

SUBLETTE COUNTY, WYOMING

FINANCIAL REPORT

JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

County Commissioners
Sublette County, Wyoming
Pinedale, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Sublette County, Wyoming as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards general accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregately discretely presented component units, except for the effects of the omission of Sublette County Weed and Pest from the component units as described in the preceding paragraph, each major fund and the aggregate remaining fund information of Sublette County, Wyoming as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 32 through 36 and information regarding the defined benefit pension plan on pages 37 to 40 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide and assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sublette County, Wyoming's basic financial statements. The combining balance sheet - non major governmental funds, combining statement of revenues, expenditures and changes in fund balances non-major governmental funds, statement of net position - component units and the combining statement of activities - component units are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet - non major governmental funds, combining statement of revenues, expenditures and changes in fund balance - non major governmental funds, combining statement of net position - component units and the combining statement of activities - component units are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet - non major governmental funds, combining statement of revenues, expenditures and changes in fund balance - non major governmental funds, the combining statement of net position - component units and the combining statement of activities - component units are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2018 on our consideration of Sublette County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sublette County Wyoming's internal control over financial reporting and compliance.

NOTICE

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



March 9, 2018

Government Wide- Financial Statements

SUBLETTE COUNTY, WYOMING

STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government			Component Units
	Govern- mental Activities	Business- Type Activities	Total	
ASSETS				
Cash and cash equivalents (Note 5)	\$ 8,893,463	\$ 35,785	\$ 8,929,248	\$ 751,490
Receivables -				
Property taxes	91,713		91,713	
Other governments	1,356,632		1,356,632	
Other	34,394	12,583	46,977	
Investments				
Certificates of deposit	37,226,260	24,922	37,251,182	
Government securities (Note 5)	135,453,636		135,453,636	
Other	43,334		43,334	
Prepaid expenses	328,754		328,754	
Inventory	139,939		139,939	
Due from Trust and Agency	2,567		2,567	8,514
Capital assets (Notes 1 and 4)				
Non depreciable	9,331,064		9,331,064	
Depreciable (net of accumulated depreciation)	160,383,931	312,075	160,696,006	1,693,205
Total assets	<u>\$ 353,285,687</u>	<u>\$ 385,365</u>	<u>\$ 353,671,052</u>	<u>\$ 2,453,209</u>
DEFERRED OUTFLOWS OF RESOURCES				
Retirement contributions (Note 3)	\$ 861,576	\$ -	\$ 861,576	\$ 47,151
Difference between proportionate share and actual earnings on pension plan investments (net) (Note 3)	2,712,098		2,712,098	151,346
Difference between contributions and proportionate share of contributions (Note 3)	60,794		60,794	11,995
Total deferred outflows of resources	<u>\$ 3,634,468</u>	<u>\$ -</u>	<u>\$ 3,634,468</u>	<u>\$ 210,492</u>
LIABILITIES				
Current liabilities				
Accounts and vouchers payable	\$ 992,622	\$ -	\$ 992,622	\$ 4,707
Insurance claim liability	217,190		217,190	
Tax rebate payable	804,582		804,582	37,868
Capital lease obligations		19,130	19,130	
Other	49,649		49,649	
Current liabilities	<u>\$ 2,064,043</u>	<u>\$ 19,130</u>	<u>\$ 2,083,173</u>	<u>\$ 42,575</u>
Noncurrent liabilities				
Estimated liability for compensated absences	\$ 574,443	\$ -	\$ 574,443	\$ 21,362
Capital lease obligations		61,263	61,263	
Proportionate share of net pension liability (Note 3)	11,289,939		11,289,939	835,998
Tax rebate payable	1,471,706		1,471,706	67,877
Landfill post closure costs (Note 8)	360,632		360,632	
Total noncurrent liabilities	<u>\$ 13,696,720</u>	<u>\$ 61,263</u>	<u>\$ 13,757,983</u>	<u>\$ 925,237</u>
Total liabilities	<u>\$ 15,760,763</u>	<u>\$ 80,393</u>	<u>\$ 15,841,156</u>	<u>\$ 967,812</u>
DEFERRED INFLOWS OF RESOURCES				
Difference between contributions and proportionate share of contributions (Note 3)	\$ 81,144	\$ -	\$ 81,144	\$ -
Difference between expected and actual experience	283,401		283,401	22,103
Assumption changes	6,630		6,630	
Total deferred inflows of resources	<u>\$ 371,175</u>	<u>\$ -</u>	<u>\$ 371,175</u>	<u>\$ 22,103</u>
NET POSITION				
Net investment in capital assets	\$ 169,714,995	\$ 231,682	\$ 169,946,677	\$ 1,693,205
Restricted	6,882,095		6,882,095	
Unrestricted	164,191,127	73,290	164,264,417	(19,419)
Total net position	<u>\$ 340,788,217</u>	<u>\$ 304,972</u>	<u>\$ 341,093,189</u>	<u>\$ 1,673,786</u>

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

SUBLETTE COUNTY, WYOMING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

					Net Revenue (Expenses) and Changes in Net Position			
					Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Govern-mental Activities	Business-Type Activities	Total	Component Units
PRIMARY GOVERNMENT								
Governmental activities								
General government	\$ 5,970,363	\$ 267,659	\$ 401,391	\$ -	\$ (5,301,313)	\$ -	\$ (5,301,313)	
Public safety	9,840,370	95,796	67,502		(9,677,072)		(9,677,072)	
Public works	11,065,310	327,082			(10,738,228)		(10,738,228)	
Health, welfare, and recreation	4,371,031	49,131	143,345		(4,178,555)		(4,178,555)	
Conservation of natural resources	165,128				(165,128)		(165,128)	
Miscellaneous/general	9,292,754		-		(9,292,754)		(9,292,754)	
Total governmental activities	<u>\$ 40,704,956</u>	<u>\$ 739,668</u>	<u>\$ 612,238</u>	<u>\$ -</u>	<u>\$ (39,353,050)</u>	<u>\$ -</u>	<u>\$ (39,353,050)</u>	
Business-type activities								
Golf course	<u>\$ 248,468</u>	<u>\$ 168,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (79,919)</u>	<u>\$ (79,919)</u>	
Total primary government	<u>\$ 40,953,424</u>	<u>\$ 908,217</u>	<u>\$ 612,238</u>	<u>\$ -</u>	<u>\$ (39,353,050)</u>	<u>\$ (79,919)</u>	<u>\$ (39,432,969)</u>	
COMPONENT UNITS								
Governmental activities								
Library	\$ 1,371,352	\$ 19,729	\$ 1,909	\$ -	\$ -	\$ -	\$ -	\$ (1,349,714)
Fair	295,290	54,334						(240,956)
Town of Marbleton/Joint powers	<u>6,919</u>							(6,919)
Total component units	<u>\$ 1,673,561</u>	<u>\$ 74,063</u>	<u>\$ 1,909</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,597,589)</u>
General Revenues:								
Property taxes					\$ 25,294,544	\$ -	\$ 25,294,544	\$ 1,128,488
Auto fees					760,739	-	760,739	32,373
Sales tax collected					5,728,390	-	5,728,390	-
Payments in lieu of property taxes					889,779	-	889,779	-
State severance tax collections					102,067	-	102,067	-
Fuel taxes					2,505,971	-	2,505,971	-
Forest reserve funds					120,299	-	120,299	-
Transfers					(21,782)	21,782	-	-
Unrestricted investment earnings					1,383,437	-	1,383,437	40
Unrealized gain (loss) on investments					(3,309,129)	-	(3,309,129)	-
Gain on asset disposal					130,391	-	130,391	-
Miscellaneous					188,759	-	188,759	671
Total general revenues					<u>\$ 33,773,465</u>	<u>\$ 21,782</u>	<u>\$ 33,795,247</u>	<u>\$ 1,161,572</u>
Change in Net Position					\$ (5,579,585)	\$ (58,137)	\$ (5,637,722)	\$ (436,017)
Net position at beginning of year					<u>346,367,802</u>	<u>363,109</u>	<u>346,730,911</u>	<u>2,109,803</u>
Net position at end of year					<u>\$ 340,788,217</u>	<u>\$ 304,972</u>	<u>\$ 341,093,189</u>	<u>\$ 1,673,786</u>

