SWEETWATER COUNTY, WYOMING

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2016

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McGee, Hearne & Paiz, LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Sweetwater County, Wyoming
Green River, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sweetwater County, Wyoming (the "County"), as of and for the year ended June 30, 2016, 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's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the combined financial statements of Memorial Hospital of Sweetwater County (Hospital) which is presented as a major discretely presented component unit of the County and whose assets and deferred outflows of resources totaled $129,525,522 and whose revenues totaled $91,147,666 in the accompanying basic financial statements. The combined financial statements of the Hospital were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hospital, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit 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 County'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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 11, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund on page 61, the Schedule of Funding Progress on page 62, Schedules of Proportionate Shares of the Net Pension Liability and Schedules of Contributions on pages 63 through 70, and Notes to Required Supplementary Information on page 71, be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining Statements of Nonmajor Governmental Funds and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This information is the responsibility of management and was derived from and relates 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2016 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 9, 2016

SWEETWATER COUNTY, WYOMING

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following is a discussion and analysis of Sweetwater County's (the "County") performance and activities for the year ended June 30, 2016. When read in conjunction with the financial statements, this section's financial highlights, overview and analysis should assist the reader in gaining a more complete knowledge of the County's financial performance.

FINANCIAL HIGHLIGHTS

- For the primary government, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $125,700,067 (*net position*). Of this amount, $43,470,769 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors. For the entire government (including component units) net position was $222,486,525 and unrestricted net position was $78,572,955. Note that with the current financial reporting model, the total net position figure includes capital assets net of accumulated depreciation.
- At the close of the year, the County's governmental funds reported combined ending fund balances of $64,585,785, an increase of $9,355,656 from the prior year. Of this amount, $43,634,579 is available for spending at the County's discretion (*unassigned fund balance*).
- At the end of the year, the unassigned fund balance for the general fund was $43,634,579 or 100% of total general fund expenditures.
- Total debt (capital leases) for the primary government increased by $380,898 during the year. During the year, the County entered into one capital lease agreement of $1,100,355 and made payments of $719,457. Other than capital leases, no new debt was incurred. Capital leases payable as of June 30, 2016 were $1,089,260.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. Government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector business reporting. These statements include the County as well as the component units of Sweetwater County (*Memorial Hospital of Sweetwater County, Sweetwater County Events Complex, Southwest Counseling Services, Sweetwater County Library System, Sweetwater County Museum Board, Sweetwater County Recreation Board and the Sweetwater County District Board of Health).*

The *Statement of Net Position,* a component of the government-wide financial statements, presents information on all of the County's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. The County's capital assets (land, buildings, equipment and infrastructure) are included in this statement and reported net of their accumulated depreciation. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. In evaluating the government's overall condition, however, additional non-financial factors should be considered such as the County's economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure.

The *Statement of Activities* presents revenue and expense information showing how the County's net position changed during the fiscal year. To understand the basis of how these numbers are determined, it is important to note that changes in net position are reported whenever an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (the accrual basis of accounting). For example, tax revenues are reported when the taxes are legally due, even though they may not be collected for some time after that date; and an obligation to pay a supplier is reported as an expense when the goods or services are received, even though the bill may not be paid until some time later.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by intergovernmental revenues and property taxes (*governmental activities*) from other functions designed to recover all or a significant portion of their costs through user fees and charges (*business type activities*). The governmental activities of the County include: general government, public safety, road and bridge, health, recreation and welfare and conservation of natural resources. Business-type activities include the Memorial Hospital of Sweetwater County.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts (revenues, expenditures, assets, deferred outflows of resources, liabilities and deferred inflows of resources) that is used to control resources that have been segregated for specific activities. Sweetwater County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by the County can be divided into three categories: *governmental funds, proprietary funds, and fiduciary funds.*

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements.* However, for accounting and reporting purposes, government fund numbers are determined with a different approach. At the fund level, the focus is on changes in short-term spendable resources and the balance available to spend, rather than the long-term focus used for determining government-wide numbers. Because the focus is so different between fund statements and government-wide statements, reconciliation between the two types is necessary to understand how the numbers differ. Such reconciliations are provided on pages 15 and 17 of this report.

The General Fund is the primary operating governmental fund of the County. Three other governmental funds are reported. A summary of the three other funds (nonmajor funds) is combined into one "Nonmajor Governmental Funds" column. To demonstrate legal compliance, a statement comparing budget-to-actual numbers for the General Fund is included in the required supplementary information.

Proprietary Funds. There are two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting tool used to accumulate and allocate costs internally. The County uses an internal service fund to account for its self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. The County does not maintain an enterprise fund.

Fiduciary Funds. Fiduciary funds are used to account for resources held on behalf of outside parties, including other governments. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 21.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 26 of this report.

Required supplementary information. The required supplementary information includes Budgetary Comparison Information for the General Fund, the Schedule of Funding Progress, the Schedules of Proportionate Shares of Net Pension Liability, the Schedules of Contributions, and Notes to Required Supplementary Information, starting on page 61.

Other information. Combining fund schedules can be found starting on page 72 of this report.

Government-Wide Financial Analysis

Net Position: As stated earlier, an analysis of net position is probably the most important financial measurement to assist with understanding the financial position of the County, and whether the financial position improves or deteriorates each year. The following table presents summary information from the Statement of Net Position in the Basic Financial Statements.

Summary of Net Position
(expressed in millions, totals may not add due to rounding)

	2016			2015		
	Primary Government	Component Units		Primary Government	Component Units	
	Governmental Activities	Governmental Activities	Business-type Activities	Governmental Activities	Governmental Activities	Business-type Activities
Current and other assets	$ 97.42	$ 15.90	$ 48.21	$ 95.59	$ 17.09	$ 52.55
Capital assets	73.05	13.90	81.05	73.33	14.83	82.23
Total assets	170.47	29.80	129.26	168.92	31.92	134.78
Deferred outflows of resources	5.50	4.06	0.27	2.57	1.72	0.28
Current liabilities	10.58	1.63	9.71	11.10	1.94	14.55
Non-current liabilities	18.57	13.17	35.31	13.59	9.81	36.90
Total liabilities	29.15	14.80	45.02	24.69	11.75	51.45
Deferred inflows of resources	21.12	6.78	-	27.87	7.27	-
Net position:						
Net investment in capital assets	71.96	13.90	43.80	72.62	14.46	40.60
Restricted	10.27	0.52	3.46	8.88	0.49	3.66
Unrestricted	43.47	(2.14)	37.25	37.43	(0.33)	39.35
Total net position	$ 125.70	$ 12.28	$ 84.51	$ 118.93	$ 14.62	$ 83.61

As depicted, at June 30, 2016, the County's Primary government and component unit assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately $125.70 and $96.79 million (net position) respectively. 57% and 60% respectively of this amount is represented by the investment in capital assets, net of debt still outstanding relating to the acquisition of those assets. Due to the nature of these assets - long-term assets which are not readily convertible to liquid assets – they are not considered to be available for spending or appropriation. Further, even though the presentation here shows capital assets net of related debt, it should be understood that the repayment of this debt does not come from the capital assets themselves, but comes from other sources.

Other sub-classifications of net position are *restricted* and *unrestricted.* $10.27 million is restricted to expenditures in the CDC Tax Fund and State and County Road Fund.

Changes in Net Position: As taken from the Statement of Activities in the basic financial statements, the following table depicts the changes in net position for 2016.

Statement of Activities
(expressed in millions, totals may not add due to rounding)

	2016			2015		
	Primary Government	Component Units		Primary Government	Component Units	
	Governmental Activities	Governmental Activities	Business-type Activities	Governmental Activities	Governmental Activities	Business-type Activities
Revenues:						
Program Revenues:						
Charges for services	$ 1.64	$ 4.04	$ 83.61	$ 1.58	$ 3.75	$ 75.98
Operating grants	6.02	10.38	0.03	5.21	10.88	0.13
Capital grants and cont.	2.17	-	-	3.88	0.02	-
General Revenues:						
Property taxes	28.04	7.23	-	26.54	7.00	-
Sales taxes	11.61	0.54	3.62	12.72	0.47	4.09
State appropriations	-	0.03	-	-	0.02	-
Licenses and permits	1.57	-	-	1.63	-	-
Other income	0.08	1.25	3.62	0.09	1.15	4.35
Investment income (loss)	1.78	0.01	0.27	1.86	0.01	0.19
Total revenues	52.91	23.48	91.15	53.51	23.30	84.74
Expenses:						
General government	20.46	-	-	18.37	-	-
Public safety	15.16	-	-	14.05	-	-
Road and bridge	8.55	-	-	7.56	-	-
Health, recreation and welfare	1.64	25.82	-	2.15	24.06	-
Conservation of natural resources	0.32	-	-	0.32	-	-
Interest	0.01	-	-	0.01	-	-
Memorial Hospital of Sweetwater County	-	-	90.25	-	-	78.46
Total expenses	46.14	25.82	90.25	42.46	24.06	78.46
Change in net position	6.77	(2.34)	0.90	11.05	(0.76)	6.28
Net position-Beginning	118.93	14.62	83.61	107.88	15.38	77.33
Net position-Ending	$ 125.70	$ 12.28	$ 84.51	$ 118.93	$ 14.62	$ 83.61

Governmental activities. Governmental activities for the primary government increased the County's net position by approximately $6.77 million. The key elements of this increase are as follows:

- Property taxes increased by approximately $1.50 million. This is a 6% increase over the prior year.
- General government is the largest expenditure program accounting for 44% of the total expenditures for the County. Public safety is second at 33% and road and bridge is third with 19%.

Business-type activities. The business type activity is the Memorial Hospital of Sweetwater County. Key elements of its activities are as follows:

- Revenues increased by approximately $6.41 million or 8% over the prior year.
- Expenses increased by approximately $11.79 million or 15% over the prior year.
- Revenues were in excess of expenditures increasing net position by approximately $0.90 million.

General Fund Budgetary Highlights

(expressed in millions, totals may not add due to rounding)

	2016				2015			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual		Original	Final	Actual	
Revenues:								
Taxes	$ 39.83	$ 39.83	$ 38.84	$ (0.99)	$ 37.67	$ 37.67	$ 38.23	$ 0.56
Licenses and permits	1.62	1.62	1.58	(0.04)	1.69	1.69	1.63	(0.06)
Intergovernmental	9.92	9.92	7.11	(2.81)	10.67	10.67	8.04	(2.63)
Charges for services	1.66	1.66	1.64	(0.02)	1.79	1.79	1.58	(0.21)
Investment income (loss)	0.65	0.65	1.55	0.90	0.56	0.56	1.70	1.14
Miscellaneous	0.02	0.02	0.08	0.06	-	-	0.09	0.09
Total revenues	53.70	53.70	50.80	(2.90)	52.38	52.38	51.27	(1.11)
Expenditures:								
General government	19.98	19.98	18.27	1.71	19.06	18.98	16.63	2.35
Public safety	14.09	14.07	13.23	0.84	13.38	13.38	12.59	0.79
Road and bridge	5.32	5.32	4.36	0.96	5.03	4.83	3.70	1.13
Health, recreation, and welfare	4.48	4.48	1.39	3.09	2.30	2.30	2.02	0.28
Conservation of natural resources	0.34	0.34	0.32	0.02	0.34	0.34	0.32	0.02
Capital outlay	9.68	9.70	6.09	3.61	14.16	14.47	10.09	4.38
Total expenditures	53.89	53.89	43.66	10.23	54.27	54.30	45.35	8.95
Other Financing Sources:								
Proceeds from capital leases	-	-	1.10	1.10	-	-	1.06	1.06
Proceeds from sale of capital assets	-	-	0.15	0.15	-	-	0.01	0.01
Total other financing sources	-	-	1.25	1.25	-	-	1.07	1.07
Net change in Fund Balance	$ (0.19)	$ (0.19)	$ 8.39	$ 8.58	$ (1.89)	$ (1.92)	$ 6.99	$ 8.91

The differences between the original budget and the final amounts represent changes made by the commission as additional facts and information became available. Several factors lead to these modifications. They include: economic factors, change in governing officials, emergency purchases, and other factors.

Tax revenues were under the budgeted amounts due to the condition of the local and state economies during the year.

Total expenditures were under budget primarily due to projects which were either not undertaken or completed during the year.

Capital assets

At the end of the year, for governmental activities, the County and its component units had invested $86.95 million in a variety of capital assets, as reflected in the following schedules, which represents a decrease of $1.2 million or 1.4% from last year. The following schedules show the capital assets for the primary government, component units and the component unit business-type activities for the year ended June 30, 2016. Additional information on the County's capital assets can be found in Note 9 of this report.

Primary Government

	Balance June 30, 2015	Additions	Deletions/ Transfers	Balance June 30, 2016
Capital assets not being depreciated:				
Land	$ 1,154,219	$ 3,600	$ -	$ 1,157,819
Construction in progress	3,676,578	2,297,228	(1,851,915)	4,121,891
Total capital assets not being depreciated	4,830,797	2,300,828	(1,851,915)	5,279,710
Capital assets being depreciated:				
Buildings and improvements	39,818,224	207,055	1,811,747	41,837,026
Equipment and furnishings	19,034,326	1,348,204	(1,327,093)	19,055,437
Infrastructure	120,410,273	1,685,610	-	122,095,883
Total capital assets being depreciated	179,262,823	3,240,869	484,654	182,988,346
Less: Accumulated depreciation:				
Buildings and improvements	(11,629,187)	(1,184,622)	38,617	(12,775,192)
Equipment and furnishings	(13,817,096)	(1,327,567)	1,252,760	(13,891,903)
Infrastructure	(85,320,276)	(3,228,433)	-	(88,548,709)
Total accumulated depreciation	(110,766,559)	(5,740,622)	1,291,377	(115,215,804)
Net depreciable assets	68,496,264	(2,499,753)	1,776,031	67,772,542
Total net capital assets	$ 73,327,061	$ (198,925)	$ (75,884)	$ 73,052,252

Component Units

	Balance June 30, 2015	Additions	Deletions/ Transfers	Balance June 30, 2016
Capital assets not being depreciated:				
Construction in progress	$ 808	$ 99,504	$ (83,316)	$ 16,996
Capital assets being depreciated:				
Buildings and improvements	36,525,301	67,015	83,316	36,675,632
Equipment and furnishings	3,489,624	32,972	(94,263)	3,428,333
Total capital assets being depreciated	40,014,925	99,987	(10,947)	40,103,965
Less: Accumulated depreciation:				
Buildings and improvements	(22,232,031)	(1,022,215)	-	(23,254,246)
Equipment and furnishings	(2,957,820)	(102,454)	94,263	(2,966,011)
Total accumulated depreciation	(25,189,851)	(1,124,669)	94,263	(26,220,257)
Net depreciable capital assets	14,825,074	(1,024,682)	83,316	13,883,708
Total net capital assets	$ 14,825,882	$ (925,178)	$ -	$ 13,900,704

Business-Type Activities

	Balance June 30, 2015	Additions	Deletions/ Transfers	Balance June 30, 2016
Capital assets not being depreciated:				
Land	$ 18,245	$ -	$ -	$ 18,245
Construction in progress	3,424,090	7,896,357	(7,880,657)	3,439,790
Total capital assets not being depreciated	3,442,335	7,896,357	(7,880,657)	3,458,035
Capital assets being depreciated:				
Buildings and improvements	35,512,981	-	4,130,172	39,643,153
Equipment and furnishings	99,891,636	120,505	3,151,208	103,163,349
Total capital assets being depreciated	135,404,617	120,505	7,281,380	142,806,502
Less: Accumulated depreciation:				
Buildings and improvements	(12,390,725)	(1,273,287)	-	(13,664,012)
Equipment and furnishings	(44,225,190)	(7,550,903)	219,064	(51,557,029)
Total accumulated depreciation	(56,615,915)	(8,824,190)	219,064	(65,221,041)
Net depreciable assets	78,788,702	(8,703,685)	7,500,444	77,585,461
Total net capital assets	$ 82,231,037	$ (807,328)	$ (380,213)	$ 81,043,496

Long-term debt

At year-end, the County had $2,519,509 in long-term debt. In addition, governmental-type component units of the County had $844,478 in long-term debt and the business-type component unit of the County had $39,261,930 in long-term debt. Debt consists of compensated absences, capital leases, Hospital Revenue Bonds and notes payable. State statute allows the County to have 2% of its assessed valuation in general bonded debt. Additional information on the County's long-term debt can be found in Notes 11 through 15 of this report.

