

# Sheridan County, Wyoming

## **FINANCIAL AND COMPLIANCE REPORT YEAR ENDED JUNE 30, 2018**





**SHERIDAN COUNTY, WYOMING**

**FINANCIAL AND COMPLIANCE REPORT**

**Year Ended June 30, 2018**

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Sheridan County, Wyoming

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sheridan County, Wyoming, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Sheridan County, Wyoming's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Memorial Hospital of Sheridan County, which represents 90 percent, 89 percent, and 93 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Memorial Hospital of Sheridan County, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sheridan County, Wyoming, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, infrastructure assets reported using the modified approach, budgetary comparison information, pension schedules, and the schedule of changes in the County's total OPEB liability and related ratios 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.

#### ***Other Supplementary Information and Schedule of Expenditures of Federal Awards***

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

The other supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, procedures performed above, and the report of the other auditors, the other supplementary information as listed in the table of contents and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.



***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018, on our consideration of Sheridan County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheridan County, Wyoming's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Sheridan County, Wyoming's internal control over financial reporting.



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, Wyoming  
December 28, 2018

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# SHERIDAN COUNTY, WYOMING

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2018

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This section of the Sheridan County, Wyoming's annual financial report presents our discussion and analysis of financial performance during the fiscal year ended June 30, 2018. The selected financial data presented was derived from the financial statements of the County, which were audited by Porter, Muirhead, Cornia & Howard, Certified Public Accountants. The Independent Auditor's Report, financial statements and accompanying notes and supplementary information should be read in conjunction with the following discussion.

### ***Financial Highlights***

Sheridan County's total assets and deferred outflows exceeded liabilities and deferred inflows of resources, as of June 30, 2018, by \$76,198,492 (net position). Of this amount \$6,825,969 (unrestricted net position) may be used to meet ongoing obligations, and \$66,808,051 is invested in capital assets, net of related debt.

As of June 30, 2018, the County's governmental funds reported combined fund balances of \$12,590,126. Unassigned fund balance of the combined fund balance was \$2,796,313.

The fund balance for the general fund was \$10,049,839 as of June 30, 2018, with an unassigned fund balance of \$2,796,313

The County participates in the Public Employees' Pension Plan and Law Enforcement Pension Plan, statewide cost-sharing multiple-employer public employee retirement plans administered by the State of Wyoming Retirement System. Implementation of GASB 68 and 71 in fiscal year 2015 required the County to record its proportional share of the overall plan's net unfunded liability. This resulted in reporting a net pension liability of \$6,698,172 and \$6,812,885 as of June 30, 2018 and 2017, respectively. All plan components, including major components of participation, eligibility, investment strategy, benefits structure, contribution rates and plan administration are overseen by the Wyoming Retirement System. The County has no control of the plan elements that affect the net position.

### ***Overview of the Financial Statements***

The discussion and analysis is intended to serve as an introduction to the County's basic financial statements. In general, the purpose of the financial reporting is to provide external parties that read financial statements with information that will help them to make decisions or draw conclusions about an entity. These parties do not always have the same specific objectives. In order to address the needs of as many parties as reasonably possible the County's annual report, in accordance with required reporting standards, consists of five components 1) management's discussion and analysis (this section); 2) government - wide financial statements; 3) fund financial statements, 4) discretely presented component units, and 5) notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

### ***Government - Wide Financial Statements***

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

# SHERIDAN COUNTY, WYOMING

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2018

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

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

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

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

The government - wide financial statements include not only Sheridan County itself, (known as the primary government), but also the following legally separate entities: Weed and Pest Control, Sheridan County Fair, Sheridan County Public Library, and the Sheridan County Hospital. The County is financially accountable for these entities and appoints directors to their boards which require them to be identified as component units of Sheridan County, Wyoming. Financial information for these component units is reported separately from the financial information presented for the primary government itself. Complete financial statements for the Sheridan County Hospital may be obtained from the entity's administrative offices.

