

PARK COUNTY

CODY, WYOMING

Basic Financial Statements

June 30, 2017

(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

To the County Commissioners
Park County
Cody, Wyoming

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Park County, as of June 30, 2017, 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 General Fund budgetary comparison information, as listed in the table of contents, 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.

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it an essential part of the financial reporting for placing the basic financial statements in the appropriate operations, economic, or historical context, as stated above. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Park County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and other supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

Other Matters (Continued)

Other Information (Continued)

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated October 19, 2017, on our consideration of Park 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 this report is to describe the scope of our testing of internal control over financial reporting and not to provide an opinion on the internal control over financial reporting. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Park County's internal control over financial reporting and compliance.

Cover Florek & James, CPAs

October 19, 2017
Rock Springs, Wyoming

PARK COUNTY
STATEMENT OF NET POSITION
June 30, 2017

Primary Government

	Governmental Activities	Business- Type Activities	Total	Component Units
<u>ASSETS</u>				
Cash and cash equivalents	\$ 20,454,374	\$ 5,226,322	\$ 25,680,696	\$ 1,134,785
Restricted cash and cash equivalents	2,751,142	-	2,751,142	211,285
Receivables:				
Accounts receivable	48,513	50,265	98,778	93,620
Taxes receivable	479,447	-	479,447	-
Intergovernmental	479,838	-	479,838	-
Accrued interest	70	-	70	-
Prepaid	170,053	-	170,053	22,812
Inventories	1,294,416	-	1,294,416	162,148
Internal balances	140,649	(140,649)	-	-
Capital assets:				
Non-depreciable	2,021,140	68,214	2,089,354	1,263,492
Depreciable, net of accumulated depreciation	53,737,646	2,998,353	56,735,999	1,280,699
Total assets	<u>81,577,288</u>	<u>8,202,505</u>	<u>89,779,793</u>	<u>4,168,841</u>
Deferred outflows of resources - pensions	<u>2,509,401</u>	<u>123,483</u>	<u>2,632,884</u>	<u>443,800</u>
<u>LIABILITIES</u>				
Accounts payable	302,735	5,367	308,102	56,550
Accrued liabilities	310,619	29,403	340,022	111
Long-term liabilities:				
Due within one year	431,894	4,365,210	4,797,104	60,643
Due in more than one year	310,080	3,532,895	3,842,975	-
Net pension liability	8,277,097	504,069	8,781,166	1,798,839
Total liabilities	<u>9,632,425</u>	<u>8,436,944</u>	<u>18,069,369</u>	<u>1,916,143</u>
Deferred inflows of resources - pensions	<u>233,672</u>	<u>13,563</u>	<u>247,235</u>	<u>48,222</u>
<u>NET POSITION</u>				
Invested in capital assets	55,758,786	3,066,567	58,825,353	2,544,191
Restricted for:				
Public safety	445,508	-	445,508	-
County roads	2,815,542	-	2,815,542	-
Library	-	-	-	211,285
Unrestricted	15,200,756	(3,191,086)	12,009,670	(107,200)
Total net position	<u>\$ 74,220,592</u>	<u>\$ (124,519)</u>	<u>\$ 74,096,073</u>	<u>\$ 2,648,276</u>

The notes to financial statements are an integral part of this statement.

**PARK COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017**

	Major Governmental Funds			
	General Fund	County Road Construction Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 18,975,419	\$ -	\$ 407,324	\$ 19,382,743
Restricted cash and cash equivalents	-	2,751,142	-	2,751,142
Receivables:				-
Accounts receivable	48,513	-	-	48,513
Taxes receivable	376,436	64,330	38,681	479,447
Intergovernmental	479,838	-	-	479,838
Loans receivable	-	-	-	-
Accrued interest	-	70	-	70
Due from other funds	147,287	-	-	147,287
Prepaid items	104,972	-	65,081	170,053
Inventories	1,294,416	-	-	1,294,416
Total assets	<u>\$ 21,426,881</u>	<u>\$ 2,815,542</u>	<u>\$ 511,086</u>	<u>\$ 24,753,509</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 300,629	\$ -	2,106	302,735
Accrued wages	310,619	-	-	310,619
Due to other funds	-	-	6,638	6,638
Deferred revenue	93,692	-	-	93,692
Total liabilities	<u>704,940</u>	<u>-</u>	<u>8,744</u>	<u>713,684</u>
<u>FUND BALANCE</u>				
Nonspendable	1,399,388	-	65,081	1,464,469
Restricted	-	2,815,542	437,261	3,252,803
Unassigned	19,322,553	-	-	19,322,553
Total fund balances	<u>20,721,941</u>	<u>2,815,542</u>	<u>502,342</u>	<u>24,039,825</u>
Total liabilities and fund balances	<u>\$ 21,426,881</u>	<u>\$ 2,815,542</u>	<u>\$ 511,086</u>	<u>\$ 24,753,509</u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
For the Year Ended June 30, 2017

Total fund balance for government funds		\$ 24,039,825
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Asset cost and accumulated depreciation is as follows:		
Asset cost	250,772,241	
Accumulated depreciation	<u>(195,013,455)</u>	55,758,786
Deferred revenues - Revenues that do not provide current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. Such revenues amounted to:		
		93,692
The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position but are not reported in the fund balance of the governmental funds. The net position of the internal service fund amounted to:		
		725,030
The assets and liabilities of the government-wide statement of net position include certain deferred outflows and inflows related to pensions and the net pension liability from governmental activities which do not require the use of current financial resources and are therefore excluded from the governmental fund balance sheet, such pension activities at year end consist of:		
Net pension liability	(8,277,097)	
Deferred inflows related to pensions	(233,672)	
Deferred outflows related to pensions	<u>2,509,401</u>	(6,001,368)
Other long-term liabilities that pertain to governmental activities are not due and payable in the current period and therefore are not reported as government fund liabilities. Other long-term liabilities at year-end consist of:		
Compensated absences		<u>(395,373)</u>
Total net position of governmental activities		<u><u>\$ 74,220,592</u></u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended June 30, 2017

	Major Governmental Funds			Total Governmental Funds
	General Fund	County Road Construction Fund	Non-Major Governmental Funds	
<u>REVENUES</u>				
Intergovernmental	\$ 4,533,320	\$ -	\$ -	\$ 4,533,320
Charges for services	775,237	-	-	775,237
Lease/rental	585,302	-	-	585,302
Taxes	16,087,163	874,754	174,108	17,136,025
License and permits	46,126	-	-	46,126
Interest income	17,647	1,106	-	18,753
Other	31,260	-	-	31,260
Total revenues	22,076,055	875,860	174,108	23,126,023
<u>EXPENDITURES</u>				
General government	10,162,906	-	-	10,162,906
Public works	4,294,154	19,550	-	4,313,704
Public safety	6,656,805	-	160,152	6,816,957
Health services	571,299	-	-	571,299
Total expenditures	21,685,164	19,550	160,152	21,864,866
Excess of revenues over expenditures	390,891	856,310	13,956	1,261,157
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in (out)	751,162	(100,000)	-	651,162
Net increase in fund balances	1,142,053	756,310	13,956	1,912,319
FUND BALANCE BEGINNING OF YEAR	19,579,888	2,059,232	488,386	22,127,506
FUND BALANCE END OF YEAR	\$ 20,721,941	\$ 2,815,542	\$ 502,342	\$ 24,039,825

The notes to financial statements are an integral part of this statement.