	Balance at June 30, 2015	Additions	Reductions	Balance at June 30, 2016	Due within one year
Primary Government					
Compensated absences	$ 1,299,836	$ 1,259,058	$ (1,128,645)	$ 1,430,249	$ 1,128,645
Capital leases	708,362	1,100,355	(719,457)	1,089,260	720,625
Total long-term liabilities	$ 2,008,198	$ 2,359,413	$ (1,848,102)	$ 2,519,509	$ 1,849,270
Governmental-Type Component Units					
Compensated absences	$ 653,358	$ 1,139,936	$ (1,154,816)	$ 638,478	$ 638,478
Notes payable	370,800	-	(164,800)	206,000	164,800
Total long-term liabilities	$ 1,024,158	$ 1,139,936	$ (1,319,616)	$ 844,478	$ 803,278
Business-Type Component Unit					
Compensated absences	$ 1,788,306	$ 2,013,694	$ (1,788,306)	$ 2,013,694	$ 2,013,694
Capital leases	902,074	436,706	(272,012)	1,066,768	405,389
Hospital revenue bonds	39,979,211	-	(3,797,743)	36,181,468	1,530,000
Total long-term liabilities	$ 42,669,591	$ 2,450,400	$ (5,858,061)	$ 39,261,930	$ 3,949,083

Other non-current liabilities

At year-end, the County had $17,896,889 in other non-current liabilities. In addition, governmental-type component units of the County had $13,125,397 in other non-current liabilities. Other non-current liabilities consist of net OPEB obligations and net pension liabilities; none of these amounts are presented as current liabilities. Net OPEB obligation at year-end is $2,174,059, or a net increase of $225,854 from the prior year. Additional information on the County's net OPEB obligation can be found in Note 21 of this report.

Pension related items are related to the implementation of Governmental Accounting Standards Board Statement No. 68 – *Accounting and Financial Reporting for Pensions.* At June 30, 2016, the County reported deferred outflows of resources, deferred inflows of resources, and net pension liability as $5,503,588; $316,935; and $15,722,830, respectively. In addition, the governmental-type component units of the County reported deferred outflows of resources, deferred inflows of resources, and net pension liability as $4,059,081; $408,286; and $13,125,397, respectively. Additional information on the implementation of this pronouncement and its impact on the basic financial statements can be found in Note 6 of this report.

Requests for Information

This financial report is designed to provide citizens, customers, investors, creditors and others with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the office of the Sweetwater County Clerk.

BASIC FINANCIAL STATEMENTS

SWEETWATER COUNTY, WYOMING
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government	Component Units		
	Governmental Activities	Governmental Activities	Business-Type Activity Memorial Hospital	Total
ASSETS				
Current Assets				
Cash and investments	$ 37,719,435	$ 7,855,673	$ 9,868,954	$ 17,724,627
Due from other governments	1,454,607	-	-	-
Accounts receivable, net	21,555,073	7,227,891	15,803,516	23,031,407
Grants receivable	1,401,164	164,302	-	164,302
Note receivable	164,800	-	390,458	390,458
Inventories	1,160,419	75,150	2,888,682	2,963,832
Prepaid items	248,880	56,992	2,182,745	2,239,737
Total current assets	63,704,378	15,380,008	31,134,355	46,514,363
Noncurrent Assets				
Cash and investments	33,672,504	-	16,507,926	16,507,926
Due from Library Foundation	-	514,883	-	514,883
Notes receivable	41,200	-	58,368	58,368
Rental property, net	-	-	432,710	432,710
Other assets	-	-	76,899	76,899
Capital assets not being depreciated:				
Land	1,157,819	-	18,245	18,245
Construction in progress	4,121,891	16,996	3,439,790	3,456,786
Capital assets being depreciated:				
Buildings and improvements	41,837,026	36,675,632	39,643,153	76,318,785
Equipment and furnishings	19,055,437	3,428,333	103,163,349	106,591,682
Infrastructure	122,095,883	-	-	-
Accumulated depreciation	(115,215,804)	(26,220,257)	(65,221,041)	(91,441,298)
Total noncurrent assets	106,765,956	14,415,587	98,119,399	112,534,986
Total assets	170,470,334	29,795,595	129,253,754	159,049,349
DEFERRED OUTFLOWS OF RESOURCES				
Long-term debt refinancing	-	-	271,768	271,768
Pension related outflows	5,503,588	4,059,081	-	4,059,081
Total deferred outflows of resources	5,503,588	4,059,081	271,768	4,330,849
LIABILITIES				
Current Liabilities				
Warrants and vouchers payable	1,781,020	295,136	3,772,020	4,067,156
Due to other government	988,077	-	-	-
Accrued liabilities	2,504,091	128,506	1,721,649	1,850,155
Court bonds and other funds held	106,008	-	-	-
Unearned revenue	3,354,236	404,078	-	404,078
Estimated third-party payor settlements	-	-	263,000	263,000
Notes payable, due within one year	-	164,800	1,530,000	1,694,800
Capital leases payable, due within one year	720,625	-	405,389	405,389
Compensated absences, due within one year	1,128,645	638,478	2,013,694	2,652,172
Total current liabilities	10,582,702	1,630,998	9,705,752	11,336,750
Noncurrent Liabilities				
Net OPEB obligation	2,174,059	-	-	-
Notes payable, due in more than one year	-	41,200	34,651,468	34,692,668
Capital leases payable, due in more than one year	368,635	-	661,379	661,379
Compensated absences, due in more than one year	301,604	-	-	-
Net pension liability	15,722,830	13,125,397	-	13,125,397
Total noncurrent liabilities	18,567,128	13,166,597	35,312,847	48,479,444
Total liabilities	29,149,830	14,797,595	45,018,599	59,816,194
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	20,807,090	6,369,260	-	6,369,260
Pension related inflows	316,935	408,286	-	408,286
Total deferred inflows of resources	21,124,025	6,777,546	-	6,777,546
NET POSITION				
Net investment in capital assets	71,962,992	13,900,704	43,795,260	57,695,964
Restricted for:				
State and county roads	8,151,617	-	-	-
CDC building	2,114,689	-	-	-
Endowment challenge program	-	514,883	-	514,883
Tipple building	-	9,500	-	9,500
Restricted by contributors and grantors for capital acquisition	-	-	449,088	449,088
Restricted for debt service reserve	-	-	3,014,837	3,014,837
Unrestricted	43,470,769	(2,145,552)	37,247,738	35,102,186
Total net position	$ 125,700,067	$ 12,279,535	$ 84,506,923	$ 96,786,458

See Notes to Financial Statements.

SWEETWATER COUNTY, WYOMING

STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Sales and Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary: Governmental Activities	Component Units: Governmental Activities	Component Units: Business-Type Activity Memorial Hospital	Total
Primary Government								
Governmental activities:								
General government	$ 20,455,193	$ 985,348	$ 4,230,976	$ 1,736,281	$ (13,502,588)	$ -	$ -	$ -
Public safety	15,164,319	657,816	349,880	128,830	(14,027,793)	-	-	-
Road and bridge	8,548,011	-	1,233,009	305,094	(7,009,908)	-	-	-
Health, recreation, and welfare	1,643,791	-	206,497	-	(1,437,294)	-	-	-
Conservation of natural resources	320,528	-	-	-	(320,528)	-	-	-
Interest	14,342	-	-	-	(14,342)	-	-	-
Total governmental activities	46,146,184	1,643,164	6,020,362	2,170,205	(36,312,453)	-	-	-
Component Units								
Governmental activities	25,820,240	4,034,692	10,375,958	-	-	(11,409,590)	-	(11,409,590)
Business-type activities	90,247,397	83,613,904	30,972	-	-	-	(6,602,521)	(6,602,521)
Total component units	116,067,637	87,648,596	10,406,930	-	-	(11,409,590)	(6,602,521)	(18,012,111)
General Revenues								
Taxes:								
Property taxes					28,039,428	7,228,683	-	7,228,683
Sales and other taxes					11,608,845	541,962	3,616,606	4,158,568
State appropriations					-	34,256	-	34,256
Licenses and permits					1,575,664	-	-	-
Other income					77,196	1,252,330	3,616,644	4,868,974
Investment income					1,778,898	12,893	269,540	282,433
Total general revenues					43,080,031	9,070,124	7,502,790	16,572,914
Change in net position					6,767,578	(2,339,466)	900,269	(1,439,197)
Net Position, beginning					118,932,489	14,619,001	83,606,654	98,225,655
Net Position, ending					$ 125,700,067	$12,279,535	$ 84,506,923	$ 96,786,458

See Notes to Financial Statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

SWEETWATER COUNTY, WYOMING

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

ASSETS	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and investments	$ 59,536,609	$ 7,553,093	$ 67,089,702
Due from other governments	1,230,754	223,853	1,454,607
Receivables:			
Taxes and interest on taxes	21,095,657	-	21,095,657
Accounts	11,878	-	11,878
Accrued interest	108,276	8,301	116,577
Grants	1,401,164	-	1,401,164
Note receivable	206,000	-	206,000
Inventories	1,160,419	-	1,160,419
Prepaid items	58,880	-	58,880
Total assets	84,809,637	7,785,247	92,594,884
LIABILITIES			
Warrants and vouchers payable	1,780,184	836	1,781,020
Accrued expenses	1,637,809	-	1,637,809
Due to other governments	-	127,277	127,277
Court bonds and other funds held	106,008	-	106,008
Unearned revenue	3,339,124	-	3,339,124
Total liabilities	6,863,125	128,113	6,991,238
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	21,017,861	-	21,017,861
FUND BALANCES			
Nonspendable:			
Inventories	1,160,419	-	1,160,419
Prepaid items	58,880	-	58,880
Note receivable	41,200	-	41,200
Restricted for:			
State and county roads	2,609,172	5,542,445	8,151,617
CDC Building	-	2,114,689	2,114,689
Committed to:			
Capital replacements	8,359,613	-	8,359,613
Impact tax	534,027	-	534,027
Economic development infrastructure	111,162	-	111,162
Insurance reserves	418,393	-	418,393
Assigned to:			
Hospital maintenance	1,206	-	1,206
Unassigned	43,634,579	-	43,634,579
Total fund balances	56,928,651	7,657,134	64,585,785
Total liabilities, deferred inflows of resources, and fund balances	$ 84,809,637	$ 7,785,247	$ 92,594,884

See Notes to Financial Statements.

SWEETWATER COUNTY, WYOMING

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2016

Total Fund Balances - Governmental Funds	$ 64,585,785
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds.	73,052,252
Some of the County's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	210,771
Long-term positions, including net OPEB obligation ($2,174,059), net pension liability ($15,722,830), capital leases payable ($1,089,260), accrued interest expense on capital leases ($2,527), 2013 specific purpose tax financing arrangement ($860,800), and compensated absences ($1,430,249), are not due and payable in the current period and, therefore, are not reported in the funds.	(21,279,725)
An internal service fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of this internal service fund are included with governmental activities in the Statement of Net Position.	3,944,331
Pension related outflows and inflows of resources do not provide current financial resources and, therefore, are not reported in the funds.	5,186,653
Net position of governmental activities	$ 125,700,067

See Notes to Financial Statements.

SWEETWATER COUNTY, WYOMING

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

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue			
Taxes	$ 38,839,404	$ 862,002	$ 39,701,406
Licenses and permits	1,575,664	-	1,575,664
Intergovernmental revenue	7,113,411	1,077,156	8,190,567
Charges for services	1,643,164	-	1,643,164
Investment income	1,554,197	54,435	1,608,632
Miscellaneous	77,196	-	77,196
Total revenue	50,803,036	1,993,593	52,796,629
Expenditures			
Current:			
General government	18,271,309	-	18,271,309
Public safety	13,232,747	-	13,232,747
Road and bridge	4,353,762	-	4,353,762
Health, recreation, and welfare	1,391,580	52,423	1,444,003
Conservation of natural resources	320,528	-	320,528
Capital outlay	5,354,721	118,610	5,473,331
Debt service:			
Principal	719,458	862,002	1,581,460
Interest and other charges	14,342	-	14,342
Total expenditures	43,658,447	1,033,035	44,691,482
Excess (deficiency) of revenue over expenditures	7,144,589	960,558	8,105,147
Other Financing Sources (Uses)			
Proceeds from capital leases	1,100,355	-	1,100,355
Proceeds from sale of capital assets	150,154	-	150,154
Net change in fund balances	8,395,098	960,558	9,355,656
Fund Balance, beginning	48,533,553	6,696,576	55,230,129
Fund Balance, ending	$ 56,928,651	$ 7,657,134	$ 64,585,785

See Notes to Financial Statements.