### ***Fund Financial Statements***

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

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and change in fund balances. The statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements. All of the County programs are included in the governmental funds, which focus on how cash and other financial assets that can readily be converted to cash flow in and out in a short period of time. For example, amounts reported on the balance sheet include items such as cash and receivables collectable within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid in a short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance. The fund balance generally indicates the amount that can be used to finance next year's activities.

# SHERIDAN COUNTY, WYOMING

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2018

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The operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid in cash, respectively, during the current period or very shortly after the end of the year. Consequently, the governmental funds statements provide a short - term view that helps determine if there are more or fewer financial resources to finance the County's programs. Because this information does not encompass the long - term focus of the government - wide statements, we provide an analysis at the bottom of the balance sheet reconciling the total fund balances to the amount of net position reported in the statement of net position. Also, there is an analysis at the bottom of the statement of revenues, expenditures, and changes in fund balances that reconciles to the change in net position presented in the government - wide statement of activities.

The County presents in separate columns funds that are most significant to the County.

The County uses a proprietary-type enterprise fund to account for its Airport. A proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the County Airport.

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

Notes to the basic financial statements provide additional information that is essential to a full understanding of data provided in the government - wide and fund statements.

Required Supplementary Information is presented concerning the County's General and Capital Projects Funds budgetary schedules, infrastructure assets reported using the modified approach, funding progress for postemployment healthcare plan, and pension schedules. The County adopts an annual budget for all major funds. A budgetary comparison schedule has been provided to demonstrate compliance with General and Capital Projects Funds budget.

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

### ***Government – Wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. The County's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$76,198,492. By far the largest portion of the County's net position (88%) reflects its investment in capital assets. The vast majority of these capital assets are the County's roads, bridges and facilities. These assets are not available for future spending. The County had \$1,210,825 in outstanding debt related to its capital assets. The unrestricted net position of \$6,825,969 (9%) may be used to meet the County's ongoing obligations.

**SHERIDAN COUNTY, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)

June 30, 2018

The County's net position for the governmental activities as of June 30, 2018 was as follows:

	<u>2018</u>	<u>Variance</u>	<u>2017</u>
<b>ASSETS</b>			
Current assets	\$ 22,872,654	\$ 1,915,865	\$ 20,956,789
Capital assets, net of accumulated depreciation	52,070,284	(370,104)	52,440,388
Total assets	<u>74,942,938</u>	<u>1,545,761</u>	<u>73,397,177</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>2,499,769</u>	<u>453,688</u>	<u>2,046,081</u>
<b>LIABILITIES</b>			
Current liabilities	2,677,925	886,408	1,791,517
Due in more than one year	1,273,721	(1,540,367)	2,814,088
Net pension liability	6,201,969	(92,281)	6,294,250
Total liabilities	<u>10,153,615</u>	<u>(746,240)</u>	<u>10,899,855</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
	<u>7,179,003</u>	<u>1,422,707</u>	<u>5,756,296</u>
<b>NET POSITION</b>			
Net investments in capital			
assets	50,859,459	(24,413)	50,883,872
Restricted	2,564,472	896,842	1,667,630
Unrestricted	6,686,158	450,553	6,235,605
Total net position	<u>\$ 60,110,089</u>	<u>\$ 1,322,982</u>	<u>\$ 58,787,107</u>

The County's net position for the business-type activities as of June 30, 2018 was as follows:

	<u>2018</u>	<u>Variance</u>	<u>2017</u>
<b>ASSETS</b>			
Current assets	\$ 955,408	\$ (117,559)	\$ 1,072,967
Capital assets, net of accumulated depreciation	17,783,944	(1,095,021)	18,878,965
Total assets	<u>18,739,352</u>	<u>(1,212,580)</u>	<u>19,951,932</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>154,561</u>	<u>10,713</u>	<u>143,848</u>
<b>LIABILITIES</b>			
Current liabilities	222,689	26,513	196,176
Due in more than one year	1,970,968	(147,904)	2,118,872
Net pension liability	496,203	(22,432)	518,635
Total liabilities	<u>2,689,860</u>	<u>(143,823)</u>	<u>2,833,683</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
	<u>115,650</u>	<u>78,572</u>	<u>37,078</u>
<b>NET POSITION</b>			
Net investments in capital			
assets	15,948,592	(944,929)	16,893,521
Unrestricted	139,811	(191,687)	331,498
Total net position	<u>\$ 16,088,403</u>	<u>\$ (1,136,616)</u>	<u>\$ 17,225,019</u>

**SHERIDAN COUNTY, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)

June 30, 2018

The following schedule details the changes in net position for the County's governmental activities:

Revenues	2018	Percentage	2017	Percentage	Variance
<b>General</b>					
Taxes	\$15,394,928	73.04%	\$14,413,632	70.58%	\$ 981,296
Payments in lieu of taxes	1,128,964	5.36%	999,320	4.89%	129,644
Investment income	90,261	0.43%	64,390	0.32%	25,871
Miscellaneous revenue	505,732	2.40%	382,435	1.87%	123,297
Other grants and contributions	1,275,079	6.05%	1,158,134	5.67%	116,945
<b>Program Revenues</b>				<b>0.00%</b>	<b>-</b>
Charges for services	1,269,781	6.01%	2,170,877	10.63%	(901,096)
Operating grants and contributions	1,333,541	6.33%	1,218,231	5.96%	115,310
Capital grants contributions	79,460	0.38%	20,208	0.10%	59,252
<b>Total revenues</b>	<b>21,077,746</b>	<b>100.01%</b>	<b>20,427,227</b>	<b>100.00%</b>	<b>650,519</b>
<b>Expenses</b>					
General government	9,453,910	47.71%	9,264,966	47.51%	188,944
Public safety	5,096,223	25.71%	4,826,645	24.75%	269,578
Public works	2,328,396	11.75%	1,936,254	9.93%	392,142
Health, welfare, and recreation	1,137,492	5.74%	1,017,348	5.22%	120,144
Conservation of natural resources	150,224	0.76%	177,939	0.91%	(27,715)
Capital outlay	1,610,205	8.13%	2,230,973	11.44%	(620,768)
Interest on long-term debt	40,164	0.20%	47,703	0.24%	(7,539)
<b>Total expenses</b>	<b>19,816,614</b>	<b>100.01%</b>	<b>19,501,828</b>	<b>99.99%</b>	<b>314,786</b>
Excess of revenue over expenses before transfers	1,261,132		925,399		335,733
Transfers (out)	(436,632)		(450,810)		14,178
	(436,632)		(450,810)		
Changes in net position	824,500		474,589		\$ 349,911
Net position, beginning of year	58,787,107		58,312,518		
Prior period adjustment	498,482		-		
Net position, beginning of year, as restated	59,285,589		58,312,518		
Net position, end of year	\$60,110,089		\$58,787,107		

The main elements of the change in net position relate to an increase in tax revenue and a decrease in capital outlay expense.

**SHERIDAN COUNTY, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)

June 30, 2018

The following schedule details the changes in net position for the County's business-type activities related to the Sheridan County Airport:

Revenues	2018	Percentage	2017	Percentage	Variance
General					
Taxes	\$ 71,235	5.85%	\$ 76,306	5.09%	\$ (5,071)
Investment income	8,976	0.74%	3,818	0.25%	5,158
Miscellaneous	-	0.00%	-	0.00%	-
Program Revenues					
Charges for services	618,444	50.82%	511,223	34.07%	107,221
Operating grants and contributions	19,935	1.65%	394,569	26.29%	(374,634)
Capital grants and contributions	498,389	40.95%	514,672	34.30%	(16,283)
Total revenues	<u>1,216,979</u>	<u>100.00%</u>	<u>1,500,588</u>	<u>100.00%</u>	<u>(283,609)</u>
Expenses					
County Airport	<u>2,759,276</u>	<u>100.00%</u>	<u>3,264,726</u>	<u>100.00%</u>	<u>(505,450)</u>
Total expenses	<u>2,759,276</u>	<u>100.00%</u>	<u>3,264,726</u>	<u>100.00%</u>	<u>(505,450)</u>
Deficiency of revenue over expenses before transfers	(1,542,297)		(1,764,138)		221,841
Transfer in	<u>436,632</u>		<u>450,810</u>		<u>(14,178)</u>
Changes in net position	(1,105,665)		(1,313,328)		<u>\$ 207,663</u>
Net position, beginning of year	17,225,019		18,538,347		
Prior period adjustment	(30,951)		-		
Net position, beginning of year, as restated	17,194,068		18,538,347		
Net position, end of year	<u><u>\$16,088,403</u></u>		<u><u>\$17,225,019</u></u>		

***Financial Analysis of the County's Funds***

The County's activities are contained in the General, Road Construction, and Capital Facilities Tax funds. As previously mentioned the focus of the County's governmental funds is to provide information on the near - term inflows, outflows and balances of expendable resources.

At June 30, 2018, the County's governmental funds reported combined fund balances of \$12,590,126.

The General Fund is the main operating fund of the County. As of June 30, 2018, the total fund balance was \$10,049,839 while the unassigned General Fund balance was \$2,796,313.



**SHERIDAN COUNTY, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)

June 30, 2018

The Capital Facilities Tax Fund is used to account for the acquisition, construction and maintenance of major capital facilities and roads other than those financed by the general fund. As of June 30, 2018, the Capital Facilities Tax Fund shows a fund balance of \$1,180,404.

The County Road Construction Fund is used to account for the acquisition, construction and maintenance of the County's roads and bridges. As of June 30, 2018, the County's Road Construction Fund shows a fund balance of \$1,359,883.

Revenues for governmental funds were approximately \$21.3 million for the fiscal year ended June 30, 2018. The following schedule presents revenues by source.

Revenues	2018	Percentage	2017	Percentage	Variance
Taxes	\$ 8,550,842	40.00%	\$ 8,252,313	41.03%	\$ 298,529
Licenses and permits	268,032	1.25%	247,164	1.23%	20,868
Intergovernmental revenues	11,248,713	52.62%	10,281,108	51.12%	967,605
Charges for services	1,035,136	4.84%	1,176,260	5.85%	(141,124)
Investment income	78,226	0.37%	58,648	0.29%	19,578
Miscellaneous revenues	197,310	0.92%	97,933	0.49%	99,377
<b>Total revenues</b>	<b>\$21,378,259</b>	<b>99.99%</b>	<b>\$20,113,426</b>	<b>100.01%</b>	<b>\$ 1,264,833</b>

Expenditures for governmental funds were approximately \$18.8 million for fiscal year 2018.

The following schedule presents expenditures by activities.

	2018	Percentage	2017	Percentage	Variance
<b>Current</b>					
General government	\$ 8,042,141	42.60%	\$ 8,157,698	40.58%	\$ (115,557)
Public safety	4,696,053	24.88%	4,822,603	23.99%	(126,550)
Public works	1,951,833	10.34%	1,593,082	7.92%	358,751
Health, welfare and recreation	1,108,249	5.87%	994,314	4.95%	113,935
Conservation of natural resources	143,782	0.76%	171,331	0.85%	(27,549)
<b>Debt Service</b>					
Principal	345,694	1.83%	520,772	2.59%	(175,078)
Interest	40,164	0.21%	47,703	0.24%	(7,539)
Capital outlay	2,549,202	13.50%	3,798,369	18.89%	(1,249,167)
<b>Total expenditures</b>	<b>\$18,877,118</b>	<b>100.00%</b>	<b>\$20,105,872</b>	<b>100.01%</b>	<b>\$ (1,228,754)</b>

Funds were transferred from the General Fund to the Capital Facilities Tax Fund to reimburse the Capital Facilities Tax Fund for grant related revenues attributed to construction expenses paid by the Capital Facilities Tax Fund. Funds were also transferred from the County Road Construction (SCRF) to the Capital Facilities Tax Fund to reimburse the Capital Facilities Tax Fund for road related construction projects paid by the Capital Facilities Tax Fund.