PARK COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
June 30, 2017

Net change in fund balance - total governmental funds \$ 1,912,319

Amounts reported for governmental activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period:

Capital outlays	1,836,993	
Contributed capital assets	227,242	
Loss on disposal of capital assets	(108,793)	
Depreciation expense	<u>(6,265,170)</u>	(4,309,728)

The pension expense reported in the district-wide statement of activities does not require the use of current financial resources and therefore is not reported as an expense in governmental funds. (904,285)

The internal service fund is used to charge the costs of health claims and services to individual funds. The change in net position of internal service funds is reported within the governmental statement of activities. 357,806

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in government funds. (58,943)

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

Tax rebates	12,225	
Compensated absences	<u>(23,160)</u>	

Change in net position of governmental activities \$ (3,013,766)

The notes to financial statements are an integral part of this statement.

**PARK COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017**

	Landfill	Internal Service Fund
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 5,226,323	\$ 1,071,632
Accounts receivable	50,136	-
Other receivables	128	-
Total current assets	5,276,587	1,071,632
Noncurrent assets:		
Capital assets, not being depreciated	68,214	-
Capital assets, net of accumulated depreciation	2,998,353	-
Total assets	8,343,154	-
Deferred outflows - pension	123,483	-
<u>LIABILITIES</u>		
Current liabilities:		
Account payable	5,367	-
Accrued liabilities	29,403	-
Due to other funds	140,649	-
Current portion of compensated absences	8,709	-
Current portion of long-term debt	4,356,501	-
Incurred but not reported claims payable	-	346,602
Noncurrent liabilities:		
Compensated absences	24,709	-
Closure/post closure liability	3,508,186	-
Net pension liability	504,069	-
Total liabilities	8,577,593	346,602
Deferred inflows - pension	13,563	-
<u>NET POSITION</u>		
Investment in capital assets	3,066,567	-
Unrestricted	(3,191,086)	725,030
Total net position	\$ (124,519)	\$ 725,030

The notes to financial statements are an integral part of this statement.

PARK COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2017

	Landfill	Internal Service Fund
<u>OPERATING REVENUES</u>		
Charges for goods and services	\$ 1,852,748	\$ 2,531,783
Reimbursement	-	211,069
Other	638	-
	<u>1,853,386</u>	<u>2,742,852</u>
<u>OPERATING EXPENSES</u>		
Personnel services	808,537	71,281
Repairs and maintenance	202,104	-
Contractual services	-	1,844,049
Materials and supplies	17,903	-
Utilities and telephone	19,354	-
Professional fees	942,774	469,716
Depreciation expense	473,301	-
Change in closure/post closure estimate	(65,605)	-
Other	13,904	-
	<u>2,412,272</u>	<u>2,385,046</u>
Total operating expenses	<u>2,412,272</u>	<u>2,385,046</u>
Net operating income (loss)	<u>(558,886)</u>	<u>357,806</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest income	3,212	-
Interest expense	(9,201)	-
Transfer to the general fund	(651,162)	-
	<u>(657,151)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(657,151)</u>	<u>-</u>
Change in net position	<u>(1,216,037)</u>	<u>357,806</u>
NET POSITION BEGINNING OF YEAR -		
(Restated - Landfill only, see Note 11)	<u>1,091,518</u>	<u>367,224</u>
NET POSITION ENDING OF YEAR	<u>\$ (124,519)</u>	<u>\$ 725,030</u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
June 30, 2017

	Landfill	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,998,225	\$ 2,742,852
Payments to suppliers	(1,205,110)	(2,521,878)
Payments to employees	(790,284)	-
Net cash provided by operating activities	2,831	220,974
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for equipment	(213,060)	-
Proceeds from debt issuance	863,977	-
Principal payments on long-term debt	(38,247)	-
Net cash provided by capital financing activities	612,670	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Interest payments on long-term debt	(9,202)	-
Transfer to the general fund	(651,162)	-
Interfund activity	11,024	-
Net cash used in non-capital financing activities	(649,340)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,212	-
Net change in cash and cash equivalents	(30,627)	220,974
Cash and cash equivalents, beginning of year	5,256,950	850,658
Cash and cash equivalents, end of year	\$ 5,226,323	\$ 1,071,632
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (558,886)	\$ 357,806
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	473,301	-
Changes in assets and liabilities:		
Accounts receivable	144,839	-
Accounts payable and accrued liabilities	(9,071)	-
Accrued salaries, benefits and compensated absences	(311)	-
Incurred but not reported claims payable	-	(136,832)
Pension related items	18,564	-
Closure/post closure liability	(65,605)	-
Net cash provided by operating activities	\$ 2,831	\$ 220,974

The notes to financial statements are an integral part of this statement.

PARK COUNTY
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2017

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash	\$ 2,666,434
Accounts receivable	<u>530,870</u>
Total assets	<u><u>\$ 3,197,304</u></u>
<u>LIABILITIES</u>	
Due to other taxing districts	\$ 2,240,020
Funds held in trust	<u>957,284</u>
Total liabilities	<u><u>\$ 3,197,304</u></u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Park County (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the District are described below.

Financial Reporting Entity

Park County (the County) is a governmental entity organized under Wyoming State Laws to provide service to the County and its residents. The County operates under a five-person elected Board of Commissioners and is deemed to be a primary government entity. The financial statements of the reporting entity include those of the County (the primary government) and its component units.

In accordance with GASB standards, 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 to be reported with the balances and transactions of the County.

The financial data of all component units included in the reporting entity meet the criteria for discreet presentation and are included because the County Commissioners appointed the majority of the entities board members and because they either impose a financial burden on, or receive a benefit from the County. These entities represent only one governmental "proprietary" fund type and all have fiscal years that correspond with the County's. Individual component unit financial statements are included in the supplemental section of the County's basic financial statements.

The following organizations comprise the County's component units:

Weed and Pest Control District

The Weed and Pest Control District (the District) was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. The District is fiscally dependent upon the County because the Board of Commissioners has the ability to levy taxes, if necessary, on behalf of the District. The District does not issue separate financial statements and consists of three legally separate entities: Weed and Pest Control District, Weed Management Association, and PCWDCD Building Corporation.

County Fair Board

The County Fair Board maintains and manages operations for the County Fair and conducts agricultural, industrial and other fairs and exhibitions within the County. The Fair Board is fiscally dependent upon the County due to the Board of Commissioners approving the Fair Board's budget, levying taxes (if necessary) and approving any debt issuance. The Fair Board's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Fair Board does not issue separate financial statements.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

County Library Board

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

County Museum Board

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

County Parks and Recreation

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

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position, Statement of Activities, along with separate fund financial statements.

1. **Government-Wide Financial Statements**

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

The Statement of Activities reflects the degree to which the direct expenses of a given function are 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 given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the fiduciary funds are excluded from the government-wide financial statements. The General Fund and the County Road Construction Fund meets the criteria as major governmental funds. Each major fund is reported in separate columns in the fund financial statements. Non-major funds include the Library Construction Fund, Law Enforcement Fund and the E-911 fund. The combined amounts for these funds are reflected in a single column in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances.

The following is a brief description of the specific funds used by the County.

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities are reported as fund balance. The following are the County's governmental funds.

Major Governmental Funds:

General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, judicial, public welfare, health services and capital acquisition. The General Fund is considered a major fund.

County Road Construction Fund

The County Road Construction Fund accounts for financial resources to be used for the acquisition or construction of major capital infrastructure other than those financed by proprietary and trust funds.

Proprietary Funds:

Landfill Fund

The Landfill Fund enterprise accounts for activities of the landfill of the County.

Internal Service Fund

The Internal Service Fund is used to account for the financing of employee health insurance. The principal operating revenues of the insurance fund are premiums paid for participating employees. Operating expenses for the fund are claims incurred during the year and an estimate of claims incurred but not reported as of year-end.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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. Major revenue types, which have been accrued, are district clerk and county clerk fees, justice of the peace fees, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Governmental fund level financial statements are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Property taxes are levied prior to September 30, and became delinquent in May. Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

The proprietary funds are accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Assets, Liabilities and Net Position

Cash and Cash Equivalents

Cash and cash equivalents include all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less. Investments in open-ended mutual fund-money market accounts are also considered cash equivalents and reported at the funds current share price.