SWEETWATER COUNTY, WYOMING

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

Net Change in Fund Balances - Total Governmental Funds	$ 9,355,656
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation ($5,740,622) exceeded capital purchases and contributions ($5,541,697) in the current period.	(198,925)
Governmental funds do not report gains and losses on sales, or donations for disposals of capital assets. However, the Statement of Activities reports these amounts.	(75,884)
The Statement of Activities reports a decrease in revenue due to current activity in deferred revenues which is only reported at the fund level.	(53,132)
The net OPEB obligation and the liability for compensated absences are not recorded in the fund level, but are reported in the Statement of Net Position. This is the current year change in these liabilities, reported as an expense in the Statement of Activities.	(356,267)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is offset by the total capital leases issued during the year.	480,733
Internal service funds are accounted for as proprietary funds, therefore, they are not included in the governmental funds.	(404,717)
The change in the defined benefit net pension liability and pension related outflows are not reported in the governmental funds. This is the net effect of the change in these balances in the Statement of Net Position.	(1,979,886)
Change in net position of governmental activities	$ 6,767,578

See Notes to Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

SWEETWATER COUNTY, WYOMING

STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
June 30, 2016

ASSETS	Internal Service Insurance Fund
Current Assets	
Cash	$ 2,801,577
Investments	1,500,660
Receivables:	
Accounts	324,067
Interest	6,894
Prepaid expenses	190,000
Total assets	4,823,198
LIABILITIES AND NET POSITION	
Current Liabilities	
Accrued liabilities	863,755
Unearned revenue	15,112
Total current liabilities	878,867
Net Position	
Unrestricted	3,944,331
Total net position	$ 3,944,331

See Notes to Financial Statements.

SWEETWATER COUNTY, WYOMING

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2016

	Internal Service Insurance Fund
Operating Revenues	
Insurance premiums	$ 6,602,889
Operating Expenses	
Insurance claims	7,177,872
Operating (loss)	(574,983)
Nonoperating Revenue	
Investment income	170,266
Change in net position	(404,717)
Net Position	
Beginning of year	4,349,048
End of year	$ 3,944,331

See Notes to Financial Statements.

SWEETWATER COUNTY, WYOMING

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2016

	Internal Service Insurance Fund
Cash Flows from Operating Activities	
Cash receipts on premiums	$ 6,775,312
Payments on insurance claims	(7,354,547)
Net cash (used in) operating activities	(579,235)
Cash Flows from Investing Activities	
Interest income	90,593
Purchase of investments	(1,500,542)
Sale of investments	3,000,180
Net cash provided by investing activities	1,590,231
Net increase in cash	1,010,996
Cash	
Beginning of year	1,790,581
End of year	$ 2,801,577
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities	
Operating (loss)	$ (574,983)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:	
Change in assets and liabilities:	
Accounts receivable	(15,785)
Accrued liabilities	122,576
Unearned revenue	(111,043)
Net cash (used in) operating activities	$ (579,235)
Noncash Investing Activities	
Unrealized gain on investments	$ 88,143

See Notes to Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENT

SWEETWATER COUNTY, WYOMING

STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2016

	Property Tax Fund
ASSETS	
Cash and investments	$ 26,734,343
Due from other governments	2,153,103
Property taxes and interest receivable	2,284,541
	$ 31,171,987
LIABILITIES	
Due to other taxing units	$ 31,171,987

See Notes to Financial Statements.

DISCRETELY PRESENTED GOVERNMENTAL TYPE COMPONENT UNITS

SWEETWATER COUNTY, WYOMING

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

ASSETS	Southwest Counseling Services	Events Complex	Library System
Cash and investments	$ 4,008,654	$ 1,120,360	$ 1,400,442
Due from Library Foundation	-	-	514,883
Receivables:			
Taxes and interest on taxes	764,359	1,976,000	2,869,668
Accounts and insurance credits	738,824	4,590	-
Grants	7,998	-	-
Inventories	-	44,295	14,597
Prepaid items	17,632	3,828	19,415
Capital assets not being depreciated:			
Construction in progress	-	16,996	-
Capital assets being depreciated:			
Buildings and improvements	7,873,654	16,352,396	2,880,869
Equipment and furnishings	906,446	1,868,027	189,450
Accumulated depreciation	(4,760,346)	(10,502,718)	(2,464,168)
Total assets	9,557,221	10,883,774	5,425,156
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows	2,470,258	338,811	690,988
LIABILITIES			
Warrants and vouchers payable	104,667	173,327	4,765
Accrued expenses	-	60,249	38,273
Unearned revenue	220,273	172,604	315
Notes payable:			
Due within one year	-	164,800	-
Due in more than one year	-	41,200	-
Compensated absences:			
Due within one year	238,348	109,065	176,401
Net pension liability	7,758,506	1,114,623	2,392,380
Total liabilities	8,321,794	1,835,868	2,612,134
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	751,951	1,943,730	2,821,248
Pension related inflows	164,135	23,580	84,573
Total deferred inflows of resources	916,086	1,967,310	2,905,821
NET POSITION			
Net investment in capital assets	4,019,754	7,734,701	606,151
Restricted for:			
Endowment challenge program	-	-	514,883
Tipple building	-	-	-
Unrestricted	(1,230,155)	(315,294)	(522,845)
Total net position	$ 2,789,599	$ 7,419,407	$ 598,189

See Notes to Financial Statements.

Nonmajor Component Units			Total
Museum Board	Recreation Board	District Board of Health	Component Units
$ 344,617	$ 399,543	$ 582,057	$ 7,855,673
-	-	-	514,883
316,958	549,290	1,438	6,477,713
-	-	6,764	750,178
500	-	155,804	164,302
16,258	-	-	75,150
-	-	16,117	56,992
-	-	-	16,996
743,777	8,824,936	-	36,675,632
50,321	399,477	14,612	3,428,333
(605,589)	(7,878,061)	(9,375)	(26,220,257)
866,842	2,295,185	767,417	29,795,595
47,172	93,312	418,540	4,059,081
1,843	9,030	1,504	295,136
1,878	11,028	17,078	128,506
-	-	10,886	404,078
-	-	-	164,800
-	-	-	41,200
24,372	21,644	68,648	638,478
149,062	225,083	1,485,743	13,125,397
177,155	266,785	1,583,859	14,797,595
311,825	540,506	-	6,369,260
70,256	4,709	61,033	408,286
382,081	545,215	61,033	6,777,546
188,509	1,346,352	5,237	13,900,704
-	-	-	514,883
9,500	-	-	9,500
156,769	230,145	(464,172)	(2,145,552)
$ 354,778	$ 1,576,497	$ (458,935)	$ 12,279,535

SWEETWATER COUNTY, WYOMING

STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED GOVERNMENTAL TYPE COMPONENT UNITS
Year Ended June 30, 2016

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Southwest Counseling Services				
Health, recreation, and welfare	$ 13,909,643	$ 2,071,197	$ 9,371,829	$ -
Events Complex				
Health, recreation, and welfare	4,850,738	1,168,830	80,000	-
Library System				
Health, recreation, and welfare	3,890,478	-	26,809	-
Nonmajor Component Units				
Museum Board:				
Health, recreation, and welfare	321,100	15,340	-	-
Recreation Board:				
Health, recreation, and welfare	714,982	15,074	-	-
District Board of Health:				
Health, recreation, and welfare	2,133,299	764,251	897,320	-
Total component units	$ 25,820,240	$ 4,034,692	$ 10,375,958	$ -

General Revenues
Taxes:
Property taxes
Sales and other taxes
State appropriations
Other income
Interest income
Total general revenues

Change in net position

Net Position, beginning

Net Position, ending

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Southwest Counseling Services	Events Complex	Library System	Nonmajor Component Units: Museum Board	Nonmajor Component Units: Recreation Board	Nonmajor Component Units: District Board of Health	Total Component Units
$ (2,466,617)	$ -	$ -	$ -	$ -	$ -	$ (2,466,617)
-	(3,601,908)	-	-	-	-	(3,601,908)
-	-	(3,863,669)	-	-	-	(3,863,669)
-	-	-	(305,760)	-	-	(305,760)
-	-	-	-	(699,908)	-	(699,908)
-	-	-	-	-	(471,728)	(471,728)
(2,466,617)	(3,601,908)	(3,863,669)	(305,760)	(699,908)	(471,728)	(11,409,590)
852,855	2,204,934	3,199,936	353,842	613,275	3,841	7,228,683
63,411	165,243	241,256	26,333	45,719	-	541,962
-	-	34,256	-	-	-	34,256
10,406	1,138,885	94,407	1,435	141	7,056	1,252,330
97	548	11,829	197	217	5	12,893
926,769	3,509,610	3,581,684	381,807	659,352	10,902	9,070,124
(1,539,848)	(92,298)	(281,985)	76,047	(40,556)	(460,826)	(2,339,466)
4,329,447	7,511,705	880,174	278,731	1,617,053	1,891	14,619,001
$ 2,789,599	$ 7,419,407	$ 598,189	$ 354,778	$ 1,576,497	$ (458,935)	$ 12,279,535

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Reporting entity: The basic financial statements include all funds of the primary government, which is the County, as well as the component units determined to be included in the County's financial reporting entity. The decision to include a potential component unit in the County's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities included in the County's reporting entity.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus*, entities over which the County has significant operational or financial relationships such as boards, commissions and authorities are considered component units. Component units are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government (the County). Blending requires the component unit's balances and transactions be reported with the balances and transactions of the County.

The following organizations comprise the County's discretely presented component units:

Memorial Hospital of Sweetwater County (Hospital) is a 99-bed general acute care facility located in Rock Springs, Wyoming. The Hospital is owned by Sweetwater County. The Hospital participates in the County's tax levies. For Federal income tax purposes, the Hospital is considered to be part of the County and, therefore, under current regulations, is exempt from Federal income taxes. The Hospital is presented as a business-type component unit. Complete combined financial statements for the Memorial Hospital of Sweetwater County may be obtained at the entity's administrative offices.

Memorial Hospital of Sweetwater County Foundation (Hospital Foundation) is a Wyoming nonprofit corporation and is reported as a blended component unit of the Hospital. The Hospital Foundation's sole purpose is to support the Hospital. The Hospital Foundation is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal income taxes on related income pursuant to Section 501(c)(3) of the Code. The Hospital Foundation has $2,417,520 of assets and $1,132,709 of revenue for the year ended June 30, 2016.

The *Sweetwater County Events Complex* (Events Complex) has a seven-member board appointed by the County's governing board to oversee the planning of the annual County fair and to oversee the daily operations of the Sweetwater County Events Complex located in Rock Springs, Wyoming. The Events Complex participates in the County's tax levies and receives grants from the County. For Federal income tax purposes, the Events Complex is considered part of the County and, therefore, under current regulations, is exempt from Federal income taxes. The Events Complex is a discretely presented governmental type component unit. No separate financial statements for the Events Complex are available.

Southwest Counseling Services provides mental health and substance abuse treatment, counseling and training to the citizenry of Sweetwater County. Southwest Counseling Services has a seven-member board appointed by the County's governing board to oversee the daily operations of Southwest Counseling Services. Southwest Counseling Services participates in the County's tax levies. For Federal income tax purposes, Southwest Counseling Services is considered part of the County and, therefore, under current regulations, is exempt from Federal income taxes. Southwest Counseling Services is a discretely presented governmental type component unit. No separate financial statements for Southwest Counseling Services are available.

The *Sweetwater County Library System* (Library System) has County libraries located in Green River, Wyoming and Rock Springs, Wyoming. The Library System has a five-member board appointed by the County's governing board to oversee the daily operations of the Library System. The Library System participates in the County's tax levies and receives grants from the County. For Federal income tax purposes, the Library System is considered part of the County and, therefore, under current regulations, is exempt from Federal income taxes. The Library System is a discretely presented governmental type component unit. No separate financial statements for the Sweetwater County Library System are available.

The *Sweetwater County Museum* (Museum Board) is a local, historical, museum located in Green River, Wyoming. The Museum has a five-member board appointed by the County's governing board to oversee the daily operations of the Museum. The Museum Board participates in the County's tax levies and receives grants from the County. For Federal income tax purposes, the Museum Board is considered part of the County and, therefore, under current regulations, is exempt from Federal income taxes. The Museum is a discretely presented governmental type component unit. No separate financial statements for the Sweetwater County Museum are available.

The *Sweetwater County Recreation Board* (Recreation Board) has a seven-member board appointed by the County's governing board to oversee the daily operations of the County parks and recreation centers. The Recreation Board participates in the County's tax levies and receives grants from the County. For Federal income tax purposes, the Recreation Board is considered part of the County and, therefore, under current regulations, is exempt from Federal income taxes. The Recreation Board is a discretely presented governmental type component unit. No separate financial statements for the Sweetwater County Recreation Board are available.

The *Sweetwater County District Board of Health* has a seven-member board, three of whom are appointed by the County's governing board to oversee the daily operations of the County health department and nurses. The District Board of Health receives grants from the County. For Federal income tax purposes, the Board of Health is considered part of the County and, therefore, under current regulations, is exempt from Federal income taxes. The Board of Health is a discretely presented governmental type component unit. No separate financial statements for the Sweetwater County District Board of Health are available.

Government-wide and fund financial statements: The government-wide financial statements (i.e., the Statement of Net Position and Statement of Activities) report on all of the nonfiduciary activities of the County. The effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor individual governmental funds are reported in a combined column.

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

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectable within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the County 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, expenditures related to compensated absences are recorded only when payment is due.

Those revenues susceptible to accrual are cigarette taxes, various grants, interest revenue and charges for services. Sales taxes collected and held by the State at year end on behalf of the government are also recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Governmental fund: The County reports the following major governmental fund:

> The *general fund* is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds are paid from the general fund.

The County's nonmajor governmental funds include special revenue funds used to account for resources legally restricted to expenditure for specified current operating purposes. Included as nonmajor special revenue funds of the County are the State/County Road Fund, the CDC Tax Fund and the County Road Improvements Tax Fund.

Proprietary fund: This fund type accounts for County activities that are similar to business operations in the private sector or where the reporting focus is on determining net income, financial position, and changes in financial position (economic resources measurement focus). Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The *internal service fund* is used to account for the financing of goods or services provided by the County to the County itself on a cost-reimbursement basis. The County's employee insurance plan is accounted for as an internal service fund. The principal operating revenues of the insurance fund are premiums paid by participating employees. Operating expenses for the fund are the claims incurred during the year and an estimate for claims incurred but not reported.

