line charges	3,208	111	3,319
Travel	5,322	9,874	15,196
Unemployment	748	84	832
Workers' compensation	2,877	313	3,190
Wyoming retirement	36,637	-	36,637
Total cash disbursements	<u>407,788</u>	<u>55,079</u>	<u>462,867</u>
Decrease in cash	(34,499)	(19,475)	(53,974)
Cash balance (deficit) held by general fund, beginning of year	<u>(7,851)</u>	<u>151,015</u>	<u>143,164</u>
Cash balance (deficit) held by general fund, end of year	<u>\$ (42,350)</u>	<u>\$ 131,540</u>	<u>\$ 89,190</u>

NATRONA COUNTY, WYOMING

**SCHEDULE OF PROPERTY TAXES LEVIED AND COLLECTED -
LAST FIVE FISCAL YEARS
Year Ended June 30, 2015**

<u>Year</u>	<u>Property Taxes Levied</u>	<u>Property Taxes Collected</u>	<u>Percentage of Taxes Collected</u>
2015	\$ 99,352,244	\$ 98,282,407	98.92%
2014	88,553,826	88,462,070	99.90%
2013	88,064,248	87,839,611	99.74%
2012	82,656,120	82,564,620	99.89%
2011	72,860,820	72,803,849	99.92%

NATRONA COUNTY, WYOMING

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

June 30, 2015

	Natrona County Public Library	Natrona County Public Library Foundation	Total
ASSETS			
Cash and cash equivalents	\$ 472,619	\$ 261,360	\$ 733,979
Investments	98,959	-	98,959
Beneficial interest in assets held by others	-	266,246	266,246
Capital assets not being depreciated	665,680	1,500,000	2,165,680
Capital assets being depreciated, net	1,346,227	-	1,346,227
Restricted investments	-	2,398,033	2,398,033
Total assets	<u>2,583,485</u>	<u>4,425,639</u>	<u>7,009,124</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	<u>227,819</u>	<u>-</u>	<u>227,819</u>
Total deferred outflows of resources	<u>227,819</u>	<u>-</u>	<u>227,819</u>
LIABILITIES			
Accounts payable and accrued liabilities	56,301	8	56,309
Noncurrent liabilities			
Due within one year	9,446	-	9,446
Due in more than one year	<u>1,489,980</u>	<u>-</u>	<u>1,489,980</u>
Total liabilities	<u>1,555,727</u>	<u>8</u>	<u>1,555,735</u>
NET POSITION			
Net investment in capital assets	665,680	1,500,000	2,165,680
Restricted by donors	-	2,398,033	2,398,033
Unrestricted	<u>589,897</u>	<u>527,598</u>	<u>1,117,495</u>
Total net position	<u>\$ 1,255,577</u>	<u>\$ 4,425,631</u>	<u>\$ 5,681,208</u>

NATRONA COUNTY, WYOMING

**COMBINING STATEMENT OF ACTIVITIES
NATRONA COUNTY PUBLIC LIBRARY**

Year Ended June 30, 2015

		Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units				
Natrona County Public Library	\$ 3,208,565	\$ 47,623	\$ 2,914,361	\$ 74,964
Natrona County Public Library Foundation	104,244	-	-	-
	\$ 3,312,809	\$ 47,623	\$ 2,914,361	\$ 74,964

General revenues

Unrestricted investment earnings

Miscellaneous revenues

Contributions to permanent endowment

Total general revenues

Change in net position

Net position - beginning of year,
as previously reported

Prior period adjustment

Net position - beginning of year, as restated

Net position - end of year

Net (Expense) Revenue and Changes in Net Position

<u>Natrona County Public Library</u>	<u>Natrona County Public Library Foundation</u>	<u>Totals</u>
\$ (171,617)	\$ -	\$ (171,617)
-	(104,244)	(104,244)
<u>(171,617)</u>	<u>(104,244)</u>	<u>(275,861)</u>
346	64,550	64,896
10,330	26,996	37,326
-	70,437	70,437
<u>10,676</u>	<u>161,983</u>	<u>107,763</u>
(160,941)	57,739	(103,202)
2,478,140	4,367,892	6,846,032
<u>(1,061,622)</u>	<u>-</u>	<u>(1,061,622)</u>
<u>1,416,518</u>	<u>4,367,892</u>	<u>5,784,410</u>
<u>\$ 1,255,577</u>	<u>\$ 4,425,631</u>	<u>\$ 5,681,208</u>