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

Governmental Funds Financial Statements

SUBLETTE COUNTY, WYOMING

BALANCE SHEETS
GOVERNMENTAL FUND
JUNE 30, 2017

	Major Funds General Fund	Nonmajor Funds	Total
ASSETS:			
Cash and cash equivalents (Note 5)	\$ 7,385,919	\$ 1,507,544	\$ 8,893,463
Receivables -			
Property taxes	36,278		36,278
Other governments	663,292		663,292
Trash collections	42,474		42,474
Other	(8,922)	842	(8,080)
Investments			
Certificates of deposit	37,226,260		37,226,260
Government securities (Note 5)	135,453,636		135,453,636
Other	43,334		43,334
Prepaid expenses	328,752		328,752
Inventory	139,939		139,939
Due from Trust and Agency		2,567	2,567
Total assets	<u>\$ 181,310,962</u>	<u>\$ 1,510,953</u>	<u>\$ 182,821,915</u>
LIABILITIES:			
Accounts and vouchers payable	\$ 992,622	\$ -	\$ 992,622
Tax rebate payable	784,313	20,269	804,582
Other accrued liabilities	49,664		49,664
Insurance claim liability	217,190		217,190
Total liabilities	<u>\$ 2,043,789</u>	<u>\$ 20,269</u>	<u>\$ 2,064,058</u>
FUND BALANCE:			
Nonspendable	\$ 468,691	\$ -	\$ 468,691
Restricted	6,882,095	1,490,684	8,372,779
Committed	160,675,976		160,675,976
Unassigned	11,240,411		11,240,411
Total fund balances	<u>\$ 179,267,173</u>	<u>\$ 1,490,684</u>	<u>\$ 180,757,857</u>
Total liabilities and fund balances	<u>\$ 181,310,962</u>	<u>\$ 1,510,953</u>	<u>\$ 182,821,915</u>

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

SUBLETTE COUNTY, WYOMING

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balance per balance sheet \$ 180,757,857

Amounts reported for governmental activities in the
statement of net assets total governmental funds
are different because:

Add assets not included above but
included in the statement of net
assets due to differences in revenue
recognition standards

Property taxes	\$ 55,456	
Sales and fuel	693,336	748,792

Add capital assets not reported above

Non depreciable	\$ 9,331,064	
Depreciable	160,383,931	169,714,995

Add deferred outflows not reported above 3,634,468

Less liabilities not reported above

Long-term liabilities

Estimated liability for compensated absences	\$ (574,443)	
Proportionate share of net pension liability (Note 3)	(11,289,939)	
Tax rebate payable	(1,471,706)	
Landfill post closure costs (Note 8)	(360,632)	(13,696,720)

Add deferred inflows not reported above (371,175)

Net position of governmental activities \$ 340,788,217

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

SUBLETTE COUNTY, WYOMING

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Major Funds General Fund	Nonmajor Funds	Total
REVENUES:			
Taxes	\$ 33,204,075	\$ 415,170	\$ 33,619,245
Licenses and permits	7,397		7,397
Fines and forfeitures	238,830		238,830
Charges for goods and services	642,433	5,793	648,226
Intergovernmental	2,385,684		2,385,684
Investment income/unrealized gain on investments	(1,897,709)	236	(1,897,473)
Other	(47,756)	100	(47,656)
Total revenues	<u>\$ 34,532,954</u>	<u>\$ 421,299</u>	<u>\$ 34,954,253</u>
EXPENDITURES:			
General government	\$ 14,364,776	\$ -	\$ 14,364,776
Public safety	8,937,850		8,937,850
Public works	7,929,081		7,929,081
Health, welfare, culture and recreation	1,071,085	455,194	1,526,279
Conservation of natural resources	144,318		144,318
Total expenditures	<u>\$ 32,447,110</u>	<u>\$ 455,194</u>	<u>\$ 32,902,304</u>
REVENUES OVER (UNDER) EXPENDITURES	\$ 2,085,844	\$ (33,895)	\$ 2,051,949
TRANSFER FUND BALANCE		(21,782)	(21,782)
REVENUES OVER (UNDER) EXPENDITURES AFTER OPERATING TRANSFERS	\$ 2,085,844	\$ (55,677)	\$ 2,030,167
FUND BALANCE, BEGINNING	<u>177,181,329</u>	<u>1,546,361</u>	<u>178,727,690</u>
FUND BALANCE, ENDING	<u>\$ 179,267,173</u>	<u>\$ 1,490,684</u>	<u>\$ 180,757,857</u>

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

SUBLETTE COUNTY, WYOMING

RECONCILIATION OF THE GOVERNMENTAL STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

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

Total net change in fund balances - governmental funds	\$ 2,030,167
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All capital outlays to purchase or build capital assets
are reported in governmental funds as expenditures.
However, for governmental activities those capital
outlays other than non-capitalized items are shown
in the statement of net assets and allocated over
their estimated useful lives as annual depreciation
expenses in the statement of activities. This is the
amount by which capital outlays exceed depreciation
in the period

Capital outlay	\$ 2,448,581	
Gain on asset disposal	130,391	
Depreciation expense	<u>(9,007,500)</u>	(6,428,528)

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

Sales and fuel tax receivable	312,163
Property tax revenues	25,725
Long term portion of property tax rebates	(214,365)

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

Change in accrued compensated absences	(28,007)
Net additional pension expense for the year	<u>(1,276,740)</u>

Total change in net position - governmental activities	<u><u>\$ (5,579,585)</u></u>
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(The accompanying notes to the financial statements are an integral part of this statement)

Proprietary Funds Financial Statements

SUBLETTE COUNTY, WYOMING

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 JUNE 30, 2017

	Business- Type Activities
ASSETS	
Current assets:	
Cash	\$ 35,785
Certificates of deposit	24,922
Accounts receivable	12,583
Noncurrent assets:	
Capital assets, net of accumulated depreciation (Note 4)	312,075
Total assets	<u>\$ 385,365</u>
LIABILITIES	
Current liabilities:	
Current portion of lease obligations	\$ 19,130
Long term liabilities	
Capital lease obligations	61,263
Total liabilities	<u>\$ 80,393</u>
NET POSITION	
Net investment in capital assets	\$ 231,682
Unrestricted	73,290
Total net position	<u>\$ 304,972</u>