Fiduciary funds: Agency funds are used to account for assets held on behalf of outside parties, including other governments. Agency funds are used to account for assets that the government holds on behalf of others as their agent, and the County's responsibility for these funds is fiduciary in nature.

Interfund transactions: During the normal course of operations, transactions occur between individual funds for goods, services, and for short-term interfund loans or transfers. As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements.

Inventories: Inventories, consisting primarily of consumable supplies, are carried at lower of cost (first-in, first-out method) or market. Reported inventories in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though such inventories are a component of the fund balance.

Designated net position – Memorial Hospital: Of the unrestricted net position reported in 2016, $13,518,130 has been designated by the Hospital's Board of Trustees for capital acquisitions. Designated funds remain under the control of the Board of Trustees, which may at its discretion later use the funds for other purposes.

Capital assets: Capital assets include land, buildings and improvements, equipment and furnishings, infrastructure (roads and bridges), and construction in progress. These assets are reported in the government-wide financial statements. The County defines capital assets as assets with a cost of more than $10,000 for machinery and equipment, $20,000 for infrastructure and improvements, $25,000 for capital improvements, or $2,000 for assets acquired by the Hospital. Assets purchased or constructed are stated at cost. Donated items are recorded at acquisition value at the date of donation. Expenditures which increase values, or extend useful lives, are capitalized. Routine maintenance and repairs are charged to expense in the year incurred. Depreciation has been provided over the estimated useful lives using the straight-line method. Estimated useful lives for the major classes of depreciable assets are as follows:

	Years
Buildings and improvements	5-50
Equipment and furnishings	4-20
Infrastructure	12-45

Fund balance: The County reports fund balance in the governmental fund financial statements in one of the following five categories: 1) *Nonspendable fund balance* represents amounts that are not in spendable form for which the County includes prepaid items, inventories, and the long-term portion of notes receivable; 2) *Restricted fund balance* represents amounts constrained to a specific purpose by their providers, through constitutional provisions, or by enabling legislation; 3) *Committed fund balance* represents amounts constrained to a specific purpose by the County Commissioners through formal motion. Amounts reported as committed cannot be used for other purposes unless the County Commissioners make another formal motion; 4) *Assigned fund balance* represents amounts constrained by the County's intent to use them for a specific purpose. Although the County does not have a policy specific to assigned fund balance, other County policies authorize certain individuals to enter into purchase orders which may result in encumbrances at year end; and 5) *Unassigned fund balance* represents amounts that have not been restricted, committed or assigned to a specific purpose.

As of June 30, 2016, the County does not have a policy on the order in which unrestricted (committed, assigned, or unassigned) resources are to be used when any of these amounts are available for expenditure. As a result, the County assumes the default approach that resources be used in the following order: committed, assigned, and unassigned.

Restricted funds: Funds legally restricted for specific purposes are reported as restricted funds. These funds are included in the net position balance of the SC Road Fund, CDC Tax Fund, and County Road Improvements Tax Fund, as well as other state and county road reimbursements included in the General Fund. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Net position – Memorial Hospital: Net position of the Hospital is classified in four components. *Net position invested in capital assets* consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted for debt service reserve* and *restricted by contributors and grantors for capital acquisition* is the non-capital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Hospital. *Unrestricted net position* is the remaining net position that does not meet the definition of *invested in capital assets* or *restricted.*

Compensated absences: Employees may accumulate and carryforward earned but unused sick leave up to a maximum of 120 days. Employees are paid 25% of the balance of their unused sick days upon voluntary or involuntary termination of employment at the County, but are forfeited at Memorial Hospital. Accrued unused vacation days are paid in full upon termination. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

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

Risk management – Memorial Hospital: The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Charity care – Memorial Hospital: To fulfill its mission of community service, the Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, and an estimated cost (based on cost to charge ratio) of those services and supplies. The estimated costs and expenses incurred to provide charity care for the year ended June 30, 2016 were approximately $1,183,000.

Cash and investments: Cash consists of demand deposit accounts, money market accounts and petty cash. Investments are carried at fair value and consist primarily of certificates of deposit and United States Government agencies bonds. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The County had recurring fair value measurements as of June 30, 2016 of U.S., state, and local government securities which are valued using a matrix pricing model and the market approach (Level 2 inputs).

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows of resources at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Noncurrent cash and investments – Memorial Hospital: Interest and dividends are included in nonoperating revenues when earned. Interest earnings on borrowed proceeds for capital acquisition are capitalized.

The Hospital's investments are maintained in accordance with Wyoming State Statute 9-4-831. This statute limits the types of investments the Hospital may invest in as listed in Section 9-4-831(a). The Hospital has adopted an investment policy as directed under Section 9-4-831(h).

Restricted investments consist of funds restricted in accordance with bond indenture agreements, funds restricted by donor for an endowment and purchase of equipment, and funds restricted by the board for capital improvements. Restricted investments that are available for obligations classified as current liabilities are reported in current assets. All investments are carried at fair value. Fair value is determined using quoted market prices.

Notes receivable – Memorial Hospital: Notes receivable are stated at principal amounts and are uncollateralized. Payments on notes receivable are allocated to the outstanding principal and accrued interest balances. Management reviews all notes receivable periodically and estimates a portion, if any, of the balance that will not be collected.

Recent pronouncements:

Adopted:

In February 2015, the GASB issued GASB Statement No. 72, *Fair Value Measurement and Application.* This statement was issued to address accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In addition, this statement provides guidance for determining a fair value measurement for financial reporting purposes and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This statement is effective for years beginning after June 15, 2015. Management has adopted this statement for the fiscal year ended June 30, 2016. The impact of adopting this statement is reflected in the financial statements.

In March 2016, the GASB issued GASB Statement No. 82, *Pension Issues, an amendment of GASB Statements No. 67, No. 68, and No. 73.* This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This statement is effective for years beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier adoption is allowed. Management has elected to adopt this update for the fiscal year ended June 30, 2016. The impact of adopting this update is reflected in the financial statements.

Not yet adopted:

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement requires governments providing other postemployment benefits (OPEB) to report a liability on the face of the financial statements for the OPEB that they provide. The statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This statement is effective for years beginning after June 15, 2017. The effect that the adoption of GASB Statement No. 75 will have on the County's financial statements has not yet been determined.

In January 2016, the GASB issued GASB Statement No. 80, *Blending Requirements for Certain Component Units, an amendment of GASB Statement No. 14*. This statement clarifies the financial statement presentation requirements for certain component units. Specifically, this statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This statement is effective for the years beginning after June 15, 2016. Earlier adoption is encouraged. The County is currently evaluating the impact that the provisions of this statement will have on the County's financial statements.

Note 2. Cash and Investments

Cash and investments as of June 30, 2016 as classified in the accompanying financial statements consist of the following:

	Statement of Net Position					
			Governmental Type Component Units			
	Primary Government	Agency Funds	Southwest Counseling Services	Events Complex	Library System	Nonmajor
Cash and investments:						
Deposits with financial institutions	$ 34,118,308	$ 14,187,463	$ 4,008,654	$ 1,120,360	$ 1,400,442	$ 1,326,217
Investments:						
FHLB	12,068,793	5,065,065	-	-	-	-
FNMA	13,084,315	4,788,478	-	-	-	-
FFCB	10,144,005	-	-	-	-	-
FHLMC	1,976,518	-	-	-	-	-
PEFCO	-	535,857	-	-	-	-
TVA	-	2,157,480	-	-	-	-
Total cash and investments	$ 71,391,939	$ 26,734,343	$ 4,008,654	$ 1,120,360	$ 1,400,442	$ 1,326,217

Investments authorized by the County's investment policy: The County follows the guidelines set forth in Wyoming State Statute 9-4-831 as it relates to the investment of public funds. The County's investment policy requires investments to comply with State statutes, which generally allows the County to invest in U.S., state and local government securities and accounts of any bank and savings associations which are federally insured. All investments made during the year were made within these statutory limits. The County's investment policy does not contain any specific provisions intended to limit the County's exposure to interest rate risk, credit risk or concentration of credit risk.

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The credit risk for the County's investments, including those held within Agency Funds, is presented as follows:

Category:	Credit Rating	Market Value
FHLB	AAA	$ 17,133,858
FNMA	AAA	17,872,793
FFCB	AAA	10,144,005
FHLMC	AAA	1,976,518
PEFCO	AAA	535,857
TVA	AAA	2,157,480

Custodial credit risk: Custodial credit risk for deposits and certificates of deposit is the risk that, in the event of the 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. Certain deposits held in County bank accounts are insured by Federal depository insurance or are collateralized with securities held by the custodian bank under safekeeping or Federal Reserve receipts in the name of the County and the financial institution. As of June 30, 2016, the primary government had bank balances on deposit of $34,084,006, which were fully collateralized or insured. As of June 30, 2016, the Agency Funds had bank balances on deposit of $14,187,463, which were fully collateralized or insured. As of June 30, 2016, the governmental type component units of the County had bank balances on deposit of $8,403,332, which were fully collateralized or insured.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. As of June 30, 2016, all investment securities were held by either of the County's two custodians and registered in the County's name. The County does not have a formal investment policy for custodial credit risk.

Concentration of credit risk: Because there is minimal credit risk associated with investments issued by the U.S. government agencies or investments in government investment pools, which include all of the County's investments, no further disclosure regarding concentrations of credit risk is required.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. A majority of the bonds held in the County's investment portfolio have call structures allowing the issuer to call that bond at specific times during the life of the bond. These bonds are purchased because they add yield compared to buying a non-callable bond.

The County has chosen the segmented time distribution method for its Interest Rate Disclosure. Maturity assumptions have been made using a matrix analyzing interest rates versus final maturity dates of these callable securities. The maturity assumptions or average life of the County's securities, including those held within Agency Funds, are displayed in the following Interest Rate Risk Table.

Interest Rate Risk Organized by Investment Type Using Segmented Time Distribution
As of June 30, 2016

	Market	Less Than 1 Year	1 - 5 Years	5 - 10 Years	More Than 10 Years
FHLB	$ 17,133,858	$ 1,625,204	$ 5,565,865	$ 4,449,616	$ 5,493,173
FNMA	17,872,793	500,195	9,203,662	2,725,544	5,443,392
FFCB	10,144,005	1,000,020	2,250,340	6,893,645	-
FHLMC	1,976,518	475,708	1,500,810	-	-
PEFCO	535,857	-	535,857	-	-
TVA	2,157,480	-	2,157,480	-	-
	$ 49,820,511	$ 3,601,127	$ 21,214,014	$ 14,068,805	$ 10,936,565

Highly sensitive securities: The County holds investments that are classified as "highly sensitive." These securities, because of their specific type and structure, are rate sensitive as market conditions change. Step-up bonds are structured so that the bonds, at strategic times during their life, will step-up to a higher interest rate if they are not called. The County's portfolio, including those investments held within Agency Funds, holds $5,240,736 or 11%, of the securities in step-up structured bonds.

Note 3. Cash and Investments – Memorial Hospital

The Hospital's deposits are subject to, and are in accordance with, Wyoming State Statutes. Under these statutes, all uninsured deposits are fully collateralized. The eligible collateral pledged shall be held in custody of any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner shall prescribe be rules and regulations, or may be segregated from the other assets of the eligible public depository and held in its own trust department. All collateral so held shall be clearly identified as being security maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. The depository has the right at any time to make substitutions of eligible collateral maintained or pledged and shall at all times be entitled to collect and retain all income derived from those investments with restrictions. The Hospital may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities.

The Hospital's investments are recorded at fair value and consist of cash and cash equivalents and U.S. agency obligations. As of June 30, 2016, management believes the investments were in compliance with the defined rating and risk criteria set forth under Wyoming regulations.

The Hospital provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the Hospital's account balances.

The carrying values of deposits are included in the Statement of Net Position as follows:

Carrying value:	
Deposits	$ 14,053,777
WYO-STAR State Pooled Funds	104,973
Investments	12,218,130
Total deposits and investments	$ 26,376,880

Investment income: Investment income of $269,540 for the year ended June 30, 2016 consists of $87,426 of unrealized loss on investments and $356,966 of interest income which is made up entirely of interest income from deposits and patient accounts at collection.

Note 4. Accounts Receivable

Accounts receivable consists primarily of property taxes receivable and interest on delinquent property taxes. Receivables also exist relating to accrued interest and services provided. The following schedule summarizes the carrying amounts and fair values of accounts receivable at June 30, 2016:

		Governmental Type Component Units			
	Primary Government	Southwest Counseling Services	Events Complex	Library System	Nonmajor
Taxes and interest on taxes	$ 21,095,657	$ 764,359	$ 1,976,000	$ 2,869,668	$ 867,686
Accounts receivable	160,165	3,017,652	4,590	-	6,794
Allowance for doubtful accounts	-	(2,278,828)	-	-	(30)
Accounts receivable, net	$ 21,255,822	$ 1,503,183	$ 1,980,590	$ 2,869,668	$ 874,450

Southwest Counseling Services and the District Board of Health provide services to patients under the Medicare and Medicaid programs, on the basis of prospectively determined contractual rates related to diagnosis or costs incurred. The programs' administrative procedures preclude final determination of amounts due Southwest Counseling Services and the County until such time as the appropriate reports have been reviewed and settled by the respective administrative agencies. In addition, laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Memorial Hospital: Accounts receivable at June 30, 2016 consists of the following:

Patient receivables:	
Receivable from patients and their insurance carriers	$ 11,875,613
Receivable from Medicare	2,000,287
Receivable from Medicaid	958,026
Total patient accounts receivable	14,833,926
Less: estimated allowance for uncollectible amounts	(3,645,000)
Net patient accounts receivable	11,188,926
Other	4,614,590
Accounts receivable, net	$ 15,803,516

Note 5. Property Taxes

Property taxes are assessed based on property values on January 1. Taxes are levied on July 31 and are payable in two installments on September 1 and March 1. The County bills and collects its own property taxes and also taxes for taxing entities within the County. Collections of property taxes for these entities and remittance of them are accounted for in the Agency Fund. County property tax revenues are recognized when levied to the extent that they result in current receivables, that is, collected within 60 days of the fiscal year end. Property taxes which are not current receivables are offset by deferred revenues on the fund financials, but are reported on the government-wide financial statements as revenue and receivables, with no amount being deferred when levied. Property taxes receivable are recognized at the assessment date; however, revenue is not recognized until the levy date.