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF NET POSITION
NATRONA COUNTY FAIR
June 30, 2015

	Natrona County Fair	Central Wyoming Sports Foundation Executrust	Total
ASSETS			
Cash and cash equivalents	\$ 159,125	\$ 28,311	\$ 187,436
Accrued interest receivable	-	410	410
Capital assets being depreciated, net	3,778,174	-	3,778,174
Restricted investments	114,017	475,157	589,174
Total assets	4,051,316	503,878	4,555,194
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	61,801	-	61,801
Total deferred outflows of resources	61,801	-	61,801
LIABILITIES			
Accounts payable and accrued liabilities	12,087	-	12,087
Noncurrent liabilities			
Due within one year	301	-	301
Due in more than one year	433,451	-	433,451
Total liabilities	445,839	-	445,839
NET POSITION			
Net investment in capital assets	3,778,174	-	3,778,174
Restricted by donors	114,017	475,157	589,174
Unrestricted (deficit)	(224,913)	28,721	(196,192)
Total net position	\$ 3,667,278	\$ 503,878	\$ 4,171,156

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF ACTIVITIES

NATRONA COUNTY FAIR

Year Ended June 30, 2015

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Units				
Natrona County Fair	\$ 1,755,830	\$ 771,755	\$ 609,745	\$ 159,095
Central Wyoming Sports Foundation Executrust	1,258	-	-	-
	\$ 1,757,088	\$ 771,755	\$ 609,745	\$ 159,095
		General revenues		
		Unrestricted investment earnings		
		Miscellaneous revenues		
		Total general revenues		
		Change in net position		
		Net position - beginning of year, as previously reported		
		Prior period adjustment		
		Net position - beginning of year, as restated		
		Net position - end of year		

Net (Expense) Revenue and Changes in Net Position

Natrona County Fair	Central Wyoming Sports Foundation Executrust	Totals
\$ (215,235)	\$ -	\$ (215,235)
-	(1,258)	(1,258)
<u>(215,235)</u>	<u>(1,258)</u>	<u>(216,493)</u>
392	2,221	2,613
2,417	-	2,417
<u>2,809</u>	<u>2,221</u>	<u>5,030</u>
(212,426)	963	(211,463)
4,200,900	502,915	4,703,815
(321,196)	-	(321,196)
<u>3,879,704</u>	<u>502,915</u>	<u>4,382,619</u>
<u>\$ 3,667,278</u>	<u>\$ 503,878</u>	<u>\$ 4,171,156</u>

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF NET POSITION
COMMUNITY ACTION PARTNERSHIP OF NATRONA COUNTY
June 30, 2015

	Community Action Partnership of Natrona County	Friends of Community Action Partnership	Total
ASSETS			
Cash and cash equivalents	\$ 76,645	\$ 12,079	\$ 88,724
Accounts receivable	3,854	-	3,854
Due from other governments	133,019	-	133,019
Due from primary government	33,549	-	33,549
Capital assets being depreciated, net	96,946	-	96,946
Total assets	<u>344,013</u>	<u>12,079</u>	<u>356,092</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	103,591	-	103,591
Total deferred outflows of resources	<u>103,591</u>	<u>-</u>	<u>103,591</u>
LIABILITIES			
Accounts payable and accrued liabilities	89,428	-	89,428
Unearned revenue	21,830	-	21,830
Noncurrent liabilities			
Due within one year	3,293	-	3,293
Due in more than one year	656,612	-	656,612
Total liabilities	<u>771,163</u>	<u>-</u>	<u>771,163</u>
NET POSITION			
Net investment in capital assets	96,946	-	96,946
Restricted by donors	-	-	-
Unrestricted (deficit)	<u>(420,505)</u>	<u>12,079</u>	<u>(408,426)</u>
Total net position (deficit)	<u>\$ (323,559)</u>	<u>\$ 12,079</u>	<u>\$ (311,480)</u>