Inventories

Inventories are accounted for at the lower of cost (first-in, first-out method) or market. Inventories are equally offset by the fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

Accounts and Loans Receivable

Material receivables in governmental funds and governmental activities include revenue accruals such as property tax, grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions that are collectible but not available are deferred. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available at the fund level. In addition, the County holds Wyoming Community Development Authority installment loans for which it collects payments, which are classified as loans receivable.

Proprietary type funds, business-type activities and material receivables consist of all revenues earned at year-end and not yet received.

Prepaid Expenses

Certain prepaid expenses exist year to year depending on the timing of payments to various contracts and services. Therefore, when payment is made for services and/or contracts overlapping fiscal years, a prepaid asset is created. The most common type of expenditure meeting this stipulation is the payment for insurance, technology services or maintenance contracts.

Inter-fund Receivables/Payables

During the course of operations, activity occurs between individual funds for goods provided or services rendered. These receivables and payables are classified as inter-fund receivables/payables in the fund financial statements, and are eliminated in the government-wide statement of net position, except those between the governmental-type activities and business-type activities. Activity that constitutes reimbursement to a fund for expenditures initially made from it, that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other inter-fund activity is reported as operating transfers.

Capital Assets and Depreciation

Capital assets are recorded in the government-wide financial statements. Acquired capital assets are recorded at cost and are defined by the County as assets with an initial individual cost greater than \$5,000. Capital assets are recorded as historical cost. Contributed assets, including those from the federal government, are recorded at estimated fair value on the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are also capitalized. Costs incurred for repairs and maintenance are expensed as incurred. Interest costs, net of interest earned on any invested capital debt proceeds, are capitalized when incurred by proprietary funds.

Assets transferred from use by governmental activities to proprietary funds are recorded at fair value at the date of transfer.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

Capital Assets and Depreciation (Continued)

Buildings and equipment are depreciated using the straight-line method over the following estimated useful lives.

<u>Asset Category</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles	5
Office and computer equipment	5

Accounts Payable

Accounts payable in the governmental and proprietary activities includes the payables recorded by the County at June 30, 2017 related to normal monthly expenditures and capital expenditures for all funds, as is the case with component units.

Accrued Liabilities

Accrued liabilities consist of wages earned by employees through June 30, 2017, which had not yet been paid and related payroll liabilities, such as FICA, retirement and health insurance.

Compensated Absences

The County's policy regarding vacation and other employee benefits is that any such amounts unused at the end of the fiscal year are accrued if the employee's rights to receive compensations are attributable to service already rendered and if it is probable that the County will compensate the employees for these benefits. Sick pay is not paid upon termination. All vacation pay and compensatory time is accrued when incurred in the government-wide and proprietary financial statements.

Deferred Outflows and Inflows – Pension

The reported deferred outflows and inflows of resources consist of the County's proportionate share of the Wyoming Retirements Systems (WRS) deferred outflows and inflows as of December 31, 2016 in connection with pension payments for County employees. In addition, the County reports its contributions to the WRS between January 1, 2017 to June 30, 2017 as deferred outflows of resources.

Long-Term Liabilities

Accounting treatment of long-term debt and other liabilities varies depending upon the source of repayment and the measurement focus applied, and whether the debt is reported in the government-wide or fund financial statements.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

Long-Term Liabilities (Continued)

All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund and component unit resources are reported as liabilities as incurred. The long-term debt consists primarily of accrued compensated absences, liability for claims, and notes payable. This long-term debt is reported net of unamortized premiums, and discounts, if applicable.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

Equity Classifications

1. Government-Wide and Proprietary Fund Financial Statements:

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

2. Governmental Fund Financial Statements:

Governmental fund equity is classified as fund balance. The County reports fund balance in the governmental fund financial statements in one of the following four categories:

- a. Non-Spendable Fund Balances - These fund balances are the net balance of assets and liabilities that are legally or contractually restricted and include items such as prepaid items, inventory, and other items considered “not in spendable form”.
- b. Restricted Fund Balances - These fund balances represent amounts constrained to a specific purpose by their providers, through constitutional provisions, or by enabling legislation.
- d. Assigned Fund Balances - Assigned Fund Balances are the net amounts of assets and liabilities constrained by the intent of the County Commissioners to use them for a specific purpose.
- e. Unassigned Fund Balances - These fund balances represent amounts that have not been restricted, committed or assigned to a specific purpose.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax

The County levies taxes on assessed property within the County. The taxes are levied on the assessed valuation of the prior year according to the tax calendar below. Assessed valuation and tax levies are subject to adjustment for prior years (rebates and supplemental) as controlled by the County or State. The County bills and collects its own property taxes and taxes for all municipalities and political subdivisions within the County. Collections and remittances of these taxes for their taxing districts are accounted for in the respective agency fund of the County.

Property Tax Calendar

August 10	Taxes are levied and become an enforceable lien on properties
September 1	First of two equal installment payments is due
November 10	First installment is delinquent
March 1	Second installment is due
May 10	Second installment is delinquent

Under GAAP, a receivable can be recorded at the earliest of the date of the assessment or the date a lien is placed on the property. Neither of these items occur prior to June 30, 2017 for the purpose of the upcoming 2017 levy. Therefore, property taxes assessed in August of 2016 apply to the fiscal year ended June 30, 2017 and become the basis of the property tax receivable as of June 30, 2017.

The County is permitted by Wyoming State Statute to levy taxes up to 12 mills of assessed valuation for all purposes, exclusive of state revenue, except for payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2017 was 12 mills; accordingly, the County has levied the maximum amount available.

Deficit Fund Balances and Net Position

Wyoming Statutes prohibit the creation of a deficit fund balance in any individual fund of the County. For the year ended June 30, 2017, the Library Board reported a deficit of \$424,125, which was caused primarily by the non-cash liability associated with participating in the Wyoming Retirement System.

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 and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

2. CASH AND INVESTMENTS

Wyoming Statute §9-4-817 authorizes agencies of the State to deposit public funds in financial institutions authorized to conduct business in the State of Wyoming. These deposits must be fully insured by the Federal Deposit Insurance Corporation (FDIC) or secured by a pledge of assets including bonds, debentures and other securities (which by law) the State Treasurer may invest. Alternatively, a depository may pledge to deposits with conventional real estate mortgages and loans connected with mortgages at a ratio of one and one half (1.5:1) of the value of public funds secured by the securities.

At June 30, 2017, all deposits were fully insured with a combination of FDIC insurance and pledged collateral held in the name of the County. All deposits were held by a qualified depository as outlined in State statutes.