Note 6. Retirement Commitment – Wyoming Retirement System

Plan description: Substantially all employees of the County and component units, excluding law enforcement employees and non-benefitted positions, are provided with pensions through the Public Employees Pension Plan (Public Employees) - a statewide cost-sharing multiple-employer defined benefit pension plan administered by the Wyoming Retirement System (WRS). Substantially all full-time County law enforcement employees are provided with retirement disability and death benefits through the Law Enforcement Pension Plan (Law Enforcement) – a statewide cost-sharing multi-employer defined benefit pension plan administered by WRS. The authority to establish and amend benefits and contribution rates rests with the Legislature of the State of Wyoming. WRS is granted the authority to administer the Plan by Wyoming State Statutes 9-3-401 through 432. WRS issues a publicly available financial report that can be obtained at http://retirement.state.wy.us/ home/index.html.

Benefits provided: The determination of Law Enforcement retirement disability and death benefits is dependent on years of service and average salaries. The determination of Public Employees retirement benefits is dependent upon the employee's initial employment date.

Public Employees Service Retirement Tier 1: Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. Formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average over 15 years.

Public Employees Service Retirement Tier 2: Full retirement at age 65 or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. Formula for retirement equals 2% times the number of years of service times the five-year highest average salary.

Public Employees Disability Benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service and must be "in service" at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of his disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability, the member receives a monthly disability benefit equal to 100% of his service retirement benefit as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

Public Employees Survivors' Benefits: Certain surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

Law Enforcement Retirement Benefits: Benefits are based on a formula involving years of service, highest average salary, and age at retirement. Currently, the benefit formula entitles retirees to 2.5% of the highest average salary for each year of service with a ceiling on the benefit at 75% of the highest average salary.

Law Enforcement Disability Benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties from an individual and specific act incurred while employed. To qualify for duty disability retirement, there is no age or service requirement, and the member receives a monthly disability retirement benefit for the period of his/her disability equal to 62.5% of final salary. To quality for non-duty disability retirement, the member must have at least 10 years of service, and the member receives a monthly disability benefit for the period of his/her disability equal to 50% of final salary.

Law Enforcement Survivor's Benefits: Surviving spouse receives benefits dependent on if the member was on-duty at time of death. Additional benefits are available for additional qualified dependents.

Contributions: Per Title 9-3-412 and 413 of State Statutes, for the year ended June 30, 2016, Public Employees member contributions were required to be 8.25% of compensation and employer contributions were required to be 8.37% of compensation. Law Enforcement member contributions were required to be 8.60% of compensation and employer contributions were required to be 8.60% of compensation.

In accordance with Title 9-3-412 (c) (ii) of State Statutes, the County and component units can elect to pay a percentage of the members' contributions in addition to the employer's contribution. The County has elected to pay 8.60% of compensation to the Law Enforcement Pension Plan and 8.25% of compensation for full-time employees to the Public Employees Pension Plan. Total contributions for the year ended June 30, 2016 were $1,763,794 to Public Employees Pension Plan and $822,305 to Law Enforcement Pension Plan. The following percentages have been elected to be paid for member contributions, and resulted in the following total contributions to the Public Employees Pension Plan for the year ended June 30, 2016, for the component units:

	Elected Percentage to Pay for Member Contributions	Total Contributions
Southwest Counseling Services	8.25%	$ 997,241
Events Complex	8.25%	145,845
Library System	8.25%	304,426
Museum Board	8.25%	19,746
Recreation Board	8.25%	25,973
District Board of Health	8.25%	183,138

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2016, the County's and component units' proportionate share of the net pension liabilities are shown in the following table. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The County's and component units' proportions of the net pension liabilities were based on the relationship of the County's and component units' total contributions to the plans for the year ended December 31, 2015 to the contributions of all participating employers for the same period. The proportionate shares as of December 31, 2015 and December 31, 2014 are also shown in the following table.

	Net Pension Liability	Proportionate Share at December 31, 2015	Proportionate Share at December 31, 2014
County:			
Law Enforcement	$ 2,159,294	2.8744606820%	3.0024461600%
Public Employees	13,563,536	0.5822889970%	0.5802669030%
Total County	15,722,830		
Component Units:			
Southwest Counseling Services	7,758,506	0.3330763380%	0.3128374460%
Events Complex	1,114,623	0.0478512820%	0.0470814780%
Library System	2,392,380	0.1027060210%	0.1002407680%
Museum Board	149,062	0.0063992720%	0.0110599810%
Recreation Board	225,083	0.0096629250%	0.0069574400%
District Board of Health	1,485,743	0.0637836540%	0.0660367800%

For the year ended June 30, 2016, the County and component units recognized the following pension expenses:

	Pension Expense
County:	
Law Enforcement	$ 818,616
Public Employees	2,368,644
Total County	3,187,260
Component Units:	
Southwest Counseling Services	1,443,870
Events Complex	189,531
Library System	402,974
Museum Board	3,398
Recreation Board	53,365
District Board of Health	251,978

At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows (Inflows) of Resources		
	Law Enforcement	Public Employees	Total
Differences between expected and actual experience	$ 39,103	$ (286,943)	$ (247,840)
Net difference between projected and actual earnings on pension plan investments	1,333,380	3,319,312	4,652,692
Changes in proportionate share of contributions	(29,992)	152,606	122,614
Contributions subsequent to the measurement date	210,402	448,785	659,187
	$ 1,552,893	$ 3,633,760	$ 5,186,653

At June 30, 2016, the component units reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Southwest Counseling Services:		
Differences between expected and actual experience	$ -	$ 164,135
Net difference between projected and actual earnings on pension plan investments	1,877,979	-
Changes in proportionate share of contributions	345,830	-
Contributions subsequent to the measurement date	246,449	-
	$ 2,470,258	$ 164,135
Events Complex:		
Differences between expected and actual experience	$ -	$ 23,580
Net difference between projected and actual earnings on pension plan investments	272,119	-
Changes in proportionate share of contributions	22,721	-
Contributions subsequent to the measurement date	43,971	-
	$ 338,811	$ 23,580
Library System:		
Differences between expected and actual experience	$ -	$ 50,612
Net difference between projected and actual earnings on pension plan investments	583,183	-
Changes in proportionate share of contributions	32,388	33,961
Contributions subsequent to the measurement date	75,417	-
	$ 690,988	$ 84,573
Museum Board:		
Differences between expected and actual experience	$ -	$ 3,153
Net difference between projected and actual earnings on pension plan investments	41,561	-
Changes in proportionate share of contributions	-	67,103
Contributions subsequent to the measurement date	5,611	-
	$ 47,172	$ 70,256
Recreation Board:		
Differences between expected and actual experience	$ -	$ 4,709
Net difference between projected and actual earnings on pension plan investments	52,184	-
Changes in proportionate share of contributions	35,544	-
Contributions subsequent to the measurement date	5,584	-
	$ 93,312	$ 4,709
District Board of Health:		
Differences between expected and actual experience	$ -	$ 31,432
Net difference between projected and actual earnings on pension plan investments	366,281	-
Changes in proportionate share of contributions	6,145	29,601
Contributions subsequent to the measurement date	46,114	-
	$ 418,540	$ 61,033

Deferred outflows of resources related to pensions resulting from County and component unit contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the County and component units:

	2017	2018	2019	2020	Total
County:					
Law Enforcement	$ 357,525	$ 357,525	$ 357,525	$ 269,916	$ 1,342,491
Public Employees	855,521	855,521	801,527	672,406	3,184,975
Component Units:					
Southwest Counseling Services	572,402	572,402	530,245	384,625	2,059,674
Events Complex	73,926	73,926	68,151	55,257	271,260
Library System	131,743	131,743	148,912	118,600	530,998
Museum Board	(13,623)	(13,623)	(8,839)	7,390	(28,695)
Recreation Board	24,187	24,187	23,327	11,318	83,019
District Board of Health	79,646	79,646	78,447	73,654	311,393

Actuarial assumptions: The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.25% - 6.0%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense

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.

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 target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables for each Plan:

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

Experience analysis: An experience study was conducted on behalf of all WRS's plans covering the five-year period ended December 31, 2011. That study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination and disability) and proposed assumptions consistent with the findings.

Discount rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate: The following presents the County's and component units' proportionate shares of the net pension liabilities calculated using the discount rate of 7.75%, as well as what the County's and component units' proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	Proportionate Share of the Net Pension Liability		
	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County - Law Enforcement	$ 4,381,159	$ 2,159,294	$ 323,278
County - Public Employees	19,472,439	13,563,536	8,568,080
Southwest Counseling Services	11,138,470	7,758,506	4,901,045
Events Complex	1,600,204	1,114,623	704,107
Library System	3,434,612	2,392,380	1,511,266
Museum Board	213,999	149,062	94,162
Recreation Board	323,140	225,083	142,185
District Board of Health	2,133,002	1,485,743	938,543

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued WRS financial report available from the Wyoming Retirement System, 6101 Yellowstone Road, Cheyenne, Wyoming 82002 or at http://retirement.state.wy.us/home/index.html.

Note 7: Pension Plans – Memorial Hospital

The Hospital has a Section 457 defined contribution pension plan that is available to all qualified Hospital employees. The Hospital's contribution to the plan is based on a 100% match of employee contributions up to a maximum of 7% of participant salaries. The Hospital's matching contributions are deposited into the 401(a) plan described below. Employees are eligible to participate in the plan upon completion of three months of service and reaching the age of 21.

The Hospital also has a Section 401(a) defined contribution pension plan that is available to all qualified Hospital employees. The Hospital contributes up to 7% of participant salaries to the account. Employees are eligible to participate in the plan upon completion of one year of service and reaching the age of 21.

The pension expense for the year ended June 30, 2016 was $1,349,213.

Note 8. General Obligation Debt

At June 30, 2016, the County had no general obligation debt outstanding.

The June 30, 2016 legal debt margin of the County is computed as follows:

Assessed valuation, June 30, 2015	$ 2,961,509,848
Debt limit, 2% of assessed valuation	$ 59,230,196
Debt applicable to debt limit	-
Legal debt margin	$ 59,230,196

Note 9. Capital Assets

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

Primary government:

	Balance June 30, 2015	Additions	Deletions/ Transfers	Balance June 30, 2016
General Government				
Capital assets not being depreciated:				
Land	$ 1,154,219	$ 3,600	$ -	$ 1,157,819
Construction in progress	3,676,578	2,297,228	(1,851,915)	4,121,891
Total capital assets not being depreciated	4,830,797	2,300,828	(1,851,915)	5,279,710
Capital assets being depreciated:				
Buildings and improvements	39,818,224	207,055	1,811,747	41,837,026
Equipment and furnishings	19,034,326	1,348,204	(1,327,093)	19,055,437
Infrastructure	120,410,273	1,685,610	-	122,095,883
Total capital assets being depreciated	179,262,823	3,240,869	484,654	182,988,346
Less accumulated depreciation:				
Buildings and improvements	(11,629,187)	(1,184,622)	38,617	(12,775,192)
Equipment and furnishings	(13,817,096)	(1,327,567)	1,252,760	(13,891,903)
Infrastructure	(85,320,276)	(3,228,433)	-	(88,548,709)
Total accumulated depreciation	(110,766,559)	(5,740,622)	1,291,377	(115,215,804)
Total capital assets being depreciated, net	68,496,264	(2,499,753)	1,776,031	67,772,542
Governmental activities capital assets, net	$ 73,327,061	$ (198,925)	$ (75,884)	$ 73,052,252

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

Governmental activities:

General government	$ 869,552
Public safety	749,433
Road and bridge	3,921,849
Health, recreation, and welfare	199,788
Total depreciation, governmental activities	$ 5,740,622

Discretely presented governmental type component units: Capital assets activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Additions	Deletions/ Transfers	Balance June 30, 2016
Governmental Activities				
Capital assets not being depreciated:				
Construction in progress	$ 808	$ 99,504	$ (83,316)	$ 16,996
Capital assets being depreciated:				
Buildings and improvements	36,525,301	67,015	83,316	36,675,632
Equipment and furnishings	3,489,624	32,972	(94,263)	3,428,333
Total capital assets being depreciated	40,014,925	99,987	(10,947)	40,103,965
Less accumulated depreciation:				
Buildings and improvements	(22,232,031)	(1,022,215)	-	(23,254,246)
Equipment and furnishings	(2,957,820)	(102,454)	94,263	(2,966,011)
Total accumulated depreciation	(25,189,851)	(1,124,669)	94,263	(26,220,257)
Total capital assets being depreciated, net	14,825,074	(1,024,682)	83,316	13,883,708
Government activities capital assets, net	$ 14,825,882	$ (925,178)	$ -	$ 13,900,704

Depreciation expense was charged to functions/programs of the component units as follows:

Governmental activities:

Health, recreation, and welfare	$ 1,124,669

	Balance June 30, 2015	Additions	Deletions/ Transfers	Balance June 30, 2016
Business-Type Activities				
Capital assets not being depreciated:				
Land	$ 18,245	$ -	$ -	$ 18,245
Construction in progress	3,424,090	7,896,357	(7,880,657)	3,439,790
Total capital assets not being depreciated	3,442,335	7,896,357	(7,880,657)	3,458,035
Capital assets being depreciated:				
Buildings and improvements	35,512,981	-	4,130,172	39,643,153
Equipment and furnishings	99,891,636	120,505	3,151,208	103,163,349
Total capital assets being depreciated	135,404,617	120,505	7,281,380	142,806,502
Less accumulated depreciation:				
Buildings and improvements	(12,390,725)	(1,273,287)	-	(13,664,012)
Equipment and furnishings	(44,225,190)	(7,550,903)	219,064	(51,557,029)
Total accumulated depreciation	(56,615,915)	(8,824,190)	219,064	(65,221,041)
Total capital assets being depreciated, net	78,788,702	(8,703,685)	7,500,444	77,585,461
Business-type activities capital assets, net	$ 82,231,037	$ (807,328)	$ (380,213)	$ 81,043,496

Construction in progress at June 30, 2016 represents costs related to various projects throughout the Hospital.

Note 10. Joint Powers Agreements

Airport Board:

Under a joint powers agreement, the County and the City of Rock Springs share in the funding of the Rock Springs-Sweetwater County Airport. This board consists of five members; two members from Rock Springs and three members from Sweetwater County.

The financial transactions of this board are not included in these financial statements. However, additional financial information of the board may be attained by contacting the Airport Manager, Devon Brubaker, P.O. Box 1987, Rock Springs, Wyoming 82901.

Rock Springs, Green River, Sweetwater County Joint Powers Water Board:

Under certain provisions of Wyoming State Statutes, the County has entered into an agreement with the City of Rock Springs and the City of Green River to form a Joint Powers Board for the purchase, financing, rehabilitation, and operation of a water supply distribution system for domestic and other uses serving Green River, Wyoming, Rock Springs, Wyoming and other areas in Sweetwater County, Wyoming.