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

SUBLETTE COUNTY, WYOMING

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	Business- Type Activities
Operating revenue:	
Charges for services	\$ 168,549
Total operating revenue	<u>\$ 168,549</u>
Operating expenses:	
Wages	\$ -
Management fees	136,609
Depreciation	42,306
Advertising	320
Grounds maintenance and other supplies	10,354
Utilities and telephone	21,079
Repairs and maintenance	13,329
Payroll taxes	-
Fuel	6,380
Office expense	16,030
Miscellaneous	2,061
Total operating expenses	<u>\$ 248,468</u>
Operating loss	\$ (79,919)
Non-operating revenues:	
Interest income	-
Net loss before transfers and capital contributions	<u>\$ (79,919)</u>
Transfers in (out)	<u>21,782</u>
Net income (loss)	\$ (58,137)
Net position, beginning	<u>363,109</u>
Net position, ending	<u><u>\$ 304,972</u></u>

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

SUBLETTE COUNTY, WYOMING
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Business- Type Activities
Cash flows from operating activities:	
Cash received from customers	\$ 178,457
Cash paid to suppliers for goods and services	(206,162)
Net cash from (used in) operating activities	<u>\$ (27,705)</u>
Cash flows from noncapital financing activities:	
Transfers in from other funds	<u>\$ 21,782</u>
Cash flows from noncapital financing activities:	
Purchases of fixed assets	<u>\$ (17,889)</u>
Cash flows from investing activities:	
Invested in certificate of deposit	\$ (24,922)
Redeem CD	54,961
Net cash from investing activities	<u>\$ 30,039</u>
Cash flows from financing activities	
Principal paid on lease obligation	<u>\$ (21,782)</u>
Net increase (decrease) in cash	\$ (15,555)
Cash, beginning of year	<u>51,340</u>
Cash, end of year	<u><u>\$ 35,785</u></u>
Reconciliation of operating loss to net cash from operating activities:	
Operating (loss) income	\$ (79,919)
Adjustments to reconcile operating loss to net cash in operating activities:	
Depreciation	42,306
Changes in assets and liabilities:	
Account receivable	9,908
Net cash from (used in) operating activities	<u><u>\$ (27,705)</u></u>

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

Fiduciary Funds Financial Statements

SUBLETTE COUNTY, WYOMING

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2017

	Tax Collections	Fire Fighter Donations
ASSETS		
Cash	\$ 5,196,302	\$ 83,156
Taxes receivable (Net of allowance)	14,986	
Total assets	<u>\$ 5,211,288</u>	<u>\$ 83,156</u>
LIABILITIES		
Court case deposits and fees held	\$ 39,475	\$ -
Due to County entities		
County Fair Board	-	
County Library Board	8,514	
County Museum Board	2,568	
County Recreation Board	-	
Weed and Pest District	5,983	
Fair grounds budget	62,948	
Ice arena budget	10,609	
Fire reserves	2,741,696	
Due to State of Wyoming	1,059,498	
Due to Sublette School District No. 1	361,248	
Due to Sublette School District No. 9	109,978	
Unprorated property taxes	10,742	
Due to other entities	771,654	
Unprorated fines	26,375	
Due to Fire Fighters		83,156
Total liabilities	<u>\$ 5,211,288</u>	<u>\$ 83,156</u>

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

Notes to Financial Statements

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF SUBLETTE COUNTY AND THE REPORTING ENTITY

The County

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

Reporting Entity

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

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

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

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

Discretely Presented Component Units

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

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

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Government-Wide Financial Statements

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

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

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Statements

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

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

Fund Based Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and severance pay, are recorded only when payment is due.

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

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Financial Statement Amounts

Investments

Investments are carried at the lower of cost or market or cost when a decline in market is not material and considered to be temporary.

Wyoming State statute authorizes the County to invest in securities issued or guaranteed by the U.S. Treasury or agencies of the United States government, bank certificates of deposit, shares or savings certificates of savings and loan associations, Tennessee Valley Authority bonds, and notes and export-import bank notes and guaranteed participations.

Inventory

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

Capital Assets

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

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

GASB No. 34 requires the County to report and depreciate new infrastructure assets effective July 1, 2003. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the County.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

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

Net Position

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

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

Fund Balance

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

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

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property Taxes

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

The County is permitted by Wyoming Statutes to levy taxes up to 12 mills of assessed valuation for all purposes, except for the payment of public debt and the interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2017, was 12 mills, which means that the County has no available tax margin and, accordingly, cannot raise any additional taxes.

Compensated Absences

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

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

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

Cash and Cash Equivalents

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

Estimates

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

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Restricted/Unrestricted Net Assets

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

Pensions

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

NOTE 3. PENSION PLAN

Plan Description

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

Benefits

The System provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. Employees age 60 with 4 years of service or meeting the rule of 85 (age plus years of services equaling or exceeding 85) are eligible for full retirement. Retirement benefits are determined by applying a multiplier (ranging between 2% and 2.25%) to the participants earned service credits and highest average salary over 36 to 60 months of continuous acceptable salary. To qualify for disability benefits the participant must become disabled while participating in the System, have at least 10 years of service before age 60 for tier 1 participants and age 65 for tier 2 participants. Death benefits prior to retirement are calculated at 2 times the participant's account balance.

Contributions

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

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

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

Legislation enacted in 1979 allows the employer to pay any or all of the employee's contribution in addition to the matching contribution. The County currently pays 100% of the required employee contribution. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The County's contributions to the System for the year ended June 30, 2017, equal to the required contributions for each year follows:

	Primary Government	Component Units
Public Employee Pension Plan	\$ 991,799	\$ 98,628
Law Enforcement Pension Plan	814,293	
Volunteer Firefighters and EMT plan	13,035	
	<u>\$ 1,819,127</u>	<u>\$ 98,628</u>

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

At June 30, 2017, the County's reported a liability for its proportionate share of the net pension liability as follows:

	Primary Government	Component Units
Public Employee Pension Plan	\$ 8,020,603	\$ 835,998
Law Enforcement Pension Plan	2,297,554	
Volunteer Firefighters and EMT plan	971,782	
	<u>\$ 11,289,939</u>	<u>\$ 835,998</u>

The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governments, actuarially determined. At December 31, 2016 and 2015, the County's proportion was:

	December 31, 2016	December 31, 2015
Primary Government		
Public Employee Pension Plan	0.33177%	0.33505%
Law Enforcement Pension Plan	3.04344%	3.04072%
Volunteer Firefighters and EMT plan	3.06114%	3.00025%
Component Units		
Library (Public Employee Pension Plan)	0.03458%	0.03363%

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

For the year ended June 30, 2017, the County recognized an additional pension expense due to the requirements of GASB 68 as follows:

	Primary Contributions	Component Units
Additional pension expense	<u>\$ 1,276,740</u>	<u>\$ 84,918</u>