NATRONA COUNTY, WYOMING

COMBINING STATEMENT OF ACTIVITIES
COMMUNITY ACTION PARTNERSHIP OF NATRONA COUNTY
Year Ended June 30, 2015

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Component Units			
Community Action Partnership of Natrona County	\$ 2,005,857	\$ 6,236	\$ 1,873,938
Friends of Community Action Partnership	25,368	-	-
	\$ 2,031,225	\$ 6,236	\$ 1,873,938
		General revenues	
		Unrestricted investment earnings	
		Miscellaneous revenues	
		Total general revenues	
		Change in net position	
		Net position - beginning of year, as previously reported	
		Prior period adjustment	
		Net position - beginning of year, as restated	
		Net position (deficit) - end of year	

Net (Expense) Revenue and Changes in Net Position

<u>Community Action Partnership of Natrona County</u>	<u>Friends of Community Action Partnership</u>	<u>Totals</u>
\$ (125,683)	\$ -	\$ (125,683)
-	(25,368)	(25,368)
<u>(125,683)</u>	<u>(25,368)</u>	<u>(151,051)</u>
7	-	7
98,244	28,171	126,415
<u>98,251</u>	<u>28,171</u>	<u>126,422</u>
(27,432)	2,803	(24,629)
195,871	-	195,871
(491,998)	9,276	(482,722)
<u>(296,127)</u>	<u>9,276</u>	<u>(286,851)</u>
<u>\$ (323,559)</u>	<u>\$ 12,079</u>	<u>\$ (311,480)</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, 2015

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 962,192	\$ 962,192	\$ 1,769,043	\$ 806,851
Intergovernmental	105,000	105,000	-	(105,000)
Charges for services	343,000	343,000	379,675	36,675
Investment income	1,000	1,000	635	(365)
Miscellaneous	1,800	1,800	5,788	3,988
Total revenues	<u>1,412,992</u>	<u>1,412,992</u>	<u>2,155,141</u>	<u>742,149</u>
Expenditures				
Conservation of natural resources	2,365,237	2,365,237	2,010,243	354,994
Capital outlay	230,700	227,300	115,285	112,015
Total expenditures	<u>2,595,937</u>	<u>2,592,537</u>	<u>2,125,528</u>	<u>467,009</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (1,182,945)</u>	<u>\$ (1,179,545)</u>	29,613	<u>\$ 1,209,158</u>
Fund balance - beginning of year			<u>944,973</u>	
Fund balance - end of year			<u>\$ 974,586</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, 2015

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 669,745	\$ 669,745	\$ 768,840	\$ 99,095
Charges for services	836,300	836,300	771,755	(64,545)
Investment income	2,000	2,000	103	(1,897)
Total revenues	<u>1,508,045</u>	<u>1,508,045</u>	<u>1,540,698</u>	<u>32,653</u>
Expenditures				
Culture and recreation	1,448,045	1,448,045	1,417,028	31,017
Capital outlay	185,000	400,955	430,083	(29,128)
Total expenditures	<u>1,633,045</u>	<u>1,849,000</u>	<u>1,847,111</u>	<u>1,889</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (125,000)</u>	<u>\$ (340,955)</u>	(306,413)	<u>\$ 34,542</u>
Fund balance - beginning of year			<u>590,573</u>	
Fund balance - end of year			<u>\$ 284,160</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, 2015

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 2,914,361	\$ 2,914,361	\$ 2,914,361	\$ -
Charges for services	42,000	42,000	47,623	5,623
Investment income	5,000	5,000	346	(4,654)
Miscellaneous	7,470	7,470	10,330	2,860
Total revenues	<u>2,968,831</u>	<u>2,968,831</u>	<u>2,972,660</u>	<u>3,829</u>
Expenditures				
Culture and recreation	3,006,637	2,994,637	2,947,399	47,238
Capital outlay	35,000	47,000	46,187	813
Total expenditures	<u>3,041,637</u>	<u>3,041,637</u>	<u>2,993,586</u>	<u>48,051</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (72,806)</u>	<u>\$ (72,806)</u>	(20,926)	<u>\$ 51,880</u>
Fund balance - beginning of year			<u>534,863</u>	
Fund balance - end of year			<u>\$ 513,937</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, 2015