This board consists of five members; two members from Green River, two members from Rock Springs, and one member from Sweetwater County.

Once the system began operations, the participating cities became responsible for the maintenance, operation, staffing, rate setting, and billing for each distribution system as well as construction of storage facilities. The cities lease these facilities from the board on a year-to-year basis subject to annual appropriations by the cities.

The financial transactions of this board are not included in these financial statements. However, additional financial information of the board may be obtained by contacting the Water Board Office Manager, Sara Richardson, P.O. Box 1299, Green River, Wyoming 82935.

Rock Springs, Green River, Sweetwater County Combined Communications Joint Powers Board Agreement:

Under certain provisions of Wyoming State Statutes, the County has entered into an agreement with the City of Rock Springs and the City of Green River to form a Joint Powers Board for the establishment of a Combined Communications Center (CCCJPB). The purpose of the CCCJPB is to provide an efficient, orderly and economically feasible method of planning, financing, constructing, operating, and maintaining a Combined Communications Center to maximize efficiency and coordination in communications and dispatching between the Sweetwater County Sheriff's Department, the Rock Springs Police Department, the Green River Police Department, and other law enforcement agencies.

The CCCJPB consists of nine members; three members from Sweetwater County, and three members from each of the participating cities.

The financial transactions of the CCCJPB are not included in these financial statements. However, additional financial information of the CCCJPB may be obtained by contacting the CCCJPB Executive Director, Robin Etienne, P.O. Box 129, Green River, Wyoming 82935.

Sweetwater County 2013 Specific Purpose Tax Joint Powers Board Agreement:

Under certain provisions of Wyoming State Statutes, the County entered into a joint powers agreement with the cities of Rock Springs, Green River, Granger, Superior, and Wamsutter, and the Castle Rock Special Hospital District to form the Sweetwater County 2013 Specific Purpose Tax Joint Powers Board to finance construction of infrastructure of the participating entities in Sweetwater County using 1% specific purpose sales and use tax proceeds. The total approved specific purpose tax was $81,816,412 with $4,566,497 designated for various projects for Sweetwater County as well as related bond costs. The agreement includes lease payments which are required to be made to the Joint Powers Board. The 1% specific purpose sales and use tax proceeds can only be used to make the lease payments to the Joint Powers Board.

The required minimum lease payments are due as follows:

Fiscal Year:		
2017	$	829,449
2018		953,766
2019		528,009
	$	2,311,224

Sweetwater County's share of the 1% specific purpose sales and use tax collections were $862,002 for the year ended June 30, 2016, which is recorded as revenue in the County Road Improvements Tax Fund. As the collection of specific purpose sales and use tax has been quicker than anticipated, the County has made more payments to the Joint Powers Board compared to the schedule above for required minimum lease payments. At June 30, 2016, the County owes the Joint Powers Board $1,527,297 in outstanding tax collections.

This board consists of seven members: one member from Sweetwater County and one member from each of the six participating entities. The financial transactions of the board are not included in these financial statements. However, additional financial information of the board may be obtained by contacting the Sweetwater County Commissioner, Reid West, at Sweetwater County, 80 West Flaming Gorge Way, Green River, Wyoming 82935.

Note 11. Liability for Compensated Absences

As described in Note 1, the general County and various County component units allow the accumulation of vested vacation and sick pay benefits, subject to set maximum hours. The liability recorded for compensated absences consists of the following:

		Governmental Type Component Units			
	Primary Government	Mental Health	Events Complex	Library System	Nonmajor
Beginning balance	$ 1,299,836	$ 233,479	$ 109,699	$ 180,549	$ 129,631
Additions	1,259,058	784,371	100,387	207,937	47,241
Reductions	(1,128,645)	(779,502)	(101,021)	(212,085)	(62,208)
Ending balance	$ 1,430,249	$ 238,348	$ 109,065	$ 176,401	$ 114,664
Due within one year	$ 1,128,645	$ 238,348	$ 109,065	$ 176,401	$ 114,664
Due in more than one year	301,604	-	-	-	-

Note 12. Obligations under Capital Lease

During the year ended June 30, 2016, the County entered into one new lease agreement to acquire equipment and vehicles. The terms of this lease is, in effect, a purchase of the related assets contingent on the County's ability to appropriate funds as required by State statutes. The assets acquired through capital leases are as follows:

	Governmental Activities
Asset	
Machinery and equipment	$ 2,307,388
Less accumulated depreciation	(350,415)
	$ 1,956,973

Primary Government	June 30, 2016 Balance
1.23% lease to acquire heavy equipment and vehicles, payable in annual installments of $360,751	$ 356,353
1.198% lease to acquire heavy equipment and vehicles, payable in annual installments of $373,049	732,907
	$ 1,089,260

The following schedule summarizes the debt service requirements of this lease to maturity:

	Primary Government
Year ended June 30,	
2017	$ 733,800
2018	373,049
Total minimum lease payments	1,106,849
Less: Amount representing interest	(17,589)
Present value of net minimum lease payments	1,089,260
Less: Capital lease payable, due within one year	(720,625)
Capital leases payable, due in more than one year	$ 368,635

The Hospital entered into capital leases in the current year and in a prior year. The assets held under capital leases were as follows as of June 30, 2016:

	Business-Type Activity
Asset	
Equipment	$ 1,741,290
Less accumulated depreciation	(668,204)
	$ 1,073,086

See Note 15 for additional information regarding the Hospital's capital leases.

Note 13. Obligations under Notes Payable and Subsequent Event

During the year ended June 30, 2012, the County entered into a loan agreement with the Events Complex so the Events Complex could purchase two 40 meter by 70 meter Clear Span Tents. The interest-free loan from the County to the Events Complex of $824,000 is to be repaid in quarterly installments of $41,200 over a 60-month period. The first installment was due in November 2012 with the final installment due in August 2017. As of June 30, 2016, the outstanding balance on the loan was $206,000.

The following schedule summarizes the debt service requirements of this note to maturity:

Year ended June 30,	
2017	$ 164,800
2018	41,200
	$ 206,000

To assist in covering operating cash flow needs, the Events Complex entered into a tax anticipation warrant on July 14, 2016. The Events Complex can draw up to 75% of the anticipated 2016-2017 fiscal year property tax revenue remaining uncollected, up to $1,603,155 at any given time. All funds borrowed, if any, must be repaid by June 30, 2017.

Note 14. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2016 was as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Primary Government					
Capital leases	$ 708,362	$ 1,100,355	$ (719,457)	$ 1,089,260	$ 720,625
Discretely Presented Governmental Type Component Units					
Events Complex, note payable	$ 370,800	$ -	$ (164,800)	$ 206,000	$ 164,800

Note 15. Long-Term Debt – Memorial Hospital

Long-term debt for the Hospital consists of:

	June 30, 2015	Additions	Reductions	June 30, 2016	Due Within One Year
Hospital Revenue Bonds:					
Series 2013A	$ 26,790,000	$ -	$ -	$ 26,790,000	$ -
Series 2013B	11,890,000	-	(3,740,000)	8,150,000	1,530,000
Capital Lease Obligations	902,074	436,706	(272,012)	1,066,768	405,389
Series 2013A Bond Premium	1,299,211	-	(57,743)	1,241,468	-
Total	$ 40,881,285	$ 436,706	$ (4,069,755)	$ 37,248,236	$ 1,935,389

The terms and due dates of the Hospital's long-term debt at June 30, 2016 are as follows:

Sweetwater County, Wyoming (Memorial Hospital) Hospital Revenue Refunding Bonds Series 2013A, dated June 20, 2013. Interest is due payable annually to September 2037 at a 5% rate. Bonds are secured by Hospital revenues.

Sweetwater County, Wyoming (Memorial Hospital) Hospital Revenue Bonds Series 2013B, dated June 20, 2013. Interest is due payable annually to September 2023 at a 3.5% rate. Bonds are secured by Hospital revenues.

Capital Lease Obligation, payable in monthly installments of $12,788, including interest at 0.77%, through October 2018.

Capital Lease Obligation, payable in monthly installments of $9,580, including interest at 1.78%, through April 2019.

Restrictive Covenants: The Hospital is required to meet certain financial and non-financial covenants. Management believes the Hospital was in compliance with the restrictive covenants as of June 30, 2016.

Scheduled principal and interest payments on long-term and capital leases debt are as follows:

Year ended June 30,	Principal	Interest	Total
2017	$ 1,935,389	$ 1,779,851	$ 3,715,240
2018	1,985,533	1,720,847	3,706,380
2019	1,880,846	1,661,908	3,542,754
2020	1,690,000	1,603,605	3,293,605
2021	1,735,000	1,545,245	3,280,245
2022-2026	2,525,000	6,655,566	9,180,566
2027-2031	7,530,000	4,776,375	12,306,375
2032-2036	9,665,000	2,528,000	12,193,000
2037-2040	7,060,000	244,500	7,304,500
	$ 36,006,768	$ 22,515,897	$ 58,522,665

Note 16. Operating Lease Commitments

The County has entered into lease agreements for postage machines. The leases vary in ranges extending up to five years. The total minimum rental commitment at June 30, 2016 under these leases is as follows:

2017	$ 16,992
2018	16,992
2019	15,605
2020	7,572
	$ 57,161

The Hospital leases certain facilities and equipment under long-term operating lease agreements for the year ended June 30, 2016. Total lease expense for all operating leases for the year ending June 30, 2016 was approximately $863,000.

Minimum future lease payments for these operating leases are as follows:

2017	$ 110,953
2018	84,069
2019	42,034
	$ 237,056

Note 17. Contingencies and Commitments

The County and several of its component units participate in a number of Federally assisted grant programs which are monitored by various granting agencies. Expenditures may be disallowed by the granting agencies if the County is not in compliance with applicable laws, regulations, or specific grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects the amounts, if any, to be immaterial.

Litigation: The County has multiple claims and pending legal proceedings that generally involve the operations of the County. These proceedings are, in the opinion of management, ordinary routine matters incidental to the normal business conducted by the County. In the opinion of management and the County legal counsel, such proceedings are substantially covered by insurance, and the ultimate disposition of such proceedings are not expected to have a material adverse effect on the County's financial position, results of operations or cash flows.

Risk of loss: The County and its component units are subject to risk of loss from various events, including torts, theft, damage to assets, business interruption, errors and omissions, and job-related injuries to employees, as well as acts of God.

The County and its component units have purchased commercial insurance and workers' compensation coverage to minimize their risks of loss. The County has not had significant settlements exceeding insurance coverage in any of the past three fiscal years. The County has had no significant reductions in insurance coverage from coverage in the prior year.

Employees of the County are covered by the County's medical self-insurance plan. The County's costs for this plan are reflected in the funds paying the coverage, premiums and administrative costs. The self-insurance fund is reported as an internal service fund in the accompanying financial statements. The County has a contract with a third-party administrator to process payments. The County also maintains a stop-loss policy to limit the potential for individual and aggregate claims. Management has estimated an accrual for incurred but not reported (IBNR) claims. Amounts recoverable under stop-loss agreement for the year ended June 30, 2016 were $299,251.

At June 30, 2016, the IBNR was $786,673. Changes in the IBNR from fiscal years 2016 and 2015 were as follows:

	Beginning of Fiscal Year Liability	Estimated Claims Incurred	Claim Payments	At Fiscal Year-End Liability
Fiscal Year 2014-2015	$ 280,000	$ 5,722,573	$ (5,326,923)	$ 675,650
Fiscal Year 2015-2016	$ 675,650	$ 6,283,658	$ (6,172,635)	$ 786,673

Note 18. Contingencies – Memorial Hospital

Malpractice insurance: The Hospital has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of $1 million per claim and an annual aggregate limit of $3 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

Self-funded health insurance: The Hospital self-funds health benefits for eligible employees and their dependents. Health insurance expense is recorded on an accrual basis. An accrued liability is recorded in the financial statements, which estimates the claims incurred but not yet reported and claims reported but not yet paid. The Hospital has stop loss insurance to cover catastrophic claims. The Hospital expensed amounts representing the employer's portion of actual claims paid, adjusted for the actuarially determined estimates of liabilities relating to claims resulting from services provided prior to the respective fiscal period-end. The Hospital recognized approximately $4,451,000 of expense during the year ended June 30, 2016. The estimated liability relating to self-funded health insurance was $400,000 as of June 30, 2016.

Litigations, claims and disputes: The Hospital is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of litigation, claims and disputes in process will not be material to the financial position of the Hospital.
The health care industry is subject to numerous laws and regulations of Federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient services. Management believes that the Hospital is in substantial compliance with current laws and regulations.

Note 19. Conduit Debt Obligations

From time to time, the County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

Note 20. Commitments

As of June 30, 2016, the County has entered into several construction/engineering contracts resulting in commitments for future capital expenditures. The major projects are listed below. Although portions of the projects may have been completed and capitalized during 2016, the amounts below represent the activity pertaining to the County's portion of the contract as a whole.

	Expended to Date at June 30, 2016	Total Contract	Total Commitment at June 30, 2016
Primary Government:			
Speed Studies	$ 47,582	$ 150,000	$ 102,418
Peru Bridge	27,831	2,392,100	2,364,269
CMAQ 2013/2014 Mag Chloride	31,544	332,867	301,323
CMAQ 2015/2016 Patrick Draw Road	31,107	268,475	237,368
2016 Paint Striping	-	293,530	293,530
2016 Paint Striping Eng fees	-	36,380	36,380
2016 Asphalt Overlay	-	1,846,439	1,846,439
Justice Center (Design)	1,124,407	1,351,000	226,593
Justice Center (Construction)	748,304	17,114,000	16,365,696
Total primary government	$ 2,010,775	$ 23,784,791	$ 21,774,016

Note 21. Postemployment Benefits Other than Pensions (OPEB)

Plan description: The County participates in one single-employer defined benefit postemployment healthcare plan. Under this plan, the County allows retiring employees who meet certain age and/or service requirements as defined below to remain on the County's health insurance plan, as long as the retiring employees are required to pay their full premium each month, less the sum of subsidies A, B and C, if applicable, where such amounts are defined as follows:

i. Subsidy A per month – a monthly factor, as shown in the following table, multiplied by the total number of years of service at retirement:

Current Age	Monthly Factor
<65	$11.50
65+	$ 5.75

In the event that the retiree predeceases his or her spouse, Subsidy A will be applied to reduce the healthcare costs for the remaining lifetime of the survivor.