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Primary Government		
Net differences between projected and actual earnings on pension plan investments		
Public Employee	\$ 1,495,642	\$
Law Enforcement	1,090,582	
Volunteer Fire/EMT	125,874	
Changes in proportion and differences between contributions and proportionate share of contributions		
Public Employee		81,144
Law Enforcement	12,424	
Volunteer Fire/EMT	48,370	
Difference between expected and actual experience		
Public Employee		216,071
Law Enforcement		53,594
Volunteer Fire/EMT		13,736
Contributions subsequent to the measurement date		
Public Employee	447,445	
Law Enforcement	407,711	
Volunteer Fire/EMT	6,420	
Assumption Changes – Fire/EMT		6,630
	<u>\$ 3,634,468</u>	<u>\$ 371,175</u>
Component Units		
Net differences between projected and actual earnings on pension plan investments	\$ 151,348	\$
Changes in proportion and differences between contributions and proportionate share of contributions	11,995	
Difference between expected and actual experience		22,103
Contributions subsequent to the measurement date	47,151	
	<u>\$ 210,492</u>	<u>\$ 22,103</u>

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

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

The primary government and the component units reported deferred outflows of resources of \$861,576 and \$47,151 respectively, related to contributions made subsequent to the measurement date. These deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Primary Government			
For the Year Ended June 30,		Outflows	Inflows
2018		\$ 979,658	\$ 144,754
2019		979,658	138,544
2020		773,519	53,659
2021		40,057	34,217
		<u>\$ 2,772,892</u>	<u>\$ 371,175</u>

Component Units			
For the Year Ended June 30,		Outflows	Inflows
2018		\$ 57,022	\$ 9,613
2019		57,022	9,613
2020		42,412	3,369
2021		6,885	
		<u>\$ 163,341</u>	<u>\$ 22,103</u>

Actuarial Assumptions

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Inflation	Salary Increases (Including Inflation)	Investment Rate of Return
Primary Government			
Public Employee Pension Plan	3.25%	4.25% to 6.00%	7.75%
Law Enforcement Pension Plan	3.25%	4.75% to 8.00%	7.75%
Volunteer Firefighters and EMT	3.25%	0%	7.75%
Component Units			
Public Employee Pension Plan	3.25%	4.25% to 6.00%	7.75%

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

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale BB.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

Long-Term Expected Return on Plan Assets

The assumed rate of investment return was adopted by the plan's trustees after considering input from the plan's investment consultant and actuary. Additional information about the assumed rate of investment return is included in the actuarial valuation report as of January 1, 2017. In addition, a five year experience study was completed as of December 31, 2011 and this study provides a detailed analysis regarding recommendations on the long term rates for inflation and the real rate of return. The assumed rate of investment return of 7.75% falls within a reasonable range of the long-term expected rate of return.

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

The following is an estimate of each major asset class that is included in the Public Employees' Pension plan and the Law Enforcement Pension plan and the targeted asset allocation as of January 1, 2017.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	-0.20%
Fixed Income	20.00%	1.95%
Equity	45.00%	7.73%
Marketable alternatives	17.50%	3.73%
Private markets	17.50%	7.14%
Total	100.00%	

Single Discount Rate

A Single Discount Rate of 7.75% was used to measure the total pension liability for all the Plans the County participates in. This Single Discount Rate was based on the expected rate of return on pension plan investments of 7.75% and incorporates a municipal bond rate of 3.57% based on the weekly rate closest to but not later than the measurement date of the "state and local bonds" rate from the Federal Reserve statistical release. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions and the employer contributions will be made at the current schedule contribution rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. PENSION PLAN (Continued)

Sensitivity of Results

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.75%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Proportionate share of net pension liability

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Primary Government			
Public Employee Pension Plan	\$ 11,520,265	\$ 8,020,603	\$ 5,081,221
Law Enforcement Pension Plan	\$ 4,770,929	\$ 2,297,544	\$ 341,977
Volunteer Firefighters and EMT Plan	\$ 1,341,981	\$ 971,782	\$ 663,301
Component Units			
Library (Public Employee Pension Plan)	\$ 1,200,773	\$ 835,998	\$ 529,622

Pension Plan Fiduciary Net Position

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

SUBLETTE COUNTY, WYOMING

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital asset activity during 2017 was as follows:

	Primary Government/Governmental Activities				Balance June 30, 2017
	Balance June 30, 2016	Additions	Deletions	Transfers	
Assets					
Non Depreciable:					
Land	\$ 8,297,230	\$ -	\$ -	\$ -	\$ 8,297,230
Construction in progress	1,392,831	1,474,774		(1,833,771)	1,033,834
	<u>\$ 9,690,061</u>	<u>\$ 1,474,774</u>	<u>\$ -</u>	<u>\$ (1,833,771)</u>	<u>\$ 9,331,064</u>
Depreciable					
Buildings and structures	\$ 129,568,204	\$ 180,749	\$ -	\$ 725,870	\$ 130,474,823
Machinery and equipment	27,935,520	370,296	(61,950)	275,257	28,519,123
Vehicles	10,648,458	588,331	(554,463)		10,682,326
Infrastructure	72,748,714			832,644	73,581,358
	<u>\$ 240,900,896</u>	<u>\$ 1,139,376</u>	<u>\$ (616,413)</u>	<u>\$ 1,833,771</u>	<u>\$ 243,257,630</u>
Accumulated Depreciation					
Buildings and structures	\$ 34,530,172	\$ 4,235,700	\$ -	\$ -	\$ 38,765,872
Machinery and equipment	20,321,770	1,931,062	(61,950)		22,190,882
Vehicles	9,554,826	404,273	(519,286)		9,439,813
Infrastructure	10,040,667	2,436,465			12,477,132
	<u>\$ 74,447,435</u>	<u>\$ 9,007,500</u>	<u>\$ (581,236)</u>	<u>\$ -</u>	<u>\$ 82,873,699</u>
Net depreciable assets	<u>\$ 166,453,461</u>	<u>\$ (7,868,124)</u>	<u>\$ (35,177)</u>	<u>\$ 1,833,771</u>	<u>\$ 160,383,931</u>
Total capital assets, net	<u>\$ 176,143,522</u>	<u>\$ (6,393,350)</u>	<u>\$ (35,177)</u>	<u>\$ -</u>	<u>\$ 169,714,995</u>

Depreciation expense has been charged to the following functions:

General Government	\$ 1,182,165
Public safety	958,204
Public works	4,015,425
Health, welfare and recreation	2,841,375
Conservation of natural resources	10,331
	<u>\$ 9,007,500</u>

	Primary Government/Business-Type Activities				Balance June 30, 2017
	Balance June 30, 2016	Additions	Deletions	Transfers	
Assets					
Land, buildings and structure	\$ 1,122,413	\$ -	\$ -	\$ -	\$ 1,122,413
Machinery and equipment	696,175	120,064			816,239
	<u>\$ 1,818,588</u>	<u>\$ 120,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,938,652</u>
Accumulated depreciation	<u>\$ 1,584,271</u>	<u>\$ 42,306</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,626,577</u>
Total capital assets, net	<u>\$ 234,317</u>				<u>\$ 312,075</u>

	Component Units				Balance June 30, 2017
	Balance June 30, 2016	Additions	Deletions	Transfers	
Assets					
Library	\$ 3,630,909	\$ -	\$ -	\$ -	\$ 3,630,909
Fair	1,295,237				1,295,237
	<u>\$ 4,926,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,926,146</u>
Accumulated depreciation					
Library	\$ 1,953,026	\$ 117,276	\$ -	\$ -	\$ 2,070,302
Fair	1,154,535	8,103			1,162,638
	<u>\$ 3,107,561</u>	<u>\$ 125,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,232,940</u>
Total capital assets, net	<u>\$ 1,818,585</u>				<u>\$ 1,693,206</u>

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CASH AND INVESTMENTS

Investments

Wyoming statute allows the County to invest in obligations of the U.S. Treasury, U.S. guaranteed real estate mortgages, Farm Home Administration (FHA) insured notes, FHA debentures and savings certificates and certificates of deposit which are federally insured, or secured by a pledge of assets, provided the pledge is authorized by the FDIC or FSLIC.