	Budget Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$ 2,620,562	\$ 2,620,562	\$ 2,292,898	\$ (327,664)
Charges for services	630,607	630,607	766,639	136,032
Investment income	12,034	12,034	22,279	10,245
Miscellaneous	53,180	53,180	23,888	(29,292)
Total revenues	<u>3,316,383</u>	<u>3,316,383</u>	<u>3,105,704</u>	<u>(210,679)</u>
Expenditures				
Health and welfare	3,498,516	3,498,516	3,001,850	496,666
Capital outlay	52,684	52,684	55,129	(2,445)
Total expenditures	<u>3,551,200</u>	<u>3,551,200</u>	<u>3,056,979</u>	<u>494,221</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (234,817)</u>	<u>\$ (234,817)</u>	48,725	<u>\$ 283,542</u>
Fund balance - beginning of year			<u>1,340,806</u>	
Fund balance - end of year			<u>\$ 1,389,531</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, 2015

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,996,055	\$ 2,020,615	\$ 1,728,631	\$ (291,984)
Charges for services	8,500	5,000	5,594	594
Investment income	-	-	7	7
Miscellaneous	37,457	41,560	92,417	50,857
Total revenues	<u>2,042,012</u>	<u>2,067,175</u>	<u>1,826,649</u>	<u>(240,526)</u>
Expenditures				
Health and welfare	2,042,012	2,067,175	1,944,618	122,557
Total expenditures	<u>2,042,012</u>	<u>2,067,175</u>	<u>1,944,618</u>	<u>122,557</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	(117,969)	<u>\$ (117,969)</u>
Fund balance - beginning of year			<u>130,553</u>	
Fund balance - end of year			<u>\$ 12,584</u>	

SINGLE AUDIT SECTION

NATRONA COUNTY, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

Federal Grantor Program Title	Federal CFDA Number	Grantor's Project Number	Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Passed through Wyoming Business Council			
Community Development Block Grant	14.228	n/a	\$ 1,953
Community Development Block Grant	14.228	n/a	15,000
			<u>16,953</u>
Passed through Wyoming Department of Health			
Emergency Solutions Grant Program	14.231	14-03-ESG-NTRCAP	29,625
			<u>29,625</u>
Passed through City of Casper Housing Authority			
Supportive Housing Program	14.235	WY0002B8T001205	30,991
Supportive Housing Program	14.235	WY0002B8T001306	85,265
			<u>116,256</u>
Total U.S. Department of Housing and Urban Development			<u>162,834</u>
<u>U.S. Department of Justice</u>			
Passed through the Wyoming Department of Family Services			
Juvenile Accountability Block Grants	16.523	JB-11-004	8,866
Juvenile Accountability Block Grants	16.523	2013-JB-FX-0032	6,836
			<u>15,702</u>
Passed through the Wyoming Division of Victims Services			
Violence Against Women Formula Grants	16.588	2012-WF-AK-0049	112
Direct			
Bulletproof Vest Partnership Program	16.607	n/a	1,927
Bulletproof Vest Partnership Program	16.607	n/a	2,273
			<u>4,200</u>
Total U.S. Department of Justice			<u>20,014</u>
<u>U.S. Department of Transportation</u>			
Passed through Wyoming Department of Transportation			
Passed through Wyoming Association of Sheriffs and Police Chiefs			
<i>Highway Safety Cluster</i>			
National Highway Traffic Safety Administration			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	410	4,325
National Priority Safety Programs	20.616	405B/405D	7,252
<i>Total Highway Safety Cluster</i>			<u>11,577</u>
Total U.S. Department of Transportation			<u>11,577</u>
<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	MRCSG101005-04-00	597
Passed through Wyoming Department of Health			
Public Health Emergency Preparedness	93.069	n/a	236,074