3. CAPITAL ASSETS

Capital asset activity related to the primary government for the year ended June 30, 2017 was as follows:

	(Restated)			
	Balance		Transfers/	Balance
	<u>June 30, 2016</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2017</u>
Governmental Activities:				
Capital assets not being depreciated:				
Construction in progress	* \$ 611,174	\$ 136,896	\$ 748,070	\$ -
Land	* 1,963,593	-	-	1,963,593
Intangibles	* 57,547	-	-	57,547
Depreciable capital assets:				
Buildings and improvements	* 41,609,306	743,474	-	42,352,780
Equipment	* 12,095,567	197,245	542,241	11,750,571
Infrastructure	192,759,268	1,541,002	-	194,300,270
Intangibles	* 347,480	-	-	347,480
Total	<u>249,443,935</u>	<u>2,618,617</u>	<u>1,290,311</u>	<u>250,772,241</u>
Less: accumulated depreciation				
Buildings and improvements	* (18,235,122)	(1,339,745)	-	(19,574,867)
Equipment	* (9,314,836)	(1,265,706)	446,212	(10,134,330)
Infrastructure	(161,477,983)	(3,478,795)	-	(164,956,778)
Intangibles	* (347,480)	-	-	(347,480)
Total accumulated depreciation	<u>(189,375,421)</u>	<u>(6,084,246)</u>	<u>446,212</u>	<u>(195,013,455)</u>
Governmental activities capital assets, net	<u>* \$ 60,068,514</u>			<u>\$ 55,758,786</u>

* Certain capital asset balances as of July 1, 2016 were adjusted as a result of the County's continuing effort to improve the accuracy of their fixed asset schedule. See Note 11.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

3. CAPITAL ASSETS (Continued)

	(Restated)			
	Balance		Transfers/ Decrease	Balance
	<u>June 30, 2016</u>	<u>Increase</u>		<u>June 30, 2017</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	* \$ 68,214	\$ -	\$ -	\$ 68,214
Depreciable capital assets:				
Land improvements	* 3,061,873	-	-	3,061,873
Buildings and improvements	1,320,934	-	-	1,320,934
Equipment	* 1,803,498	213,060	332,560	1,683,998
Total	<u>6,254,519</u>	<u>213,060</u>	<u>332,560</u>	<u>6,135,019</u>
Less: accumulated depreciation				
Land improvements	* (1,353,266)	(242,376)	-	(1,595,642)
Buildings and improvements	* (285,797)	(49,663)	-	(335,460)
Equipment	* (1,288,648)	(181,262)	332,560	(1,137,350)
Total accumulated depreciation	<u>(2,927,711)</u>	<u>(473,301)</u>	<u>332,560</u>	<u>(3,068,452)</u>
Business-type activities capital assets, net	<u>\$ 3,326,808</u>			<u>\$ 3,066,567</u>

* Certain capital asset balances as of July 1, 2016 were adjusted as a result of the County's continuing effort to improve the accuracy of their fixed asset schedule. See Note 11.

For the year ended June 30, 2017, depreciation expense was charged to the following activities in the Statement of Activities.

Governmental Activities:

General government	\$ 613,217
Public safety	975,876
Public works	<u>4,676,077</u>
Total depreciation expense - governmental activities	<u>\$ 6,265,170</u>

Business-Type Activities

Landfill	<u>\$ 346,390</u>
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PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

3. CAPITAL ASSETS (Continued)

Capital asset activity related to the discretely presented component units for the year ended June 30, 2017 was as follows:

	Restated			
	Balance		Transfers/	Balance
	July 1, 2016	Increase	Decrease	June 30, 2017
Park County Weed and Pest Control District				
Capital assets not being depreciated				
Land	* \$ 87,500	\$ -	\$ -	\$ 87,500
Depreciable capital assets:				
Buildings and improvements	* 1,054,162	-	-	1,054,162
Equipment	* 504,652	10,219	54,184	460,687
Total	<u>1,581,990</u>	<u>10,219</u>	<u>54,184</u>	<u>1,602,349</u>
Less: accumulated depreciation				
Buildings and improvements	* (147,892)	(22,498)	-	(170,390)
Equipment	* (373,739)	(55,529)	54,184	(375,084)
Total accumulated depreciation	<u>(463,468)</u>	<u>(78,027)</u>	<u>54,184</u>	<u>(545,474)</u>
Component unit capital assets, net	<u>\$ 1,118,522</u>			<u>\$ 1,056,875</u>

* Certain capital asset balances as of July 1, 2016 were adjusted as a result of the County's continuing effort to improve the accuracy of their fixed asset schedule. See Note 11.

	Beginning			Ending
	Balance		Transfers/	Balance
	July 1, 2016	Increase	Decrease	June 30, 2017
Park County Museum Board				
Capital assets not being depreciated				
Artifacts and other collections	* \$ 1,167,992	\$ -	\$ -	\$ 1,167,992
Depreciable capital assets:				
Equipment	* 18,318	-	-	18,318
Total	<u>1,186,310</u>	<u>-</u>	<u>-</u>	<u>1,186,310</u>
Less: accumulated depreciation				
	<u>(16,905)</u>	<u>(365)</u>	<u>-</u>	<u>(17,270)</u>
Component unit capital assets, net	<u>\$ 1,169,405</u>			<u>\$ 1,169,040</u>

* Certain capital asset balances as of July 1, 2016 were adjusted as a result of the County's continuing effort to improve the accuracy of their fixed asset schedule. See Note 11.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

3. CAPITAL ASSETS (Continued)

	Balance July 1, 2016	Increase	Transfers/ Decrease	Balance June 30, 2017
Park County Fair Board				
Depreciable capital assets:				
Buildings and improvements	\$ 1,100,227	\$ -	\$ -	\$ 1,100,227
Machinery and equipment	259,542	28,210	-	287,752
Vehicles	22,392	-	-	22,392
Total	<u>1,382,161</u>	<u>28,210</u>	<u>-</u>	<u>1,410,371</u>
Less: accumulated depreciation				
Buildings and improvements	(910,644)	(9,800)	-	(920,444)
Machinery and equipment	(252,535)	(4,523)	-	(257,058)
Vehicles	(22,392)	-	-	(22,392)
Total accumulated depreciation	<u>(1,185,571)</u>	<u>(14,323)</u>	<u>-</u>	<u>(1,199,894)</u>
Component unit capital assets, net	<u>\$ 196,590</u>			<u>\$ 210,477</u>

	Balance July 1, 2016	Increase	Transfers/ Decrease	Balance June 30, 2017
Park County Library Board				
Capital assets not being depreciated:				
Art work	\$ 8,000	\$ -	\$ -	\$ 8,000
Depreciable capital assets:				
Books and related collections	488,068	-	-	488,068
Machinery and equipment	295,010	5,010	-	300,020
Total	<u>791,078</u>	<u>5,010</u>	<u>-</u>	<u>796,088</u>
Less: accumulated depreciation				
Books and related collections	(439,261)	-	-	(439,261)
Machinery and equipment	(240,815)	(8,213)	-	(249,028)
Total accumulated depreciation	<u>(680,076)</u>	<u>(8,213)</u>	<u>-</u>	<u>(688,289)</u>
Component unit capital assets, net	<u>\$ 111,002</u>			<u>\$ 107,799</u>

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

4. LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2017, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental Activities:					
Tax rebates	\$ 12,225	\$ -	\$ 12,225	\$ -	\$ -
Compensated absences	372,212	23,160	-	395,372	85,292
Incurred but not reported claims	483,434	-	136,832	346,602	346,602
Net pension liability	8,026,326	250,771	-	8,277,097	-
Total	<u>\$ 8,894,197</u>	<u>\$ 273,931</u>	<u>\$ 149,057</u>	<u>\$ 9,019,071</u>	<u>\$ 431,894</u>
Business-Type Activities:					
Loans payable	\$ 3,530,771	\$ 863,977	\$ 38,247	\$ 4,356,501	\$ 4,356,501
Postclosure	3,573,791	-	65,605	3,508,186	-
Compensated absences	33,729	-	311	33,418	8,709
Net pension liability	527,260	-	23,191	504,069	-
Total	<u>\$ 7,665,551</u>	<u>\$ 863,977</u>	<u>\$ 127,354</u>	<u>\$ 8,402,174</u>	<u>\$ 4,365,210</u>

Tax Rebates

This liability stemmed from property valuation changes and was satisfied in fiscal year 2017 by the General Fund.