As of June 30, 2017, the County had the following investments and related maturities:

Investment Type	Investment Maturities (In Years)				
	Fair Value	Less Than 1	1-5	6-10	Greater Than 10
Federal Farm Credit Banks	\$ 31,791,908	\$	\$ 8,273,398	\$ 11,878,640	\$ 11,639,870
Federal Home Loan Bank	103,661,728	16,871,660	66,292,415	20,497,653	
	<u>\$ 135,453,636</u>	<u>\$ 16,871,660</u>	<u>\$ 74,565,813</u>	<u>\$ 32,376,293</u>	<u>\$ 11,639,870</u>

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

Certificates of Deposit

The County has invested in numerous publicly traded certificates of deposit. Each of these certificates is under \$250,000 with a total value of \$37,226,260.

External Investment Pools

The County also invests in the WYO-STAR Investment Fund which is administered by the Wyoming State Treasurer. These approved investments are carried at cost, which approximates market and may be liquidated as needed. These investment pools have not been assigned a risk category since the County is not issued securities, but rather owns an undivided beneficial interest in the assets of these pools. Due to the short term nature of the pool's assets and liabilities, the carrying value as recorded in the statement of assets and liabilities approximates fair value. At June 30, 2017, the County's balance in this pool was \$4,235,304 and is included as a cash equivalent in these financial statements

Custodial Credit Risk

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

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk (Continued)

	Carrying Value	FDIC Insured	Secured by Pledging	Uninsured and Unsecured	Other
General Fund					
Cash	\$ 12,582,221	\$ 579,980	\$ 5,576,236	\$	\$ 6,987,780
Certificates of Deposit	37,226,260	37,226,260			
	<u>\$ 49,808,481</u>	<u>\$ 37,806,240</u>	<u>\$ 5,367,842</u>	<u>\$</u>	<u>\$ 6,987,780</u>
Non-major governmental funds					
Cash	\$ 1,507,546	\$ 806,193	\$ 707,550	\$	\$
Proprietary Funds					
Cash	\$ 35,785	\$ 35,785	\$	\$	\$
Certificates of Deposit	24,922	24,922			
Total	<u>\$ 51,376,734</u>	<u>\$ 38,673,140</u>	<u>\$ 6,283,786</u>	<u>\$</u>	<u>\$ 6,987,780</u>

NOTE 6. MEDICAL SELF-INSURANCE

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

The liability in the amount of \$217,190 included in the financial statements as of June 30, 2017, represents the amount due for medical services provided prior to the end of the year for which no claim had been filed as of June 30, 2017.

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

NOTE 7. RISK MANAGEMENT

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

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. LANDFILL CLOSURE AND POST CLOSURE CARE

State and federal laws and regulations require the County to place a final cover on its Big Piney landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure costs as an operating expenditure in the general fund in each period based on landfill capacity used as of each balance sheet date. The \$360,632 reported as general fund landfill closure and post closure care liability at June 30, 2017 represents the cumulative amount reported to date based on the use of 18.85% of the estimated capacity of the landfill. These amounts are based on estimates of the costs necessary to perform all closure and post closure care as of June 30, 2017. The engineer's estimate suggests the remaining life of the landfill to be eighty-one years. These estimates have potential for change due to inflation, technology, and/or applicable laws or regulations. Sublette County expects to close the landfill in the year 2074. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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

NOTE 9. RESTRICTED FUND BALANCES

Restricted Fund Balances

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

General Fund:	
County road construction fund	<u>\$ 6,882,095</u>
Non Major Funds:	
Fire Board	\$ 399,969
Recreation Board	1,032,605
Museum Board	<u>58,109</u>
	<u>\$ 1,490,683</u>

Committed Fund Balances

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

Landfill closure costs	\$ 5,500,000
Equipment	11,632,760
Future construction costs	<u>143,543,216</u>
	<u>\$ 160,675,976</u>

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RESTRICTED FUND BALANCES (Continued)

Stabilization Amounts

Through the budgeting process and in accordance with Wyoming State Statutes, the County Commissioners have established a cash reserve for the 2017 fiscal year of \$10,000,000.

NOTE 10. DUE TO/FROM OTHER FUNDS

The following schedule details due to/from other funds:

	<u>Due to</u>	<u>Due from</u>
Trust and Agency Fund - Tax Collections		
County entities	\$	\$ 11,081
Non major funds:		
Museum Board	2,567	
Component units	8,514	
	<u>\$ 11,081</u>	<u>\$ 11,081</u>

NOTE 11. FIRE BOARD LIQUIDATION

The County dissolved the Fire Board effective December 31, 2014. The County is currently in the process of transferring the Fire Board's assets into the general County operations.

NOTE 12. DEFERRED COMPENSATION PLAN

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

NOTE 13. INTERFUND TRANSFERS

Operating Transfers In (Out) consist of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
Recreation Fund	\$	\$ 21,782
Enterprise Golf Course Fund	21,782	

The transfers from the Recreation Fund to the golf course fund of \$21,782 is for the capital lease payment made on behalf of the golf course by the recreation fund.

SUBLETTE COUNTY, WYOMING
NOTES TO THE FINANCIAL STATEMENTS

NOTE 14. TAX REBATE PAYABLE

During the years ended June 30, 2015 and 2017, several major property taxpayers successfully won an appeal on the assessed value of their property. In an agreement with the County these amounts will be repaid over 5 year period. This resulted in the County having to repay the company mill levy revenue previously received.

The following schedule shows repayments to be made:

For the year ending June 30	General Fund	Recreation Fund	Museum Fund	Fire Fund	Fair Board	Library Board
2018	\$ 767,842	\$ 12,594	\$ 7,675	\$ 16,471	\$ 13,164	\$ 24,704
2019	\$ 766,834	\$ 12,970	\$ 7,614	\$ 16,538	\$ 14,069	\$ 24,456
2020	392,786	5,989	3,985	8,227	5,945	12,822
2021	245,824	3,280	2,596	5,062	1,978	8,607
Due within five years	\$ 1,405,444	\$ 22,239	\$ 14,195	\$ 29,827	\$ 21,992	\$ 45,885
Total repayments	\$ 2,173,286	\$ 34,833	\$ 21,870	\$ 46,298	\$ 35,156	\$ 70,589

NOTE 15. LEASING ARRANGEMENT PROPRIETARY FUND

At June 30, 2017, the County Golf Course had the following lease agreements:

1. John Deere Tractor and related equipment and attachments; yearly payment of \$21,782 matures July 2020; interest rate 3.25%; unpaid balance at June 30, 2017 is \$80,393.