**SHERIDAN COUNTY, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)

June 30, 2018

***Capital Assets and Debt Administration***

The County's capital assets for its governmental activities as of June 30, 2018 were approximately \$52 million (net of accumulated depreciation). This investment in capital assets includes infrastructure (consisting of land, roadways and bridges), land, site improvements, buildings and equipment. The total decrease in the County's investment in capital assets for the current fiscal year was less than 1 percent.

The schedule below shows the changes in capital assets for governmental activities during the year:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 963,317	\$ -	\$ -	\$ 963,317
Infrastructure	34,729,246	1,090,797	-	35,820,043
Construction in progress	632,393	662,073	1,237,688	56,778
Total capital assets not being depreciated	<u>36,324,956</u>	<u>1,752,870</u>	<u>1,237,688</u>	<u>36,840,138</u>
Capital assets being depreciated				
Land improvements	815,568	-	-	815,568
Buildings and building improvements	25,828,584	146,891	-	25,975,475
Equipment	5,546,112	207,594	-	5,753,706
Furnishings, computer equipment and software	3,011,129	32,768	-	3,043,897
Vehicles	1,334,025	146,897	112,104	1,368,818
Total capital assets being depreciated	<u>36,535,418</u>	<u>534,150</u>	<u>112,104</u>	<u>36,957,464</u>
Less accumulated depreciation for				
Land improvements	553,530	57,028	-	610,558
Buildings and building improvements	11,235,954	811,548	-	12,047,502
Equipment	4,843,390	334,160	-	5,177,550
Furnishings, computer equipment and software	2,750,495	79,809	-	2,830,304
Vehicles	1,036,617	136,891	112,104	1,061,404
Total accumulated depreciation	<u>20,419,986</u>	<u>1,419,436</u>	<u>112,104</u>	<u>21,727,318</u>
Total capital assets, being depreciated, net	<u>16,115,432</u>	<u>(885,286)</u>	<u>-</u>	<u>15,230,146</u>
Governmental activities, capital assets, net	<u>\$ 52,440,388</u>	<u>\$ 867,584</u>	<u>\$ 1,237,688</u>	<u>\$ 52,070,284</u>

**SHERIDAN COUNTY, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)

June 30, 2018

Major capital asset events during the current fiscal year included the following:

- Historic Courthouse Chiller Upgrade
- County Road Projects
- Construction in progress as of the end of the current fiscal year was \$141,740 for Sheridan County. This amount included approximately \$56,778 in costs related to the County road and bridges, and \$84,962 in airport related projects.

The County's infrastructure assets are recorded at historical cost in the government – wide financial statements as required by GASB statement No. 34. Effective July 1, 2008, the County elected to use the modified approach for infrastructure reporting, and therefore, does not depreciate its infrastructure assets. The infrastructure consists of a road and bridge system.

The County manages its road network by assessing the condition of all County roads annually with an assessment system developed by the County. The roads are rated as being in standard or substandard condition. To be rated standard, paved roads are not expected to need major repairs for another 10 to 20 years. Paved roads rated substandard need major repairs within 0 to 10 years. To be rated standard, gravel roads are not expected to need major repairs for at least 5 to 10 years. Gravel roads rated substandard are expected to need major repairs within 0 to 5 years due to not having the proper structural base.