(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, 2015

Federal Grantor Program Title	Federal CFDA Number	Grantor's Project Number	Expenditures
<u>U.S. Department of Health and Human Services (Continued)</u>			
Passed through the University of Colorado at Denver			
AIDS Education and Training Centers	93.145	FY15.163.001	\$ 147,991
<i>Health Centers Cluster</i>			
<i>Direct</i>			
Consolidated Health Centers - Health Care for the Homeless	93.224	H80CS00041-02-02	617,386
<i>Total Health Centers Cluster</i>			<u>617,386</u>
<i>TANF Cluster</i>			
Passed through Wyoming Department of Health			
Temporary Assistance for Needy Families	93.558	n/a	133,596
Passed through Wyoming Department of Family Services			
Temporary Assistance for Needy Families	93.558	n/a	89,439
<i>Total TANF Cluster</i>			<u>223,035</u>
Passed through Wyoming Department of Health			
Community Services Block Grant	93.569	CSBG.NTR1509	356,980
Community Services Block Grant	93.569	CSBG.NTR1409	149,396
<i>Total Community Services Block Grant</i>			<u>506,376</u>
HIV Prevention Activities - Health Department Based	93.940	n/a	2,390
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	n/a	2,250
National Bioterrorism Hospital Preparedness Program	93.889	n/a	4,631
<i>Total U.S. Department of Health and Human Services</i>			<u>1,740,730</u>
<u>Executive Office of the President</u>			
Passed through Wyoming Division of Criminal Investigation			
High Intensity Drug Trafficking Areas Program	95.001	G14RM0012A	47,694
High Intensity Drug Trafficking Areas Program	95.001	G15RM0012A	27,254
<i>Total Executive Office of the President</i>			<u>74,948</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Wyoming Office of Homeland Security			
Emergency Management Performance Grants	97.042	14-GPD-NAT-EM-GCF14	30,000
Homeland Security Grant Program	97.067	14-GPD-NAT-C-HSG14	78,418
Homeland Security Grant Program	97.067	14-GPD-BT2-BM-HMB14	20,000
Homeland Security Grant Program	97.067	13-GPD-NAT-LS-HLE13	376
Homeland Security Grant Program	97.067	13-GPD-NAT-SC-HSG13	7,923
Homeland Security Grant Program	97.067	13-GPD-NAT-LC-HLC13	2,755
			<u>109,472</u>
<i>Total U.S. Department of Homeland Security</i>			<u>139,472</u>
<i>Total federal financial assistance</i>			<u>\$ 2,149,575</u>

See accompanying notes to the schedule of expenditures of federal awards

NATRONA COUNTY, WYOMING

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015

Note 1. Basis of Accounting

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of Natrona County, Wyoming and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. 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 in accordance with paragraph .500(a) of OMB Circular A-133, *Audits of States, Local Government and Non-Profit Organizations*.

Note 2. 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 OMB Circular No. A-87. 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, 2015, the County recognized \$3,164,444 of PILT entitlement as income.

Note 3. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows:

Federal Grantor Program Title	Federal CFDA Number	Amount provided to Subrecipients
Emergency Shelter Grants Program	14.231	\$ 22,000
Juvenile Accountability Incentive Block Grants	16.523	15,307
Temporary Assistance for Needy Families	93.558	37,532
Community Services Block Grant	93.569	44,225
Total federal financial assistance		<u>\$ 119,064</u>



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, 2015, 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 February 16, 2016. Our report includes a reference to other auditors, who audited the financial statements of the Natrona County International Airport, a discretely presented component unit of Natrona County, Wyoming, as described in our report on Natrona County, Wyoming's basic financial statements. This report does not include the results of the other auditor's testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters we have reported to management of Natrona County, Wyoming in a separate letter dated February 16, 2016.

Purpose of this Report

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



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
February 16, 2016



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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Natrona County, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Natrona County, Wyoming's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Natrona County, Wyoming's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Natrona County, Wyoming's basic financial statements include the operations of the Natrona County International Airport, a discretely presented component unit, which received \$3,944,206 in federal awards which is not included in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2015. Our audit, described below, did not include the operations of the Natrona County International Airport because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Natrona County, Wyoming's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about 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.

Basis for Qualified Opinion on TANF Cluster

As described in the accompany schedule of findings and questioned costs, Natrona County, Wyoming did not comply with the requirements regarding CFDA 93.558, TANF Cluster as described in finding number 2015-004 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Natrona County, Wyoming, to comply with the requirements applicable to that program.

Qualified Opinion on CFDA 93.558, TANF Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 CFDA 93.558, TANF Cluster for the year ended June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, Natrona County, Wyoming complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015

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

Report on Internal Control over Compliance

Management of Natrona County, Wyoming is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Natrona County, Wyoming's internal control over compliance with types of compliance requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Natrona County, Wyoming's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-002 to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-003 to be a significant deficiency.