Future minimum lease payments are as follows:

Fiscal Year	Payment
2018	\$ 21,782
2019	21,782
2020	21,782
2021	21,782
	\$ 87,128
Amounts representing interest	6,735
Present value of lease payments	\$ 80,393

Changes

A summary of changes in the capital leases for the year ended June 30, 2017, is presented below:

	Balance at June 30, 2016	Additions	Reductions	Balance at June 30, 2017
Lease Purchase Obligations	\$ -0-	\$ 102,176	\$ 21,782	\$ 80,393

Required Supplementary Information

SUBLETTE COUNTY, WYOMING

GENERAL FUND - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2017

REVENUES				
	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Taxes				
Property and Production	\$ 23,207,305	\$ 23,207,305	\$ 23,075,506	\$ (131,799)
County Share of Motor Vehicle fees	725,000	725,000	760,963	35,963
Sales and Use Taxes	6,000,000	6,000,000	5,107,677	(892,323)
5% Reimbursement Use Tax	70,000	70,000	115,575	45,575
Sales Tax Penalty	14,000	14,000	13,097	(903)
Gas Taxes	725,000	725,000	809,026	84,026
Special Fuel	1,100,000	1,100,000	1,188,388	88,388
Cigarette Taxes	5,000	5,000	5,108	108
Total Taxes	<u>\$ 31,846,305</u>	<u>\$ 31,846,305</u>	<u>\$ 31,075,340</u>	<u>\$ (770,965)</u>
Licenses and Permits				
Liquor Licenses	\$ 7,300	\$ 7,300	\$ 7,277	\$ (23)
Business Licenses	200	200	120	(80)
Total Licenses and Permits	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 7,397</u>	<u>\$ (103)</u>
Fines and Forfeitures				
County Clerk Fees	\$ 175,000	\$ 175,000	\$ 186,203	\$ 11,203
Clerk of Court Fees	40,000	40,000	30,815	(9,185)
Sheriff Fees	25,000	25,000	21,798	(3,202)
Assessor Fees	25	25	30	5
Total Fines and Forfeitures	<u>\$ 240,025</u>	<u>\$ 240,025</u>	<u>\$ 238,846</u>	<u>\$ (1,179)</u>
Charges for Services				
Landfill\Transfer Station\Recycling	\$ 155,000	\$ 155,000	\$ 216,745	\$ 61,745
Fairgrounds	20,000	20,000	32,515	12,515
Public Health Nurse	65,000	65,000	92,156	27,156
Planning and Zoning	8,000	8,000	6,580	(1,420)
U.S. Forest - Law Enforcement	11,000	11,000	10,980	(20)
Prisoner Room and Board			5,400	5,400
Fuel Reimbursement - Weed & Pest/Fair	30,000	30,000	34,223	4,223
E-911 Reimbursement	40,000	40,000	51,810	11,810
Search and Rescue	10,000	10,000		(10,000)
Rural Health Care District	100,000	100,000	100,275	275
Other	138,060	138,060	62,256	(75,804)
Total Charges for Services	<u>\$ 577,060</u>	<u>\$ 577,060</u>	<u>\$ 612,940</u>	<u>\$ 35,880</u>
Intergovernmental				
State Severance Tax	\$ 101,048	\$ 101,048	\$ 102,067	\$ 1,019
State Severance Tax (Section 316)	35,594	35,594	35,594	-
Forest Reserve Funds	277,952	277,952	120,299	(157,653)
Grants	248,100	898,364	472,521	(425,843)
State and County Road Fund	625,724	625,724	558,987	(66,737)
Lottery	80,000	80,000	66,354	(13,646)
Attorney Reimbursement	138,000	138,000	142,368	4,368
Homeland Security	40,000	40,000	9,600	(30,400)
Payment in Lieu of Property Taxes	532,623	532,623	889,779	357,156
Total Intergovernmental	<u>\$ 2,079,041</u>	<u>\$ 2,729,305</u>	<u>\$ 2,397,569</u>	<u>\$ (331,736)</u>
Investment income	<u>\$ 850,000</u>	<u>\$ 850,000</u>	<u>\$ 1,411,421</u>	<u>\$ 561,421</u>

(Continued)

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

SUBLETTE COUNTY, WYOMING

GENERAL FUND - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2017

REVENUES (Continued)				Variance
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
Other				
Fairgrounds Budget	\$ 509,695	\$ 509,695	\$ 430,820	\$ (78,875)
Ice arena Budget	285,589	285,589	256,785	(28,804)
United Fire Budget	2,137,520	2,137,520	1,555,822	(581,698)
Sublette Center	60,000	60,000		(60,000)
Other	250,000	250,000	(47,756)	(297,756)
Total Other	<u>\$ 3,242,804</u>	<u>\$ 3,242,804</u>	<u>\$ 2,195,671</u>	<u>\$ (1,047,133)</u>
Total Revenues	<u>\$ 38,842,735</u>	<u>\$ 39,492,999</u>	<u>\$ 37,939,184</u>	<u>\$ (1,553,815)</u>

EXPENDITURES				
Central Government				
County Commissioners	\$ 268,200	\$ 264,787	\$ 192,673	\$ 72,114
County Clerk	336,982	336,982	281,694	55,288
County Treasurer	309,100	309,100	280,989	28,111
County Assessor	482,043	476,043	469,668	6,375
County Attorney	762,306	754,956	635,744	119,212
Clerk of District Court	352,861	353,115	347,114	6,001
Information Technology	261,850	261,850	207,181	54,669
Geographic Information Systems	51,100	51,100	44,640	6,460
County Engineer	12,000	12,000	520	11,480
Courthouse and Maintenance	2,714,698	2,721,348	2,177,411	543,937
Elections	45,700	52,780	50,118	2,662
County Planning and Zoning	97,826	97,826	82,305	15,521
Treatment Court	228,907	231,927	209,567	22,360
Total Central Government	<u>\$ 5,923,573</u>	<u>\$ 5,923,814</u>	<u>\$ 4,979,624</u>	<u>\$ 944,190</u>
Public Safety				
Detention	\$ 2,159,921	\$ 2,150,858	\$ 2,083,216	\$ 67,642
Communications	779,783	896,752	895,121	1,631
Law Enforcement	4,285,449	4,163,818	3,824,277	339,541
Emergency Management	147,255	110,321	97,380	12,941
Search and Rescue	642,555	621,650	402,399	219,251
County Coroner	64,691	56,941	38,529	18,412
Fire Warden	2,137,520	2,676,455	1,555,822	1,120,633
Total Public Safety	<u>\$ 10,217,174</u>	<u>\$ 10,676,795</u>	<u>\$ 8,896,744</u>	<u>\$ 1,780,051</u>
Public Works				
Road and Bridge	\$ 11,825,095	\$ 11,363,370	\$ 6,943,173	\$ 4,420,197
Waste Management	829,145	754,341	642,933	111,408
Transfer Station	325,843	325,843	303,068	22,775
Recycling	69,347	64,347	56,088	8,259
Total Public Works	<u>\$ 13,049,430</u>	<u>\$ 12,507,901</u>	<u>\$ 7,945,262</u>	<u>\$ 4,562,639</u>
Health, Welfare and Recreation				
Health	\$ 353,078	\$ 353,078	\$ 317,900	\$ 35,178
Health Officer and Sanitation	47,702	47,702	46,095	1,607
Fair Grounds	509,695	527,695	430,820	96,875
Ice Arena	285,589	285,589	256,786	28,803
Total Health, Welfare and Recreation	<u>\$ 1,196,064</u>	<u>\$ 1,214,064</u>	<u>\$ 1,051,601</u>	<u>\$ 162,463</u>