It is the County's policy to maintain its paved roads with at least 33% rated as standard and to maintain its gravel roads with at least 33% rated as standard. The number of miles of paved and gravel rated standard and substandard are as follows:

2018 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard	19.00	74%	321	75%	-	0%
Sub-standard	6.80	26%	120	25%	-	0%
Unimproved	-	0%	-	0%	74	100%
	<u>25.80</u>	<u>100%</u>	<u>441</u>	<u>100%</u>	<u>74</u>	<u>100%</u>

The County manages its bridge system using a modified approach. The County's bridges are classified in three categories. Those at 80 % to 100% Sufficiency Rating as acceptable and needing no repair, 50% to 80% Sufficiency Rating needing some repair and less than 50% Sufficiency Rating needing major repairs.

**SHERIDAN COUNTY, WYOMING**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Unaudited)

June 30, 2018

The schedule below shows the changes in capital assets for business-type activities during the year:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,125,806	\$ -	\$ -	\$ 1,125,806
Construction in progress	24,072	616,577	555,687	84,962
Total capital assets not being depreciated	<u>1,149,878</u>	<u>616,577</u>	<u>555,687</u>	<u>1,210,768</u>
Capital assets being depreciated				
Buildings, building improvements and runways	44,669,187	-	-	44,669,187
Equipment	2,618,129	592,186	-	3,210,315
Total capital assets being depreciated	<u>47,287,316</u>	<u>592,186</u>	<u>-</u>	<u>47,879,502</u>
Less accumulated depreciation for:				
Buildings, building improvements and runways	28,223,946	1,576,336	-	29,800,282
Equipment	1,334,283	171,761	-	1,506,044
Total accumulated depreciation	<u>29,558,229</u>	<u>1,748,097</u>	<u>-</u>	<u>31,306,326</u>
Total capital assets, being depreciated, net	<u>17,729,087</u>	<u>(1,155,911)</u>	<u>-</u>	<u>16,573,176</u>
Capital assets, net	<u>\$ 18,878,965</u>	<u>\$ (539,334)</u>	<u>\$ 555,687</u>	<u>\$ 17,783,944</u>

Additional information on the Sheridan County's capital assets can be found in Note 6 of this report.

***Budget information***

The Board of County Commissioners developed the FY18 Budget with the following assumptions: there would be an expectation of FY18 PILT funding but no SRS funding; state and local revenues would be comparable to the prior fiscal year; health insurance benefit costs would decrease while others would remain the same; employee wage compensation would not increase, staff levels would remain the same as FY17; carryover cash or reserves would be utilized to balance the budget for air service and capital projects; and County services would continue to be provided at a high level of quality. These assumptions are addressed in the budget as proposed. The board approved two amendments to the fiscal year budget. Transfers in the general fund that include; grant department, county clerk's office, county treasurer's office, county attorney's office, emergency management department, administration department, capital improvement department, 1% optional tax department, and E-911 department. The capital facilities tax road fund and the county employee health benefit fund were also amended. Adjustments were made in operating expenses in the general fund to appropriate \$419,145 in unanticipated grant expenses, and \$404,840 in unanticipated grant revenues. In addition, adjustments were made in operating expenses of \$10,105 for the county treasurer, \$23,020 for the county clerk, \$32,295 for the county attorney, \$8,900 for the emergency management department, \$11,560 for the administration department, and \$145,000 for the capital improvement department.

# SHERIDAN COUNTY, WYOMING

## MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2018

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General fund tax revenue was adjusted by \$570,555 to offset the unanticipated expenses in the general fund. Adjustments were made in the 1% optional tax budget to appropriate \$187,635 in expenses and \$189,300 in revenue. Adjustments were made in the E-911 department to appropriate \$2,120 in expenses and \$10,000 in revenue. Adjustments were made in the capital facilities tax fund to appropriate \$651,000 in revenue. Adjustments were made in the employee health benefit plan of to appropriate \$210,000 in expenses and \$132,000 in revenue.