Compensated Absences

At June 30, 2017, the County's compensated absences liability comprises vacation and compensatory time off. It is the County's policy to record sick leave benefits as an operating expense in the period taken. Employees become eligible for vacation upon hire. Vacation hours accrue as set forth in the following table:

<u>Length of Employment</u>	<u>Hour Accrued</u>
1 st year	4 hours per month
2 - 4 years	8 hours per month
5 - 9 years	10 hours per month
10 years or more	13.34 hours per month

Individual employee vacation accruals are not permitted to exceed 1.5 times an employee's annual vacation benefit.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

4. LONG-TERM LIABILITIES (Continued)

Incurred but Not Reported Claims

The County provides medial related benefits to eligible employees through a self-insured plan, administered by a third-party administrator. The costs of benefits paid, administrative fees and reinsurance premiums are paid through the County's Internal Service Fund which is part of the government-wide financial statements. Under this program the County covers the cost of insurance by paying a third-party administrator for claims in excess of the individual (\$3,000) or family (\$6,000) deductible for each employee. Claims in excess of \$60,000 are covered by stop-loss insurance purchased from a commercial insurance company.

Business-type Activities, Loans Payable

Loan 102:

In July of 2009, the Board of Park County Commissioners entered into an agreement with the State of Wyoming State Loan and Investment Board (SWLIB) to finance improvements at certain landfill sites. Upon completion of the improvements, 50 percent of the initial loan was forgiven. The remaining unpaid balance as of June 30, 2017 is being repaid over a 20-year term with \$248,114 as non-interest bearing and \$347,517 bearing an interest rate of 2.5 percent.

Loan 124:

In April of 2012, the County entered into a second loan agreement with SWLIB to finance the design and construction of landfill final cover systems for solid waste sites in the towns of Meeteetse, Powell, and Clark. Upon completion of the project, an amount up to 50 percent of the loan balance, not to exceed \$2,725,000 will be forgiven and repayment of the unforgiven balance was to commence over a 20-year period. As of June 30, 2017, the loan balance was not in repayment status and a total of \$3,760,870 was outstanding.

The total outstanding balances of both loan 102 and 124 were repaid in October of 2017. The other income associated with the forgiveness of loan 124 will be recognized in fiscal year 2018, the period in which the loan was settled. See Note 12.

Landfill Closure and Post Closure Care Liability

Background

State and federal laws and regulations require the County to place final covers on its landfill sites when they stop receiving waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure.

The total cost of closure and post closure activities are being recognized and accrued on a pro-rata basis as the landfill sites are being utilized and are intended to be fully recognized by the time the landfills are full. Future closure and post closure costs are being estimated based on engineering and cost data as of June 30, 2017. Changes in this future liability are recognized in the operations of the Landfill Enterprise Fund on an annual basis. As of June 30, 2017, \$3,508,186 has been accrued in connection with the cumulative landfill use to date. An additional \$7,073,000 is estimated to be incurred as the remaining estimated capacity is utilized.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

4. LONG-TERM LIABILITIES (Continued)

The cumulative capacity of the County's landfill sites utilized through June 30, 2017 are estimated as follows:

<u>Site Description</u>	<u>Percentage of Capacity Used</u>
Park County Regional Landfill (Cody)	25%
Area A	100%
Phase 1	15.1%
Phase 2	0%
Phase 3	0%
Clark, Municipal Solid Waste (MSW)	100%
Clark, Construction and Demolition (C&D)	11%
Powell, MSW	100%
Powell, C&D	83%
Meeteetse	100%, closed in FY 2010

The Park County Cody landfill consists of four development phases – Area A, and Phases 1 through 3. Area A has received its final cover and all closure costs have been incurred. Furthermore, the total Cody facility liability as of June 30, 2017 is estimated based on 25 percent of the combined facility, including all four sections.

The Clark, MSW landfill is also full and all closure costs have likewise been incurred. However, its consumed capacity is used in the calculation of the total post closure liability for the Clark facility.

5. LEASES

The County owns and maintains an office building whereby it leases office space to multiple leasees with various terms and expiration dates. Lease and rental revenues received in the current year totaled \$578,002. As of June 30, 2017, the future minimum lease revenues from these leases, which have lease terms in excess of one year are as follows:

<u>Year Ended June 30,</u>	<u>Lease Revenue</u>
2018	\$ 561,844
2019	421,174
2020	392,011
2021	106,695
	<u>\$ 1,481,724</u>

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

6. RISK MANAGEMENT

General and Professional Liability Insurance

The County is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; injuries to employees and natural disasters. The County accounts for and finances its risk activities in the General Fund.

The risk of physical asset loss and certain business interruption losses are covered by commercial insurance purchased from independent parties. The County coverage limits (subject to deductibles not in excess of \$250,000) are as follows: general loss limit per occurrence \$1,000,000,000, earthquakes \$25,000,000 per occurrence and annual aggregate, flood \$25,000,000 per occurrence and annual aggregate, boiler and machinery \$100,000,000 per occurrence.

In addition, the County pays into the State Workers Compensation System, a premium based on a rate per covered payroll. This rate is calculated based on accidental history and administrative costs.

7. ECONOMIC DEPENDENCE

The County receives a substantial portion of support from property, sales and other taxes assessed on taxpayers at various levels, and federal agencies and state governments. A significant reduction in this level of support, if this were to occur, may have a material adverse effect on the County's programs, activities and projects.

8. INTERFUND ACTIVITY

Amounts due from and due to other funds as of June 30, 2017 are as follows:

	Due From	Due To
General Fund	\$ 147,287	\$ -
Landfill	-	140,649
E-911	-	6,638
	\$ 147,287	\$ 147,287

Interfund balances represent non-interest bearing amounts owed to or from programs for administrative services rendered and for payments made on behalf of such entities. Amounts are generally due upon demand.

Interfund transfers included a transfer from the landfill to the general fund totaling \$651,162. The County Road Construction fund also transferred \$100,000 to the general fund.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

9. COMMITMENTS AND CONTINGENCIES

In the normal course of operations, the County participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loan agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although management believes that the amount, if any, would not be material to the net position of the County.

10. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM

The County employees participate in either the Public Employee Pension Plan or the Law Enforcement Pension Plan within the Wyoming Retirement System (WYRS or the Plan), which are multiple employer cost sharing defined benefit plans. The Plan provides retirement benefits which cover State of Wyoming, local government and public employees. Current accounting standards require the County to recognize a liability for its proportionate share of the net pension liability. The County's liability is required to be determined on a basis that is consistent with the manner in which contributions to the plan are determined. The County derived their portion of the net pension liability by applying the actual contribution as a percentage of total contributions to the Plan.

The County reports its share of the net pension liability, along with certain pension related deferred inflows and deferred outflows in the County-wide statement of net position. The related current year expense is reported in the County-wide statement of activities. In addition, the County is required to present two additional schedules in the required supplementary information section of this report. These two additional schedules include the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Contributions.

Significant Accounting Policies

For purposes of measuring the net pension liability, deferred inflows and outflows of resources and pension expense, this information has been determined using the same basis as reported by WYRS. Benefit payments are recognized when due and payable in accordance with benefit terms, and investments are reported at fair value.

Determination of Tier 1 versus Tier 2 Employees (Public Employee Plan Only)

Tier 1 employees are those whose first contribution to the Plan on or before September 1, 2012, whereas Tier 2 employees are those whose first contribution to the Plan is after September 1, 2012.

Vesting

Participants are vested within the Plan after 4 years of service constituted by 48 months of service.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

10. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Contributions

As a condition of participation in the Plan, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by Wyoming State Statute and specified by the WYORS Board. Contributions are actuarially determined as an amount that is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. During 2014, House Bill 46 increased the required contributions for participants in the Public Employee’s Pension Plan. The increase took effect July 1, 2015, which changed the total contribution from 15.87 percent to 16.62 percent.