(Continued)

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

SUBLETTE COUNTY, WYOMING

GENERAL FUND - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2017

EXPENDITURES (Continued)

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Conservation of Natural Resources County Extension Department	\$ 148,649	\$ 146,649	\$ 142,797	\$ 3,852
Miscellaneous General	\$ 10,710,385	\$ 10,832,849	\$ 9,394,433	\$ 1,438,416
Total Expenditures	\$ 41,245,275	\$ 41,302,072	\$ 32,410,461	\$ 8,891,611
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (2,402,540)	\$ (1,809,073)	\$ 5,528,723	
FUND BALANCE (NON-GAAP) - Beginning	172,478,471	172,478,471	172,478,471	
FUND BALANCE (NON-GAAP) - Ending	\$ 170,075,931	\$ 170,669,398	\$ 178,007,194	
COMPRISED OF:				
Cash reserve	\$ 10,000,000	\$ 10,000,000		
Equipment reserve	10,769,560	11,632,760		
Depreciation reserve	149,306,371	149,043,216		
	\$ 170,075,931	\$ 170,675,976		

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

SUBLETTE COUNTY, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY DATA

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. The various departments of the County submit their budgets to the Board of County Commissioners for approval. The tentative budgets are available for public inspection, and a public hearing is held to obtain taxpayer comments. The final budgets are approved by the County Commissioners and an appropriation resolution is signed to limit the spending of each department to the amount appropriated. Revisions that alter the total appropriations of any department must be approved by resolution of the governing body following the publication, hearing, and adoption procedures required for the original budget. Department, as defined by Wyoming Statute, means a functional unit within a fund which carries on a specific activity, the office of an elected official, or a major program category.
2. Annual operating budgets are adopted for the General Fund and Component Units. These budgets are adopted on the cash basis of accounting which is inconsistent with generally accepted accounting principles.
3. The financial statement Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds contained on page 8 of this report is prepared on the generally accepted accounting principles (GAAP) basis. The financial statement General Fund - Budget and Actual contained on pages 32 to 34 of this report is prepared on the legally enacted basis (cash basis). This results in differences when revenues and expenses are recognized for accounting purposes. Under the GAAP basis, revenues are recognized when measurable and available while the cash basis recognizes revenues when received. For expenditures, the GAAP basis recognizes them when incurred while the cash basis recognizes expenditures when paid.

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

	General Fund
Resources/inflows budgetary basis	\$ 37,939,184
Differences - budget to GAAP	
Receivables at June 30, 2017 received in the year ending June 30, 2017 included in 2017 budget data	
Sales and fuel taxes	(538,955)
User fee receivable	(12,980)
Grants	
Receivables at June 30, 2016 for GAAP purposes revenues not included in 2016 budget data	
Sales and fuel taxes	663,296
User fee receivable	42,474
Unrealized loss on investments not recognized for budget purposes	(3,309,129)
Accrual of tax rebate payable	(247,242)
Other differences	(3,694)
Revenues fund financial statements	<u>\$ 34,532,954</u>

SUBLETTE COUNTY, WYOMING

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY DATA

NOTE 1. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

	General Fund
Expenditures/budgetary basis	<u>\$ 32,410,461</u>
Differences - budget to GAAP	
Payables at June 30, 2016 paid in the year ending June 30, 2017 included in budget data	
Accounts payable	(193,527)
Insurance claim liability	(244,394)
Retainage payable	(37,584)
Payables at June 30, 2017 not paid in the year ending June 30, 2017 included in GAAP data	
Accounts payable	254,038
Insurance claim liability	217,190
Change in insurance cash reserve	63,572
Change in prepaid expenses	(15,160)
Other differences	(7,486)
Expenditures fund financial statements	<u><u>\$ 32,447,110</u></u>

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

SUBLETTE COUNTY, WYOMING
SCHEDULE OF CONTRIBUTIONS - WYOMING RETIREMENT SYSTEM
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2014 TO 2017

Public Employees Pension Plan

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

Law Enforcement Pension Plan

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

Volunteer Firefighter and EMT Plan

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

SUBLETTE COUNTY, WYOMING
SCHEDULE OF CONTRIBUTIONS - WYOMING RETIREMENT SYSTEM
COMPONENT UNITS
FOR THE YEARS ENDED JUNE 30, 2014 TO 2017

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

SUBLETTE COUNTY, WYOMING
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY - WYOMING RETIREMENT SYSTEM
PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2014 TO 2017

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

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

SUBLETTE COUNTY, WYOMING
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY - WYOMING RETIREMENT SYSTEM
COMPONENT UNITS
FOR THE YEARS ENDED JUNE 30, 2014 TO 2017

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

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

Other Supplementary Information

SUBLETTE COUNTY, WYOMING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Governmental Activities			
	Recreation Board	Fire Board	Museum Board	Total
ASSETS				
Cash	\$ 1,044,358	\$ 399,969	\$ 63,217	\$ 1,507,544
Receivables other	842			842
Due from Trust and Agency	-		2,567	2,567
Total assets	<u>\$ 1,045,200</u>	<u>\$ 399,969</u>	<u>\$ 65,784</u>	<u>\$ 1,510,953</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Tax rebate payable	12,594		7,675	20,269
Total Liabilities	<u>\$ 12,594</u>	<u>\$ -</u>	<u>\$ 7,675</u>	<u>\$ 20,269</u>
FUND BALANCE				
Restricted	<u>\$ 1,032,606</u>	<u>\$ 399,969</u>	<u>\$ 58,109</u>	<u>\$ 1,490,684</u>
Total liabilities and fund balance	<u>\$ 1,045,200</u>	<u>\$ 399,969</u>	<u>\$ 65,784</u>	<u>\$ 1,510,953</u>

SUBLETTE COUNTY, WYOMING

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities			
	Recreation Board	Fire Board	Museum Board	Total
REVENUE				
Taxes	\$ 73,900	\$ -	\$ 341,270	\$ 415,170
Charges for goods and services		5,793		5,793
Investment income	65	171		236
Other	100			100
Total revenues	<u>\$ 74,065</u>	<u>\$ 5,964</u>	<u>\$ 341,270</u>	<u>\$ 421,299</u>
EXPENDITURES				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Health, welfare, culture and recreation	155,052	15	300,127	455,194
Total expenditures	<u>\$ 155,052</u>	<u>\$ 15</u>	<u>\$ 300,127</u>	<u>\$ 455,194</u>
REVENUES OVER (UNDER) EXPENDITURES	\$ (80,987)	\$ 5,949	\$ 41,143	\$ (33,895)
OPERATING TRANSFERS	<u>(21,782)</u>			<u>(21,782)</u>
Revenues over (under) expenditures after operating transfers	\$ (102,769)	\$ 5,949	\$ 41,143	\$ (55,677)
FUND BALANCE, BEGINNING	<u>1,135,375</u>	<u>394,020</u>	<u>16,966</u>	<u>1,546,361</u>
FUND BALANCE, ENDING	<u><u>\$ 1,032,606</u></u>	<u><u>\$ 399,969</u></u>	<u><u>\$ 58,109</u></u>	<u><u>\$ 1,490,684</u></u>