Subsidy A credits are not granted to participants who retire after March 15, 2011.

ii. Subsidy B per month – only applies to retirees who retired prior to July 1, 2009, and provides a fixed monthly factor ranging from $42.02 to $157.16, depending upon the retiree's age (under age 65 or 65 and above) and tier of benefits (i.e., employee only, employee and spouse, family, etc.). Subsidy B is not expected to increase in the future, but will be adjusted for changes in the number and types of dependents covered, if and when they occur.

iii. Subsidy C per month – only applies to participants who elected to retire between November 22, 2010 and March 15, 2011 and signed the Early Retirement Agreement, and provides the Subsidy A monthly factor as defined in i. above. The limit on Subsidy C payments shall be $30,000 less the amount of the cash incentive paid to the retiree at the time of retirement, if any.

The retired employee must meet the following age and/or service requirements in order to qualify for the plan:

i. All participants excluding law enforcement – the earlier of the following:
   a. age 60 and 8 years of service with the County, or
   b. having 8 years of service with the County and being eligible to retire with full benefits under the Wyoming Retirement System by meeting one of the following criteria:
      i. age 60 and 4 years of service with the Wyoming Retirement System, or
      ii. the sum age and service with the Wyoming Retirement System equals 85.

ii. Law enforcement – having 8 years of service with the County and being eligible to retire with full benefits under the Wyoming Retirement System by meeting one of the following criteria:
   a. age 60 and 4 years of service with Wyoming Retirement System, or
   b. 20 years of law enforcement service with Wyoming Retirement System.

The Board of County Commissioners (the "Board") has the authority for establishing and amending this plan. This plan does not issue a separate report.

Funding policy: The County finances this program on a pay-as-you-go basis. The Board has the authority for establishing and amending the funding policy.

Annual OPEB cost and net OPEB obligation: The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	$	399,295
Interest on net OPEB obligation		87,669
Adjustment to annual required contribution		(123,084)
Annual OPEB cost		363,880
Employer contributions		(138,026)
Increase in net OPEB obligation		225,854
Net OPEB obligation, beginning of year		1,948,205
Net OPEB obligation, end of year	$	2,174,059

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2016, 2015 and 2014 were as follows:

	2016	2015	2014
Annual OPEB cost	$ **363,880**	$ 377,550	$ 349,921
Percentage of OPEB cost contributed	**37.93%**	17.56%	36.89%
Net OPEB obligation	$ **2,174,059**	$ 1,948,205	$ 1,636,941

Funded status and funding progress: The funded status of the plan as of July 1, 2014, being the actuarial valuation date, was as follows:

Actuarial accrued liability (a)	$ 4,064,428
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	$ 4,064,428
Funded ratio (b) / (a)	0.00%
Covered payroll (c)	$ 23,055,987
Unfunded actuarial accrued liability (funded excess) as a percentage of covered payroll ([(a) - (b)] / (c)	17.63%

The required Schedule of Funding Progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial methods and assumptions: Projections of benefits are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits in force at the valuation date. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date:	July 1, 2014
Actuarial cost method:	Attained Age
Amortization method:	Level Dollar Basis
Amortization period:	25 years
Asset valuation method:	Fair value of assets
Actuarial assumptions:	
Discount rate:	4.5%
Healthcare cost trend rate (HCCTR):	Initial rate of 8.5%; Ultimate rate of 4.5%; Grading period of four years
Assumed rates of increase applied to retiree premiums:	Same as HCCTR

REQUIRED SUPPLEMENTARY INFORMATION

The County's Required Supplementary Information includes the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, the Schedule of Funding Progress, the Schedules of Proportionate Shares of the Net Pension Liability, and Schedules of Contributions for all County and component unit participation in pension plans, and Notes to Required Supplementary Information.

SWEETWATER COUNTY, WYOMING

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 39,832,389	$ 39,832,389	$ 38,839,404	$ (992,985)
Licenses and permits	1,623,893	1,623,893	1,575,664	(48,229)
Intergovernmental	9,921,789	9,921,789	7,113,411	(2,808,378)
Charges for services	1,661,560	1,661,560	1,643,164	(18,396)
Investment income	652,682	652,682	1,554,197	901,515
Miscellaneous	14,681	14,681	77,196	62,515
Total revenues	53,706,994	53,706,994	50,803,036	(2,903,958)
Expenditures				
General government	19,976,680	19,980,032	18,271,309	1,708,723
Public safety	14,094,351	14,074,623	13,232,747	841,876
Road and bridge	5,325,348	5,325,348	4,353,762	971,586
Health, recreation, and welfare	4,480,350	4,480,350	1,391,580	3,088,770
Conservation of natural resources	335,800	335,800	320,528	15,272
Capital outlay	9,676,210	9,695,938	6,088,521	3,607,417
Total expenditures	53,888,739	53,892,091	43,658,447	10,233,644
Excess (deficit) of revenues over expenditures	(181,745)	(185,097)	7,144,589	7,329,686
Proceeds from capital leases	-	-	1,100,355	1,100,355
Proceeds from sale of capital assets	-	-	150,154	150,154
Net change in fund balance	$ (181,745)	$ (185,097)	$ 8,395,098	$ 8,580,195

SWEETWATER COUNTY, WYOMING

SCHEDULE OF FUNDING PROGRESS
June 30, 2016

Post Retirement Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2014	$ -	$ 4,064,428	$ 4,064,428	0%	$ 23,055,987	17.63%
7/1/2012	$ -	$ 3,911,493	$ 3,911,493	0%	$ 22,719,300	17.22%
7/1/2010	$ -	$ 4,613,168	$ 4,613,168	0%	$ 22,198,079	20.78%

During fiscal year 2011, the County's postemployment healthcare plan was amended so that Subsidy A credits are not granted to participants who retire after March 15, 2011. In addition, the plan was amended to create Subsidy C credits.

SCHEDULE OF THE COUNTY'S LAW ENFORCEMENT PLAN PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Law Enforcement Pension Plan
Years Ended June 30, 2016, 2015, and 2014*

	County's proportion of the net pension liability for the Law Enforcement Plan	County's proportionate share of the net pension liability for the Law Enforcement Plan	County's covered payroll for the Law Enforcement Plan	County's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability for the Law Enforcement Plan
2014	2.987954290%	$ 545,580	$ 4,567,161	11.95%	96.53%
2015	3.002446160%	$ 884,631	$ 4,647,234	19.04%	94.76%
2016	2.874460682%	$ 2,159,294	$ 4,642,728	46.51%	87.49%

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

See Notes to Required Supplementary Information.

SCHEDULE OF THE COUNTY'S LAW ENFORCEMENT PLAN CONTRIBUTIONS

Law Enforcement Pension Plan
Years Ended June 30, 2016, 2015, and 2014

	Contractually required contribution for the Law Enforcement Plan	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered payroll for the Law Enforcement Plan	Contributions as a percentage of covered payroll
2014	$ 389,381	$ 389,381	$ -	$ 4,527,691	8.60%
2015	$ 400,392	$ 400,392	$ -	$ 4,655,733	8.60%
2016	$ 426,225	$ 426,225	$ -	$ 4,780,855	8.92%

See Notes to Required Supplementary Information.

SWEETWATER COUNTY, WYOMING

SCHEDULE OF THE COUNTY'S PUBLIC EMPLOYEE PLAN PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014*

	County's proportion of the net pension liability for the Public Employee Plan	County's proportionate share of the net pension liability for the Public Employee Plan	County's covered payroll for the Public Employee Plan	County's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability for the Public Employee Plan
2014	0.563744203%	$ 8,571,169	$ 9,825,385	87.23%	81.10%
2015	0.580266903%	$ 10,239,925	$ 10,075,160	101.64%	79.08%
2016	0.582288997%	$ 13,563,536	$ 10,453,614	129.75%	73.40%

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

See Notes to Required Supplementary Information.

SCHEDULE OF THE COUNTY'S PUBLIC EMPLOYEE PLAN CONTRIBUTIONS

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014

	Contractually required contribution for the Public Employee Plan	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	County's covered payroll for the Public Employee Plan	Contributions as a percentage of covered payroll
2014	$ 703,561	$ 703,561	$ -	$ 9,881,491	7.12%
2015	$ 783,632	$ 783,632	$ -	$ 10,283,896	7.62%
2016	$ 898,447	$ 898,447	$ -	$ 10,612,487	8.47%

See Notes to Required Supplementary Information.

SCHEDULE OF SOUTHWEST COUNSELING SERVICES' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014*

	Southwest Counseling Services' proportion of the net pension liability	Southwest Counseling Services' proportionate share of the net pension liability	Southwest Counseling Services' covered payroll	Southwest Counseling Services' proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.302358710%	$ 4,597,063	$ 5,182,760	88.70%	81.10%
2015	0.312837446%	$ 5,520,618	$ 5,442,343	101.44%	79.08%
2016	0.330763380%	$ 7,758,506	$ 5,948,053	130.44%	73.40%

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

See Notes to Required Supplementary Information.

SCHEDULE OF SOUTHWEST COUNSELING SERVICES' CONTRIBUTIONS

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Southwest Counseling Services' covered payroll	Contributions as a percentage of covered payroll
2014	$ 375,062	$ 375,062	$ -	$ 5,267,727	7.12%
2015	$ 432,592	$ 432,592	$ -	$ 5,677,059	7.62%
2016	$ 502,032	$ 502,032	$ -	$ 5,997,988	8.37%

See Notes to Required Supplementary Information.

SCHEDULE OF THE EVENTS COMPLEX'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014*

	Event Complex's proportion of the net pension liability	Event Complex's proportionate share of the net pension liability	Event Complex's covered payroll	Event Complex's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.045428711%	$ 690,698	$ 808,724	85.41%	81.10%
2015	0.047081478%	$ 830,843	$ 809,863	102.59%	79.08%
2016	0.047851282%	$ 1,114,623	$ 854,973	130.37%	73.40%

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

See Notes to Required Supplementary Information.

SCHEDULE OF THE EVENTS COMPLEX'S CONTRIBUTIONS

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Event Complex's covered payroll	Contributions as a percentage of covered payroll
2014	$ 55,217	$ 55,217	$ -	$ 775,525	7.12%
2015	$ 63,161	$ 63,161	$ -	$ 828,888	7.62%
2016	$ 73,421	$ 73,421	$ -	$ 877,192	8.37%

See Notes to Required Supplementary Information.

SWEETWATER COUNTY, WYOMING

SCHEDULE OF THE LIBRARY SYSTEM'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014*

	Library System's proportion of the net pension liability	Library System's proportionate share of the net pension liability	Library System's covered payroll	Library System's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.104692704%	$ 1,591,748	$ 1,794,535	88.70%	81.10%
2015	0.100240768%	$ 1,768,941	$ 1,741,842	101.56%	79.08%
2016	0.102706021%	$ 2,392,380	$ 1,832,980	130.52%	73.40%

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

See Notes to Required Supplementary Information.

SCHEDULE OF THE LIBRARY SYSTEM'S CONTRIBUTIONS

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Library System's covered payroll	Contributions as a percentage of covered payroll
2014	$ 123,438	$ 123,438	$ -	$ 1,733,675	7.12%
2015	$ 136,149	$ 136,149	$ -	$ 1,786,732	7.62%
2016	$ 153,312	$ 153,312	$ -	$ 1,831,683	8.37%

See Notes to Required Supplementary Information.

SWEETWATER COUNTY, WYOMING

SCHEDULE OF THE MUSEUM BOARD'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014*

	Museum Board's proportion of the net pension liability	Museum Board's proportionate share of the net pension liability	Museum Board's covered payroll	Museum Board's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.011829708%	$ 179,859	$ 202,814	88.68%	81.10%
2015	0.011059981%	$ 195,175	$ 196,740	99.20%	79.08%
2016	0.006399272%	$ 149,062	$ 120,768	123.43%	73.40%

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

See Notes to Required Supplementary Information.

SCHEDULE OF THE MUSEUM BOARD'S CONTRIBUTIONS
Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Museum Board's covered payroll	Contributions as a percentage of covered payroll
2014	$ 14,440	$ 14,440	$ -	$ 202,814	7.12%
2015	$ 12,523	$ 12,523	$ -	$ 164,338	7.62%
2016	$ 9,944	$ 9,944	$ -	$ 118,807	8.37%

See Notes to Required Supplementary Information.

SCHEDULE OF THE RECREATION BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014*

	Recreation Board's proportion of the net pension liability	Recreation Board's proportionate share of the net pension liability	Recreation Board's covered payroll	Recreation Board's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.006971386%	$ 105,993	$ 111,345	95.19%	81.10%
2015	0.006957440%	$ 122,777	$ 112,737	108.91%	79.08%
2016	0.009662925%	$ 225,083	$ 187,286	120.18%	73.40%

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

See Notes to Required Supplementary Information.

SCHEDULE OF THE RECREATION BOARD'S CONTRIBUTIONS

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Recreation Board's covered payroll	Contributions as a percentage of covered payroll
2014	$ 7,928	$ 7,928	$ -	$ 111,345	7.12%
2015	$ 11,795	$ 11,795	$ -	$ 154,786	7.62%
2016	$ 13,080	$ 13,080	$ -	$ 156,277	8.37%

See Notes to Required Supplementary Information.

SWEETWATER COUNTY, WYOMING

SCHEDULE OF THE DISTRICT BOARD OF HEALTH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014*

	District Board of Health's proportion of the net pension liability	District Board of Health's proportionate share of the net pension liability	District Board of Health's covered payroll	District Board of Health's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2014	0.065231195%	$ 991,775	$ 1,118,435	88.68%	81.10%
2015	0.066036780%	$ 1,165,346	$ 1,149,415	101.39%	79.08%
2016	0.063783654%	$ 1,485,743	$ 1,169,788	127.01%	73.40%

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

See Notes to Required Supplementary Information.

SCHEDULE OF THE DISTRICT BOARD OF HEALTH'S CONTRIBUTIONS

Public Employee Pension Plan
Years Ended June 30, 2016, 2015, and 2014

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District Board of Health's covered payroll	Contributions as a percentage of covered payroll
2014	$ 80,446	$ 80,446	$ -	$ 1,129,862	7.12%
2015	$ 89,365	$ 89,365	$ -	$ 1,172,775	7.62%
2016	$ 91,543	$ 91,543	$ -	$ 1,093,701	8.37%

See Notes to Required Supplementary Information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2016

Note 1. Budgets

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund presents a comparison of the legally adopted budget with actual data. The County prepares its budget on a cash basis, and the revenues and expenditures presented in the aforementioned schedule are on the modified accrual basis. Any differences in revenues and expenditures as a result of the difference in accounting basis are considered immaterial. Appropriations lapse at fiscal year-end. All budget amendments are approved by the Board of County Commissioners and are presented within the final budget figures.