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 of internal control over compliance and the results of that testing based on the requirement of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
February 16, 2016

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued	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	Yes
Significant deficiencies identified	Yes
Type of auditor's report issued on compliance for major federal programs	Unmodified for all major federal programs except for – TANF Cluster, Eligibility
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133	No

Identification of major federal programs

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Expenditures</u>	
	<i>Health Centers Cluster</i>		
93.224	Consolidated Health Centers - Health Care for the Homeless	<u>\$ 617,386</u>	No findings
93.569	Community Services Block Grant	<u>506,375</u>	No findings
	<i>TANF Cluster</i>		
93.558	Temporary Assistance for Needy Families	<u>223,035</u>	Findings
		<u><u>\$ 1,346,796</u></u>	

(Continued)

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2015

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

Dollar threshold used to distinguish between type A and type B programs	\$300,000
Auditee qualified as low-risk auditee	No

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

Internal Control Findings - None

Compliance Findings - None

III. Findings and Questioned Costs for Federal Awards

Material Weaknesses in Internal Control Over Compliance Finding

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

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

U. S. Department of Health and Human Services

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

Criteria

OMB Circular A-87 establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments. OMB Circular A-102, known also as the Common Rule, contains guidance for uniform administrative requirements for grants for state and local governments. The OMB A-133 Compliance Supplement serves to identify existing important compliance requirements that the Federal government expects to be considered, providing a source of information to understand the Federal program's objectives, procedures, and compliance requirements relevant to the program. Per the OMB Compliance Supplement, funds may be used in any manner reasonably calculated to accomplish the purposes of the program, including providing low-income households with assistance in meeting home heating and cooling costs (42 USC 604(a)(1) and 45 CFR section 263.11(a)(1)).

Condition

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

Questioned Costs

None.

Context

The Health Department approves payments without reference to the OMB Circulars and Compliance Supplement; instead, they are compared to the Program of Work as defined in the Memorandum of Understanding with the Wyoming Department of Health. While the costs approved for payment are in compliance with the program objectives, the lack of awareness of the governing documents at the federal level demonstrates a lack of internal control. Sufficient knowledge of the cost principles and circulars is necessary for informed decision making.

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

JUNE 30, 2015

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

Material Weaknesses in Internal Control Over Compliance Finding (Continued)

2015-001 Allowable Activities and Allowable Costs/Cost Principles, Eligibility (Continued)

Effect

The Health Department may improperly spend federal funds for activities which are not allowable, or spend federal funds for unallowable costs which are excluded under the cost principles.

Cause

The Health Department hired the current program administrator at the beginning of the fiscal year; during her tenure, the administrator did not receive any training to familiarize her with the administrative requirements associated with federal grants.

Recommendation

Health Department individuals with any responsibilities for the administration of grants should be immediately provided with copies of the grant award documents, OMB Circulars, and the OMB Compliance Supplement, as well as information on how to obtain updated versions of grant materials. Training should be provided to help the administrator obtain the level of skills, knowledge, and experience to assure the necessary internal controls over compliance are developed, followed, communicated, and monitored throughout the grant period of performance.

Views of Responsible Officials and Planned Corrective Actions

All CNCHD managers who administer programs with federal funds will be required to attend a 2-day Grant Management Boot Camp training in May 2016. Currently, our department will be sending six management staff to this training, including the program manager who administers programs under TANF at CNCHD. The department will pursue additional grant compliance training as needed and as staff turnover.

2015-002 Eligibility

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

U. S. Department of Health and Human Services

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

Criteria

Per the compliance supplement, only a financially needy family that consists of, at a minimum, a minor child living with a parent or other caretaker relative, or a pregnant woman may receive TANF "assistance". Financially "needy" means financially eligible according to the State's qualified income and resource criteria to receive the benefit (42 USC 602 and 602(a)(1)(B)(iii), 42 USC 609(a)(7)(B)(IV), and 42 USC 608(a)(a), 619(2); 45 CFR section 263.2(b)(2)).

Condition

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

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

JUNE 30, 2015

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

Material Weakness in Internal Control Over Compliance Finding (Continued)

2015-002 Eligibility (Continued)

Questioned Costs

\$133,596.

As no evidence was obtained to ascertain eligibility was properly determined, all the expenditures of the program are considered questioned costs.