SUBLETTE COUNTY, WYOMING

COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2017

	Library Board	Fair Board	Sublette County/ Town of Big Piney Community Impact Joint Powers Board	Sublette County/ Town of Marbleton Community Impact Joint Powers Board	Total
ASSETS					
Cash and cash equivalents	\$ 459,125	\$ 290,433	\$ 1,932	\$ -	\$ 751,490
Due from trust and agency	8,514	-			8,514
Capital assets (net of accumulated depreciation)	1,560,607	132,598			1,693,205
Total Assets	<u>\$ 2,028,246</u>	<u>\$ 423,031</u>	<u>\$ 1,932</u>	<u>\$ -</u>	<u>\$ 2,453,209</u>
DEFERRED OUTFLOWS OF RESOURCES					
Retirement contributions	\$ 47,151	\$ -	\$ -	\$ -	\$ 47,151
Difference between proportionate share of projected and actual earnings on pension plan investments (net)	151,346				151,346
Difference between contributions and proportionate share of contributions	11,995				11,995
Total deferred outflows of resources	<u>\$ 210,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,492</u>
LIABILITIES					
Accounts and vouchers payable	\$ 824	\$ 3,883	\$ -	\$ -	\$ 4,707
Tax rebate payable	24,704	13,164			37,868
Total current liabilities	<u>\$ 25,528</u>	<u>\$ 17,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,575</u>
Compensated absences payable	\$ 21,362	\$ -	\$ -	\$ -	\$ 21,362
Proportionate share of net pension liability	835,998				835,998
Tax rebate payable	45,885	21,992			67,877
Total non current liabilities	<u>\$ 903,245</u>	<u>\$ 21,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 925,237</u>
Total liabilities	<u>\$ 928,773</u>	<u>\$ 39,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 967,812</u>
DEFERRED INFLOWS OF RESOURCES					
Difference between expected and actual experience	\$ 22,103	\$ -	\$ -	\$ -	22,103
Total deferred inflows of resources	<u>\$ 22,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,103</u>
NET POSITION					
Net investment in capital assets	\$ 1,560,607	\$ 132,598	\$ -	\$ -	\$ 1,693,205
Unrestricted	(272,745)	251,394	1,932	-	(19,419)
Total net position	<u>\$ 1,287,862</u>	<u>\$ 383,992</u>	<u>\$ 1,932</u>	<u>\$ -</u>	<u>\$ 1,673,786</u>

SUBLETTE COUNTY, WYOMING
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2017

	Library Board	Fair Board	Sublette County/ Town of Big Piney Community Impact Joint Powers Board	Sublette County/ Town of Marbleton Community Impact Joint Powers Board	Total
EXPENSES					
Expenses other than depreciation	\$ 1,254,076	\$ 287,186	\$ -	\$ 6,919	\$ 1,548,181
Depreciation	117,276	8,104			125,380
Total expenses	<u>\$ 1,371,352</u>	<u>\$ 295,290</u>	<u>\$ -</u>	<u>\$ 6,919</u>	<u>\$ 1,673,561</u>
SPECIFIC REVENUES					
Charges for services	19,729	54,334	-	-	74,063
Operating grants and contributions	1,909				1,909
Net revenues (expenses)	<u>\$ (1,349,714)</u>	<u>\$ (240,956)</u>	<u>\$ -</u>	<u>\$ (6,919)</u>	<u>\$ (1,597,589)</u>
GENERAL REVENUES					
Property taxes	1,095,471	33,017			1,128,488
Auto fees	32,373				32,373
Interest	39			1	40
Miscellaneous	671				671
	<u>\$ (221,160)</u>	<u>\$ (207,939)</u>	<u>\$ -</u>	<u>\$ (6,918)</u>	<u>\$ (436,017)</u>
TRANSFERS					-
CHANGE IN NET POSITION	\$ (221,160)	\$ (207,939)	\$ -	\$ (6,918)	\$ (436,017)
NET POSITION AT BEGINNING OF YEAR	1,509,022	591,931	1,932	6,918	2,109,803
NET POSITION AT END OF YEAR	<u>\$ 1,287,862</u>	<u>\$ 383,992</u>	<u>\$ 1,932</u>	<u>\$ -</u>	<u>\$ 1,673,786</u>

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

County Commissioners
Sublette County, Wyoming
Pinedale, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Sublette County, Wyoming as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Sublette County, Wyoming's basic financial statements and have issued our report thereon dated March 9, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiencies. See Items 2017-001, 2017-002, 2017-003, and 2017-004.

Compliance and Other Matters

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

Sublette County Wyoming's Response to Findings

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

Purpose of This Report

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



March 9, 2018

SUBLETTE COUNTY, WYOMING

SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2017

FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

2017-001 Separation of Duties

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

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

Separation of duties requires that someone other than the employee responsible for safeguarding the asset must maintain the accounting records for that asset. When an organization separates duties of the employees, it minimizes the probability of an error or irregularity occurring and not being timely detected.

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

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

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

2017-002 Disbursements Rendezvous Meadow Golf Course

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

Condition: During our audit of the disbursements of the Rendezvous Meadow Golf Course, it came to our attention that some disbursements did not have itemized receipts to support the expenditure incurred. Of the 22 transactions selected 6 did not have supporting documentation. Also we noted that at many times the disbursement's perjury statements were signed by the contract bookkeeper who did not insight of the transaction to sign these in good faith.

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

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

2017-003 Month End Reconciliations - Rendezvous Meadow Golf Course

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

Condition: During the course of our audit we noted that the end of year checking account reconciliation was not completed until approximately 5 months after the end of the year. It appears the delay stemmed from issues in the reconciliation of the square account (credit card) transactions.

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

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

2017-004 Back up withholding - Rendezvous Meadow Golf Course

Criteria: It is the responsibility of the trustees or committee members to collect all funds due the Organization. Governmental units such as the the golf course do not pay any Federal income tax.

Condition: In the prior year the credit card processing company, used by the golf course, withheld backup withholding due to an inconstancy between demographic information that the credit card company had and reported to the Internal Revenue Service and data that the Internal Revenue Service had on file. Due to this inconsistency, the IRS notified the credit card company that is needed to withhold 28% of the credit payments it processed as backup withholding. As soon as the problem was identified, the correct data was provided to the credit card processing company, but in the process approximately \$12,000 was withheld. To our knowledge at this time no attempt has been made to recover these funds.

Recommendation: If not already done, a claim for refund from the Internal Revenue Service should be filed immediately. We believe that form 843 (Claim for Refund and Request for Abatement) should be completed to claim the refund of the erroneous withholding. This should be completed as timely as possible to avoid the running of the statute of limitations for tax refunds.

Auditee Response: The Gold Board will pursue filing for a refund of funds held by the IRS.

SUBLETTE COUNTY, WYOMING

STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2017

FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

2016-001

Separation of Duties

Ongoing comment and condition. See item 2017-001 in current Schedule of Findings and Responses.