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

Wyoming State Statutes require the preparation of an annual budget which provides documentation that all sources and uses of County resources are properly planned, budgeted, and approved. The budget, upon adoption, is the legal document which places restrictions and limitations on the purposes and amounts for which County monies may be expended.

The budget is adopted according to the following schedule:

1. On or before May 15, the Budget Officer shall prepare a tentative budget for each fund and file the budget with the governing body.

2. A summary of the tentative budget shall be entered into the minutes and the governing body shall publish the summary at least one week before the public hearing to adopt the budget.

3. The public hearing is held on or before the third Monday in July.

4. On the day of or the day following the public hearing, the Board of County Commissioners, by resolution, make the necessary appropriations and adopt the budget, which subject to future amendment, shall be in effect for the next fiscal year.

Note 2. Retirement Commitment – Wyoming Retirement System

Changes in benefit terms: There were no changes in benefit terms between the December 31, 2014 measurement date and the December 31, 2015 measurement date.

Changes in assumptions: There were no changes in assumptions between the December 31, 2014 measurement date and the December 31, 2015 measurement date.

SUPPLEMENTARY INFORMATION

OTHER GOVERNMENTAL FUNDS

The County's nonmajor special revenue funds are described below:

SC Road Fund – used to account for resources legally restricted to expenditures for state and county road construction.

CDC Tax Fund – used to account for resources legally restricted to expenditures for purchasing, renovating and maintaining a child developmental center (CDC).

County Road Improvements Tax Fund – used to account for resources legally restricted to expenditures for County Road Improvements.

SWEETWATER COUNTY, WYOMING

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

ASSETS	SC Road Fund	CDC Tax Fund	County Road Improvements Tax Fund	Total Nonmajor Governmental Funds
Cash and investments	$ 5,446,705	$ 2,106,388	$ -	$ 7,553,093
Due from other governments	96,576	-	127,277	223,853
Accrued interest receivable	-	8,301	-	8,301
Total assets	5,543,281	2,114,689	127,277	7,785,247
LIABILITIES				
Liabilities				
Warrants and vouchers payable	836	-	-	836
Due to other governments	-	-	127,277	127,277
Total liabilities	836	-	127,277	128,113
FUND BALANCES				
Restricted for:				
State and county roads	5,542,445	-	-	5,542,445
CDC building	-	2,114,689	-	2,114,689
Total fund balances	5,542,445	2,114,689	-	7,657,134
Total liabilities and fund balances	$ 5,543,281	$ 2,114,689	$ 127,277	$ 7,785,247

SWEETWATER COUNTY, WYOMING

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

	SC Road Fund	CDC Tax Fund	County Road Improvements Tax Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	$ -	$ -	$ 862,002	$ 862,002
Intergovernmental revenues	1,077,156	-	-	1,077,156
Investment income	14,540	39,895	-	54,435
Total revenues	1,091,696	39,895	862,002	1,993,593
Expenditures				
Current:				
Public safety	-	-	-	-
Road and bridge	-	-	-	-
Health, recreation, and welfare	-	52,423	-	52,423
Capital outlay	100,166	18,444	-	118,610
Debt service, principal	-	-	862,002	862,002
Total expenditures	100,166	70,867	862,002	1,033,035
Excess (deficiency) of revenues over expenditures	991,530	(30,972)	-	960,558
Fund Balance, beginning	4,550,915	2,145,661	-	6,696,576
Fund Balance, ending	$ 4,550,915	$ 2,145,661	$ -	$ 6,696,576

SWEETWATER COUNTY, WYOMING

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
U.S. Department of the Interior Direct Programs				
Payments in Lieu of Taxes:				
Administered by Sweetwater County	15.226		-	$ 3,290,278
Total U.S. Department of the Interior Direct Programs			-	3,290,278
U.S. Department of Health and Human Services				
Passed through State of Wyoming Department of Health:				
Public Health Emergency Preparedness				
Administered by Sweetwater County Board of Health	93.069	CHO	-	800
Public Health Emergency Preparedness				
Administered by Sweetwater County Board of Health	93.069		-	111,095
Substance Abuse and Mental Health Services				
Projects of Regional and National Significance				
Administered by Southwest Counseling Service	93.243	SAMH REGIONAL	-	99,811
Temporary Assistance for Needy Families				
Administered by Sweetwater County Board of Health	93.558		-	131,692
Community Services Block Grant				
Administered by Sweetwater County	93.569	CSBG.SWT.1515	72,013	80,965
Community Services Block Grant				
Administered by Sweetwater County	93.569	CSBG.SWT.1614	93,440	117,848
National Bioterrorism Hospital Preparedness Program				
Administered by Sweetwater County Board of Health	93.889		-	53
Block Grants for Community Mental Health Services				
Administered by Southwest Counseling Service	93.958	MH BLOCK	-	105,374
Block Grants for Prevention and Treatment of Substance Abuse				
Administered by Southwest Counseling Service	93.959	SAPT BLOCK	-	465,479
Passed through State of Wyoming Department of Family Services:				
Child Support Enforcement				
Administered by Sweetwater County	93.563		-	35,206
Total U.S. Department of Health and Human Services			165,453	1,148,323
U.S. Department of Agriculture Programs				
Schools and Roads - Grants to Counties				
Administered by Sweetwater County	10.666		-	34,733
Passed through the Wyoming State Forestry Division:				
Cooperative Forestry Assistance				
Administered by Sweetwater County	10.664		-	8,043
Total U.S. Department of Agriculture			-	42,776
National Endowment for the Humanities				
Passed through State of Wyoming Humanities Council:				
Promotion of the Humanities-Federal/State Partnership				
Administered by Sweetwater County Museum Board	45.129		-	847
U.S. Department of Justice				
Passed through State of Wyoming Division of Victim Services:				
Violence Against Women Formula Grants-RECOVERY				
Administered by Sweetwater County	16.588	2014-WF-AX-0010	-	6,353
Passed through Volunteers of America Northern Rockies:				
Juvenile Justice and Delinquency Prevention-Allocation to States		2014-JF-KX-K001		
Administered by Sweetwater County	16.540	2015-JF-FX-D001	-	56,074
Total U.S. Department of Justice			-	62,427

Continued

SWEETWATER COUNTY, WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Expenditures
U.S. Department of Homeland Security				
Passed through State of Wyoming Office of Homeland Security:				
Homeland Security Grant Program				
Administered by Sweetwater County	97.067	14-GPD-SWE-LC-HLC14	-	2,504
Homeland Security Grant Program				
Administered by Sweetwater County	97.067	14-GPD-SWE-SC-HSG14	-	67,585
Homeland Security Grant Program				
Administered by Sweetwater County	97.067	14-GPD-SWE-LS-HLE14	-	18,886
Homeland Security Grant Program				
Administered by Sweetwater County	97.067	14-GPD-BT4-BM-HMB14	-	19,773
Homeland Security Grant Program				
Administered by Sweetwater County	97.067	13-GPD-SWE-SC-HSG13	-	16,326
Emergency Management Performance Grants				
Administered by Sweetwater County	97.042	15-GPD-SWE-EMGCF15	-	30,000
Total U.S. Department of Homeland Security			-	155,074
U.S. Department of Transportation				
Highway Planning and Construction Cluster:				
Passed through State of Wyoming Department of Transportation:				
Highway Planning and Construction				
Administered by Sweetwater County	20.205	CMAQ 0.00 CM15012	-	125,689
Highway Planning and Construction				
Administered by Sweetwater County	20.205	CMAQ 0.00 CM15008	-	24,886
Subtotal Highway Planning and Construction Cluster			-	150,575
Highway Safety Cluster:				
Passed through Wyoming Association of Sheriffs and Chiefs of Police:				
National Priority Safety Programs				
Administered by Sweetwater County	20.616	NHTSA	-	16,288
Passed through State of Wyoming Department of Transportation:				
State and Community Highway Safety				
Administered by Sweetwater County	20.600	HRRR 0.00 CN04111	-	99,542
Subtotal Highway Safety Cluster				115,830
Total U.S. Department of Transportation			-	266,405
Office of National Drug Control Policy (ONDCP)				
Passed through State of Wyoming Division of Criminal Investigation:				
High Intensity Drug Trafficking Areas Program				
Administered by Sweetwater County	95.001	G15RM0012A	-	31,554
High Intensity Drug Trafficking Areas Program				
Administered by Sweetwater County	95.001	G16RM0012A	-	29,017
Total Office of National Drug Control Policy (ONDCP)			-	60,571
Total expenditures of Federal awards			$ 165,453	$ 5,026,701

See Note to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the Federal award activity of the County under programs of the Federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the County. The County does not charge indirect costs under the de minimis rate.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribe Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

COMPLIANCE AND INTERNAL CONTROL

INDEPENDENT AUDITOR'S 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*

Board of County Commissioners
Sweetwater County, Wyoming
Green River, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sweetwater County, Wyoming (the "County") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 9, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our report includes a reference to other auditors who audited the combined financial statements of Memorial Hospital of Sweetwater County (the "Hospital"), as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001, that we consider to be a significant deficiency.

Compliance and Other Matters

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

The County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying Exhibit I. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 9, 2016

McGee, Hearne & Paiz, LLP
Certified Public Accountants and Consultants

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

Board of County Commissioners
Sweetwater County, Wyoming
Green River, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Sweetwater County, Wyoming's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major Federal programs for the year ended June 30, 2016. The County's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

The County's basic financial statements include the operations of Memorial Hospital of Sweetwater County, a discretely presented component unit. Our audit, described below, did not include the operations of Memorial Hospital of Sweetwater County because those combined financial statements were audited by other auditors.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

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

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

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

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

McGee, Hearne & Paiz, LLP

Cheyenne, Wyoming
December 9, 2016

SWEETWATER COUNTY, WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

A. Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes ___X___ No
- Significant deficiency(ies) identified? ___X___ Yes _____ None reported

Noncompliance material to financial statements noted? _____ Yes ___X___ No

B. Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? _____ Yes ___X___ No
- Significant deficiency(ies) identified? _____ Yes ___X___ None reported

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

- Any audit findings disclosed that are required to be reported in accordance with Title 2 CFR 200.516(a)? _____ Yes ___X___ No

Identification of major Federal programs:

CFDA Numbers	Name of Federal Program or Cluster
15.226	Payments in Lieu of Taxes
93.959	Block Grants for Prevention and Treatment of Substance Abuse

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ___X___ Yes _____ No

II. FINANCIAL STATEMENT FINDINGS

2016-001: Segregation of Duties

Criteria: Internal controls are designed to safeguard assets and help prevent loss from employee dishonesty or error. A fundamental concept in an adequate system of internal control is the segregation of duties.

Condition/Context: The Sweetwater County District Board of Health relies heavily on one individual to perform human resources and payroll duties; there is not adequate segregation of duties for an effective system of internal accounting control in all respects. We noted one individual is responsible for processing, reviewing, and distributing payroll. The Board reviews all disbursements once a month. Therefore, payroll may be processed in error without being prevented, detected, and corrected during normal duties.

Cause: The concentration of closely related duties and responsibilities makes it difficult to establish an adequate system of internal checks on the accuracy and reliability of the accounting records.

Effect: Without properly designed internal control systems, the District Board of Health could be susceptible to misappropriation of assets (theft of money) and/or inaccurate financial reporting.

Recommendation: We recommend that internal control policies and procedures at the District Board of Health be continually scrutinized to ensure that proper segregation is obtained when possible. This may include the Executive Director's review of payroll prior to payment and a different administrative staff distributing physical paychecks to employees.

Views of Responsible Officials and Planned Corrective Actions: See Exhibit I.

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

SWEETWATER COUNTY, WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2016

Finding	Status
2015-001: Segregation of Duties	
The Sweetwater County Museum and Sweetwater County Recreation Board are not large enough to permit an adequate segregation of duties for an effective system of internal accounting control in all respects. During the year, additional personnel from the County assisted the entities to begin the process of properly segregating the duties. However, these safeguards were not in place for the duration of the year.	The County continues to analyze the procedures in place for the Sweetwater County Museum and the Sweetwater County Recreation Board to include additional assistance from the County Accounting Manager. For the duration of the year, the County Accounting Manager has assisted these component units to achieve adequate segregation of duties.
2015-002: Compliance Requirement – Reporting	
Catalog of Federal Assistance (CFDA) Number and Title: 93.558 Temporary Assistance for Needy Families **Federal Agency Name**: U.S. Department of Health and Human Services **Pass-Through Entity Name (if applicable)**: State of Wyoming Department of Health	Since this item was brought to the attention of management, all reports submitted and applicable support are printed and retained by DBOH to reduce reliance on the State of Wyoming system to demonstrate compliance.
The Sweetwater County District Board of Health (DBOH) submits reports for reimbursement of Federal funds on a monthly basis under the MCH/TANF grant. We were unable to view support for four months of services due to corrupt data following a system conversion by the State of Wyoming, which the DBOH relies on for reporting.	*Auditor's Comment* – We noted through observation in the current year that reports are retained internally by DBOH. Therefore, we consider this finding resolved.

EXHIBIT I
CORRECTIVE ACTION PLAN

Date: December 9, 2016

To: McGee, Hearne & Paiz, LLP

From: Jean Brunz
Interim Director
Sweetwater County District Board of Health

Re: Sweetwater County Compliance Report – Fiscal Year 2016

The following is the Corrective Action Plan to address the control deficiencies and findings in the FY 2016 Compliance Report (see page 82 for the complete text of the control deficiencies and findings):

2016-001: Segregation of Duties

Condition/Context – The Sweetwater County District Board of Health relies heavily on one individual to perform human resources and payroll duties; therefore, there is not adequate segregation of duties for an effective system of internal accounting control in all respects. We noted one individual is responsible for processing, reviewing, and distributing payroll. The Board reviews all disbursements once a month. Therefore, payroll may be processed in error without being prevented, detected, and corrected during normal duties.

Recommendation – We recommend that internal control policies and procedures at the District Board of Health be continually scrutinized to ensure that proper segregation is obtained when possible. This may include the Executive Director's review of payroll prior to payment and a different administrative staff distributing physical paychecks to employees.

Corrective Action – The County will continue to analyze the procedures in place for the Sweetwater County District Board of Health to determine if procedures can be more properly segregated within this component unit, specifically including additional assistance from the District Board of Health Executive Director and other staff as applicable.

Anticipated Completion Date – Immediately upon the District Board of Health hiring of a full-time Director

Contact Person – Jean Brunz, Interim Director, Sweetwater County District Board of Health