Context

The Health Department grant personnel were provided with a TANF Eligibility Form by the Wyoming Department of Health, Public Health Division, to aid in the determination of eligibility. Based on verbal responses from the patient, health department nurses complete the form by checking boxes to indicate whether the individual/family is currently receiving assistance under Medicaid, food stamps or WIC. If none of these boxes is checked, information on income is completed, along with the number of individuals (parents/caregivers and children) currently living in the home. The income and individuals living in the home is compared to tables provided by the state. However, no verification of Medicaid, food stamps, WIC or income is obtained.

Effect

The Health Department may have provided assistance to individuals who were not considered “needy” based upon program requirements. We were unable to determine if the individuals were in fact “needy”.

Cause

The Health Department personnel relied upon the form provided by the Wyoming Department of Health without a full understanding of their responsibility to document and verify patients were eligible to receive assistance under the program.

Recommendation

The Health Department must develop policies, procedures, and internal controls to assure that eligibility of each patient is clearly documented and verified. Documents to demonstrate verification could be copies of Medicaid cards, food stamp notifications, or WIC documents. Copies of tax returns can provide evidence to support the claimed income as well as number of persons in the household.

Views of Responsible Officials and Planned Corrective Actions

Maternal and Child Health staff at CNCHD has implemented a policy in regards to obtaining TANF eligibility.

- If our staff nurses are completing a presumptive eligibility on a woman, our staff will obtain copies of most recent pay stubs or a tax return to verify income eligibility. We went live with a new electronic medical record system in January 2016, and will enter all income information into our EMR system.
- If client has children on Medicaid, our staff will conduct real-time Medicaid eligibility via our EMR system's clearinghouse. A copy of the Medicaid card will be obtained.
- For women that are enrolled in our programs after baby is born (home visitation clients), RN will obtain copies of SNAP card, Medicaid card, and/or WIC Card from client. Again, Medicaid eligibility can be checked in real-time via our EMR system.

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

JUNE 30, 2015

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

Material Weakness in Internal Control Over Compliance Finding (Continued)

2015-002 Eligibility (Continued)

Views of Responsible Officials and Planned Corrective Actions (Continued)

- The DFS/WDH-provided TANF eligibility form will be completed on every MCH client and will be updated yearly with enrollment verification happening by obtaining the supporting documentation from WIC, Medicaid, and SNAP (as listed above).
- Clients who are unable to provide supporting documentation or proof of income will be enrolled in our MCH services as non-TANF.

Significant Deficiency in Internal Control Over Compliance

2015-003 – Identification of Federal Awards Received

All CFDA Numbers

Criteria

Per OMB Circular A-133, Subpart C – Auditees, §_300 Auditee Responsibilities, the auditee shall (a) identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

Condition

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

Questioned Costs

None.

Effect

Federal expenditures were not properly identified in a timely manner. County personnel could receive and expend Federal awards without proper consideration of the compliance requirements, resulting in noncompliance and possible questioned costs, and the need to return these funds to the granting agencies. Significant compliance issues could also harm the County's ability to continue to receive Federal funding in future years.

Cause

Historically, individuals outside the component units and the Sheriff and Coroner Departments have not been responsible for grant administration and therefore, have received only limited training.

NATRONA COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

JUNE 30, 2015

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

Significant Deficiency in Internal Control Over Compliance (Continued)

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

Recommendation

The staff of the office of the County Clerk and County Treasurer, in conjunction with the County Commissioners, need to work together to determine that all grants entered into by Natrona County are properly identified and tracked to ensure each grant is properly managed and reported.

Views of Responsible Officials and Planned Corrective Actions

Natrona County does not have one specific person who administers grants. All grants are administered by the departments who are awarded the grant or the acting Chairman of the Commission may be named as the contact person. With constant changes in the personnel and elected positions, responsibilities and duties sometimes get missed. In all cases, funds are properly received and expended and reporting requirements to the Federal government are met. However, proper identification of grants was missed internally. In order to eliminate this from occurring in the future, in addition to all Resolutions regarding county grants being filed with the County Clerk, the grant will be entered on a spreadsheet and copied to the County Clerk and Treasurer to ensure proper identification of funds and grant type.

Compliance Findings

2015-004 Eligibility

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

U. S. Department of Health and Human Services

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

See 2015-002.

NATRONA COUNTY, WYOMING

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2015**

None reported.