During fiscal year 2017, the Law Enforcement Pension Plan requires a contribution of 17.2 percent of eligible wages.

Benefits

The following is a description of benefits available for participants of the **Public Employee’s Pension Plan**:

Pre-Retirement Death Benefit	Double the participant’s account balance or if the participant was vested, the beneficiary may choose a monthly allowance based on the deceased’s salary, years of service and age of beneficiary.
Service Retirement Tier 1	Full retirement achieved at age 60 or when qualified under Rule 85 (Age Plus years of service total 85). The benefit formula is 2.125 percent multiplied by the number of years of service multiplied by the participants three-years highest average salary for the first 15 years; and 2.25 percent multiplied by the number of years of service multiplied by 3 years’ highest average salary over 15 years.
Service Retirement Tier 2	Full retirement at age 65 or when qualified under Rule 85. The benefit formula two percent multiplied by the number of years of service multiplied by five years’ highest average salary.
Post-Retirement Death Benefits	Depends upon option selected at retirement.
Disability Benefit	Tier 1: Must have at least 10 years of service and be less than age 60. Tier 2: Must have at least 10 years of service and be less than age 65.

The following is a description of benefits available for participants of the **Law Enforcement Pension Plan**:

Pre-Retirement Death Benefit	In scope of service – 62.5 percent of salary plus six percent per child under age 18, payable to spouse not to exceed 100 percent of salary. Out of scope of service – 50 percent of salary plus six percent per child under age 18, payable to spouse not to exceed 100 percent of salary.
Service Retirement	Age 60 with four years of service or at least 20 years of service regardless of age. Formula – 2.5 percent multiplied by the number of years of service multiplied by five years’ highest average salary with a maximum to 75 percent.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

10. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Post-Retirement Death Benefits	Depends upon option selected at retirement.
Disability Benefit	Duty connected – 62.5 percent of salary. Non-duty connected – 50 percent of salary and has 10 years of service.

Actuarial Assumptions

An actuarial valuation of the Plan’s assets and liabilities is performed annually.

Public Employee Pension Plan - An actuarial valuation of the Plan’s assets and net pension liability is performed annually. At the date of the most recent actuarial valuation, January 1, 2017, the fiduciary net position as a percentage of total pension liability increased from 73.40 percent on January 1, 2016 to 73.42 percent on January 1, 2017. The net pension liability as a percentage of covered employee payroll increased from 133.56 percent to 135.59 percent as of January 1, 2016 and 2017, respectively. The net pension liability was \$2.42 billion as of January 1, 2017, which is an increase of \$88.15 million from the prior year.

Law Enforcement Pension Plan - An actuarial valuation of the Plan’s assets and net pension liability is performed annually. At the date of the most recent actuarial valuation, January 1, 2017, the fiduciary net position as a percentage of total pension liability increased from 87.49 percent on January 1, 2016 to 88.11 percent on January 1, 2017. The net pension liability as a percentage of covered employee payroll decreased from 49.95 percent to 48.77 percent as of January 1, 2016 and 2017, respectively. The net pension liability was \$75.5 million as of January 1, 2017, which is an increase of \$371,983 from the prior year.

There have been no changes in the actuarial assumptions and methods since the prior valuation. The actuarial value of assets is based on the fair value of assets with a five-year phase-in of actual investment return in excess of expected investment income, with interest, dividends, and other income recognized immediately. The December 31, 2016 total pension liability was determined using the following assumptions:

Investment rate of return	The Plan assumes a long-term return of 7.75 percent. This investment rate of return is comprised of 4.5 percent net real rate of return and an inflation rate of 3.25 percent.
Projected salary increases	4.25 to 6.00 percent on average including inflation.
Inflation	3.25 percent.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

10. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	Public Employee Pension Plan	Law Enforcement Pension Plan	Public Employee Pension Plan	
Pension expense	<u>\$ 692,296</u>	<u>\$ 211,989</u>	<u>\$ 18,564</u>	
Deferred outflows of resources				
Net difference between expected and actual earning on pension plan investments	\$ 1,312,498	\$ 562,125	\$ 93,800	
Contributions subsequent to the measurement date	<u>424,157</u>	<u>210,621</u>	<u>29,683</u>	
Total deferred outflows of resources	<u>\$ 1,736,655</u>	<u>\$ 772,746</u>	<u>\$ 123,483</u>	
Deferred inflows of resources				
Net difference between expected and actual earning on pension plan investments	<u>\$ 190,230</u>	<u>\$ 43,442</u>	<u>\$ 13,563</u>	
	<u>Component Units</u>			
	<u>Library Board</u>	<u>Museum Board</u>	<u>Weed and Pest Control District</u>	<u>Total</u>
Pension expense	<u>\$ 78,616</u>	<u>\$ 25,156</u>	<u>\$ 54,765</u>	<u>\$ 158,537</u>
Deferred outflows of resources				
Net difference between expected and actual earning on pension plan investments	\$ 219,474	\$ 27,539	\$ 85,746	\$ 332,759
Contributions subsequent to the measurement date	<u>73,389</u>	<u>9,153</u>	<u>28,499</u>	<u>111,041</u>
Total deferred outflows of resources	<u>\$ 292,863</u>	<u>\$ 36,692</u>	<u>\$ 114,245</u>	<u>\$ 443,800</u>
Deferred inflows of resources				
Net difference between expected and actual earning on pension plan investments	<u>\$ 31,805</u>	<u>\$ 3,991</u>	<u>\$ 12,426</u>	<u>\$ 48,222</u>

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2017

10. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

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

The following table sets forth the County's proportionate share of the net pension liability calculated using the Discount Rate of 7.75 percent and what would be if it were calculated using a discount rate that is both one percentage point higher and lower than the current rate:

	1% Decrease (6.75 percent)	Discount Rate (7.75 percent)	1% Increase (8.75 percent)
Public Employee Plan	\$ 10,919,311	\$ 7,602,209	\$ 4,816,160
Law Enforcement Plan	\$ 2,448,133	\$ 1,178,957	\$ 130,868

Other Detailed Information

For more detailed information regarding the Plan see the separately issued 2016 Wyoming Retirement System Comprehensive Annual Financial Report. This report is available at <http://retirement.state.wy.us/default.aspx>.

11. PRIOR PERIOD ADJUSTMENTS

The County recorded certain adjustments related to the reported balance of capital assets as of June 30, 2016 for the government and business-type activities and two of the County's component entities: Weed and Pest Control District and the Museum Board. These adjustments were identified in connection with the County performing an inventory of its capital assets. This resulted in a decrease in capital assets in its governmental activities of \$184,421, an increase of \$132,963 in its business-type activities, an increase to the Weed and Pest District of \$6,160, and a decrease to the Museum Board of \$10,540.

12. SUBSEQUENT EVENTS

Subsequent to the year ended June 30, 2017, the County's loan 124 with the State Land and Investment Board (SLIB) entered into repayment. The County received forgiveness for one half of the loans outstanding balance. The County then paid off both loan 102 and 124 in October of 2017. The subsequent payoff of these loans is the reason for the full amount of outstanding loans with SLIB being classified as current in the County-wide statement of net position.

Otherwise subsequent events have been evaluated through October 19, 2017, the date the financial statements were available to be issued, and there were no matters that materially affect the carrying amounts of assets, liabilities, and fund balance as of June 30, 2017.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

PARK COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
June 30, 2017

	General Fund			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
<u>REVENUES</u>				
Intergovernmental	\$ 4,327,434	\$ 4,327,434	\$ 4,533,320	\$ 205,886
Charges for services	842,980	842,980	775,237	(67,743)
Lease/rental	1,127,563	1,127,563	585,302	(542,261)
Taxes	15,014,537	15,014,537	16,087,163	1,072,626
License and permits	37,000	37,000	46,126	9,126
Interest income	60,000	60,000	17,647	(42,353)
Other	38,550	38,550	31,260	(7,290)
Total revenues	<u>21,448,064</u>	<u>21,448,064</u>	<u>22,076,055</u>	<u>627,991</u>
<u>EXPENDITURES</u>				
General government	10,676,780	10,741,653	10,162,906	578,747
Public works	4,748,839	4,751,435	4,294,154	457,281
Public safety	7,264,115	7,321,983	6,656,805	665,178
Health services	622,364	654,258	571,299	82,959
Total expenditures	<u>23,312,098</u>	<u>23,469,329</u>	<u>21,685,164</u>	<u>1,784,165</u>
Other financing sources:				
Operating transfers in	-	-	751,162	(751,162)
Excess of revenue over (under) expenditures and transfers	<u>(1,864,034)</u>	<u>(2,021,265)</u>	<u>1,142,053</u>	<u>(3,163,318)</u>
Fund balance beginning of year	<u>19,579,888</u>	<u>19,579,888</u>	<u>19,579,888</u>	<u>-</u>
Fund balance end of year	<u>\$ 17,715,854</u>	<u>\$ 17,558,623</u>	<u>\$ 20,721,941</u>	<u>\$ 3,163,318</u>

The notes to financial statements are an integral part of this statement.

SUPPLEMENTAL SECTION

**PARK COUNTY
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017**

	Law Enforcement	E-911	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 38	\$ 407,286	\$ 407,324
Taxes receivable	-	38,681	38,681
Accrued interest	-	-	-
Prepaid items	-	65,081	65,081
Total assets	<u>38</u>	<u>511,048</u>	<u>511,086</u>
<u>LIABILITIES</u>			
Accounts payable	-	2,106	2,106
Due to other funds	-	6,638	6,638
Total liabilities	<u>-</u>	<u>8,744</u>	<u>8,744</u>
<u>FUND BALANCE</u>			
Nonspendable	-	65,081	65,081
Restricted	38	437,223	437,261
Total fund balances	<u>38</u>	<u>502,304</u>	<u>502,342</u>
Total liabilities and fund balances	<u>\$ 38</u>	<u>\$ 511,048</u>	<u>\$ 511,086</u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
COMBINING STATEMENT ACTIVITIES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2017

	Law Enforcement	E-911	Total Nonmajor Governmental Funds
<u>REVENUES</u>			
Taxes	\$ -	\$ 174,108	\$ 174,108
Total revenues	-	174,108	174,108
<u>EXPENDITURES</u>			
Public safety	128	160,024	160,152
Total expenditures	128	160,024	160,152
Excess of revenue over (under) expenditures	(128)	14,084	13,956
FUND BALANCE			
BEGINNING OF YEAR	166	488,220	488,386
FUND BALANCE			
END OF YEAR	<u>\$ 38</u>	<u>\$ 502,304</u>	<u>\$ 502,342</u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2017

	Weed and Pest Control District	Fair Board	Library Board	Museum Board	Parks and Recreation	Total Discretely Presented Component Units
<u>ASSETS</u>						
Cash and cash equivalents	\$ 857,260	\$ 34,586	\$ 203,540	\$ 36,716	\$ 2,683	\$ 1,134,785
Restricted cash	-	-	211,285	-	-	211,285
Accounts receivable	89,351	-	4,269	-	-	93,620
Prepaid	16,643	-	4,576	1,593	-	22,812
Inventories	162,148	-	-	-	-	162,148
Non-depreciable assets	87,500	-	8,000	1,167,992	-	1,263,492
Depreciable assets, net	969,375	210,477	99,799	1,048	-	1,280,699
Total assets	<u>2,182,277</u>	<u>245,063</u>	<u>531,469</u>	<u>1,207,349</u>	<u>2,683</u>	<u>4,168,841</u>
Deferred outflows - pension	<u>114,245</u>	<u>-</u>	<u>292,863</u>	<u>36,692</u>	<u>-</u>	<u>443,800</u>
<u>LIABILITIES</u>						
Accounts payable	49,595	4,717	2,238	-	-	56,550
Accrued salaries and benefits	111	-	-	-	-	111
Compensated absences	23,731	-	27,975	8,937	-	60,643
Net pension liability	463,529	-	1,186,439	148,871	-	1,798,839
Total liabilities	<u>536,966</u>	<u>4,717</u>	<u>1,216,652</u>	<u>157,808</u>	<u>-</u>	<u>1,916,143</u>
Deferred inflows - pension	<u>12,426</u>	<u>-</u>	<u>31,805</u>	<u>3,991</u>	<u>-</u>	<u>48,222</u>
<u>NET POSITION</u>						
Invested in capital assets	1,056,875	210,477	107,799	1,169,040	-	2,544,191
Restricted for:						
Library	-	-	211,285	-	-	211,285
Unrestricted	690,255	29,869	(743,209)	(86,798)	2,683	(107,200)
Total net position	<u>\$ 1,747,130</u>	<u>\$ 240,346</u>	<u>\$ (424,125)</u>	<u>\$ 1,082,242</u>	<u>\$ 2,683</u>	<u>\$ 2,648,276</u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
COMBINING STATEMENT ACTIVITIES
COMPONENT UNITS
June 30, 2017

	Weed and Pest Control District	Fair Board	Library Board	Museum Board	Parks and Recreation	Total Discretely Presented Component Units
REVENUES						
Operating revenues:						
Charges for goods and services	\$ 526,302	\$ 213,359	\$ 92,839	\$ -	\$ 142,584	\$ 975,084
Intergovernmental	251,216	-	-	-	-	251,216
Lease/rental	4,566	-	-	-	-	4,566
Taxes	790,460	88,827	1,540,714	199,404	-	2,619,405
Fines	-	-	9,974	-	-	9,974
Other	471	23,081	5,264	2,534	-	31,350
Total revenues	<u>1,573,015</u>	<u>325,267</u>	<u>1,648,791</u>	<u>201,938</u>	<u>142,584</u>	<u>3,891,595</u>
EXPENSES						
Operating expenses:						
General and administrative	5,990	11,832	95,235	2,204	-	115,261
Operating expense	126,968	212,930	42,970	1,899	177,498	562,265
Advertising/marketing	9,877	27,569	-	-	-	37,446
Payroll	515,488	-	1,018,208	116,958	-	1,650,654
Payroll taxes and benefits	179,960	-	305,325	52,165	-	537,450
Repairs and maintenance	16,964	11,300	6,453	1,741	-	36,458
Travel and training	2,445	-	5,385	748	-	8,578
Contractual	263,902	-	7,740	1,150	-	272,792
Office supplies	14,850	-	10,267	8,619	-	33,736
Utilities	10,809	800	1,231	-	-	12,840
Dues and subscriptions	4,401	375	6,645	-	-	11,421
Insurance	11,776	-	256,304	23,998	-	292,078
Bad debt expense	-	-	-	-	-	-
Professional fees	-	-	1,483	7,800	-	9,283
Equipment	11,113	4,066	26,705	1,861	-	43,745
Cost of goods sold	443,761	-	-	-	-	443,761
Depreciation expense	78,027	14,323	8,213	365	-	100,928
Other	-	-	1,770	2,361	-	4,131
Total operating expenses	<u>1,696,331</u>	<u>283,195</u>	<u>1,793,934</u>	<u>221,869</u>	<u>177,498</u>	<u>4,172,827</u>
Operating income (loss)	<u>(123,316)</u>	<u>42,072</u>	<u>(145,143)</u>	<u>(19,931)</u>	<u>(34,914)</u>	<u>(281,232)</u>
NON-OPERATING REVENUES						
Interest income	5,858	-	-	96	40	5,994
Total non-operating revenues	<u>5,858</u>	<u>-</u>	<u>-</u>	<u>96</u>	<u>40</u>	<u>5,994</u>
Changes in net position	(117,458)	42,072	(145,143)	(19,835)	(34,874)	(275,238)
NET POSITION BEGINNING OF YEAR						
(Restated for Weed and Pest Control District and the Museum Board)	1,864,588	198,274	(278,982)	1,102,077	37,557	2,923,514
NET POSITION ENDING OF YEAR	<u>\$ 1,747,130</u>	<u>\$ 240,346</u>	<u>\$ (424,125)</u>	<u>\$ 1,082,242</u>	<u>\$ 2,683</u>	<u>\$ 2,648,276</u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
WYOMING RETIREMENT SYSTEM
As of December 31, 2016
Last 10 Years *

	2016	2015	2014
Public Employee Pension Plan			
The County's proportionate share of net pension liability	0.390%	0.391%	0.397%
The County's proportionate share of the net pension liability	\$ 9,401,048	\$ 9,104,350	\$ 7,002,492
Covered - employee payroll	\$ 6,967,498	\$ 6,894,671	\$ 6,793,080
Proportionate share of the net pension liability as percentage of covered-employee payroll	134.93%	132.05%	103.08%
Plan fiduciary net position as a percentage of the total pension liability	73.42%	73.40%	79.08%
Law Enforcement Pension Plan			
The County's proportionate share of net pension liability	1.562%	1.720%	1.726%
The County's proportionate share of the net pension liability	\$ 1,178,957	\$ 1,208,516	\$ 508,408
Covered - employee payroll	\$ 2,443,697	\$ 2,548,290	\$ 2,670,820
Proportionate share of the net pension liability as percentage of covered-employee payroll	48.24%	47.42%	19.04%
Plan fiduciary net position as a percentage of the total pension liability	88.11%	87.49%	94.76%

* In accordance with GASB 68, employers are required to disclose a 10 year history of their proportionate share of the "net pension liability" in their RSI. The 10 year schedule will need to be presented prospectively. Accordingly, the schedule presents information only for 2016, 2015 and 2014.

The notes to financial statements are an integral part of this statement.

PARK COUNTY
SCHEDULE OF CONTRIBUTIONS
WYOMING RETIREMENT SYSTEM
As of December 31, 2016
Last 10 Years *

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Public Employee Pension Plan			
Contractually required contribution	\$ 1,157,997	\$ 1,133,578	\$ 1,051,845
Actual contributions in relation to the contractually required contribution	<u>(1,157,997)</u>	<u>(1,133,578)</u>	<u>(1,051,845)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 6,967,498	\$ 6,894,671	\$ 6,793,080
Contributions as a percentage of covered-employee payroll **	16.62%	16.44%	15.5%
Law Enforcement Pension Plan			
Contractually required contribution	\$ 420,315	\$ 438,306	\$ 459,381
Actual contributions in relation to the contractually required contribution	<u>(420,315)</u>	<u>(438,306)</u>	<u>(459,381)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 2,443,697	\$ 2,548,290	\$ 2,670,820
Contributions as a percentage of covered-employee payroll	17.2%	17.2%	17.2%

*Amounts presented are based on the calendar year. Employers are required to report amounts prospectively in this table in future years to show 10 years of information. The schedule above is only for 2016, 2015 and 2014.

**In 2014, House Bill 46 increased contributions from 14.62% to 15.87% effective on September 1, 2014. This bill also provided for an increase, requiring a contribution of 16.62%, to take effect on July 1, 2015.

The notes to financial statements are an integral part of this statement.

PARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2017

Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Justice			
Passed through State of Wyoming Division of Victim Services			
State Victim Assistance Formula Grant	16.575	VA-GX-0067	\$ 32,170
Subtotal U.S. Department of Justice			<u>32,170</u>
U.S. Department of Health and Human Services			
Passed through Wyoming Department of Family Services			
Temporary Assistance for Needy Families (TANF) - CPI	93.558	NA	76,502
Passed through Wyoming Department of Health, Public Health Division			
Public Health Emergency Preparedness Unit	93.069	NA	114,600
Temporary Assistance for Needy Families (TANF)	93.558	NA	18,751
Subtotal U.S. Department of Health and Human Services			<u>209,853</u>
U.S. Department of Homeland Security			
Passed through Wyoming Office of Homeland Security			
Emergency Management Performance Grants	97.042	16-GPD-PAR-EM- GCF16	35,000
Subtotal Homeland Security			<u>35,000</u>
Environmental Protection Agency			
Passed through Wyoming Office of State Land and Investment			
Capitalization Grants for Clean Water State Revolving Fund - Loan 124	66.458	NA	863,977
Subtotal Environmental Protection Agency			<u>863,977</u>
Total Federal Funds Expended			<u><u>\$ 1,141,000</u></u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
NOTES TO THE SCHEDULE OF FEDERAL AWARDS
Year Ended June 30, 2017

General

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal financial assistance programs of the primary government of Park County, Wyoming. The County's reporting entity is described in Note 1 to the County's basic financial statements. All federal financial assistance received by the primary government, which is required to be covered under 2 CFR 200, Cost Principles and Audit Requirements for Federal Awards, is included on the Schedule.

Basis of Accounting

The accompanying SEFA is presented using the modified accrual basis of accounting, which is described in Note 1 to the basic financial statements. The information in the SEFA is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in the SEFA may differ from the amounts presented in, or used in the preparation of the basic financial statements.

For the Clean Water State Revolving Funds Grant, the loan is recognized as proceeds are received and the associated expenses are recognized with the work is performed.

The County has not elected to utilize the 10 percent de minimis indirect cost rate.

Outstanding Federal Loans

The County has the following federal loan obligations as of June 30, 2017:

Capitalization Grant for Clean Water State Revolving Funds – ARRA	CFDA 66.458	\$ 248,114
Capitalization Grant for Clean Water State Revolving Funds	CFDA 66.458	\$ 347,517
Capitalization Grant for Clean Water State Revolving Funds	CFDA 66.458	\$ 3,760,870

OTHER INDEPENDENT AUDITORS' REPORTS

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

To the Board of County Commissioners
Park County, Wyoming

We have audited, in accordance with the 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 business-type activities, the component units, each major fund, and the aggregate remaining fund information of Park County (the County) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 19, 2017.

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.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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*.

Purpose of this Report

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

Carver Florek & James, CPAs

Rock Springs, Wyoming
October 19, 2017

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

To the Board of County Commissioners
Park County, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Park County'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, 2017. The County's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' 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 Part 200, Uniform Guidance 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, 2017.

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.

Carver Flock & James, CPAs

Rock Springs, Wyoming
October 19, 2017

PARK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

SECTION I – Summary of the Auditors’ Results:

An unmodified opinion was issued regarding the financial statements of Park County.

An unmodified report was issued regarding internal control over financial reporting and on compliance and other matters in accordance with Government Auditing Standards. No material noncompliance was identified.

An unmodified report was issued regarding compliance for each major program and on internal control over compliance required by the Uniform Guidance. For the year ended June 30, 2017, the County had one major program, Clean Water State Revolving Fund CFDA 66.458. We did not identify any material noncompliance. No other audit findings were required to be reported. The threshold for Type A programs was \$750,000. The County was determined to be a high-risk auditee.

SECTION II – GAGAS Financial Statement Findings– None Noted

SECTION III – Federal Awards Findings – None Noted

Status of Prior Audit Findings – None Noted