### ***Economic Factors and Next Year's Budget and Rates***

User fees and other County revenue sources are not expected to increase or decrease significantly.

### ***Long-term Debt***

At the end of the current fiscal year, Sheridan County had debt of \$860,625 from a note payable and \$2,100,000 from Airport Revenue Bonds. These funds have been used to finance the Sheridan County Detention Facility and improvements at the Airport. In addition the County has a SRF loan in the amount of \$224,649 for water line improvements at the Airport. In 2012, the state discovered that the sales and use tax have not been reported in the proper jurisdiction resulting in Sheridan County having to repay \$461,067 of previously received sales and use tax to the state. As of June 30, 2018 the amount owed to the state had been paid in full. As of June 30, 2018, Sheridan County had outstanding capital leases of \$125,551 which represent the remaining amounts due on various equipment purchases. The County also has long-term debt related to the incurred but not reported health claims, reclamation liabilities, OPEB, and amounts due to employees for accrued compensated absences.

In the fiscal year 2015 the County implemented GASB 68 and 71 and recorded its proportional share of the State of Wyoming Retirement System plan's net position, the statewide cost-sharing multiple-employer public employee retirement plan. This resulted in recording a net pension liability of \$6,698,172 and \$6,812,885 as of June 30, 2018 and 2017, respectively.

### ***Conclusion***

The above discussion and analysis is presented to provide additional information regarding the activities of the County and also to meet the disclosure requirements of GASB Statement No. 34. We believe that all requirements of GASB Statement No. 34 have been met as it applies to the County. This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. If you have questions about the report or need additional financial information, contact Sheridan County's Administrative Director at 224 South Main Street, Sheridan, Wyoming 82801-4855.

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**BASIC FINANCIAL STATEMENT**

**SHERIDAN COUNTY, WYOMING**

STATEMENT OF NET POSITION  
June 30, 2018

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,762,324	\$ 200,954	\$ 14,963,278	\$ 2,905,986
Investments	228,675	447,228	675,903	4,367,842
Property taxes receivable	5,647,864	-	5,647,864	196,841
Accounts receivable, net	440,243	39,881	480,124	12,805,404
Other receivables	-	-	-	506,939
Pledges receivable	-	-	-	135,680
Estimated third party payor settlement	-	-	-	1,148,000
Due from other governments	1,764,667	2,697	1,767,364	-
Due from primary government	-	-	-	17,239
Prepaid expenses and other current assets	-	-	-	1,274,219
Inventory	28,881	-	28,881	2,784,376
Investments, long-term	-	-	-	13,979,319
Restricted investments, long-term	-	264,648	264,648	9,367,597
Capital assets not being depreciated	36,840,138	1,210,768	38,050,906	16,932,070
Capital assets being depreciated, net of accumulated depreciation	15,230,146	16,573,176	31,803,322	43,976,999
Other assets, long-term	-	-	-	4,484,807
<b>Total assets</b>	<b>74,942,938</b>	<b>18,739,352</b>	<b>93,682,290</b>	<b>114,883,318</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension items	2,499,769	154,561	2,654,330	383,542
<b>Total deferred outflows of resources</b>	<b>2,499,769</b>	<b>154,561</b>	<b>2,654,330</b>	<b>383,542</b>

(Continued)

See accompanying notes to the financial statements



**SHERIDAN COUNTY, WYOMING**

STATEMENT OF NET POSITION  
June 30, 2018

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		Total
<b>LIABILITIES</b>				
Accounts payable and other liabilities	498,252	41,830	540,082	11,087,437
Due to other governments	900,851	-	900,851	-
Due to third party	-	-	-	-
Unearned revenue	-	-	-	61,343
Noncurrent liabilities				
Due within one year	560,995	150,000	710,995	464,480
Due in more than one year	1,273,721	1,970,968	3,244,689	6,921,904
Net pension liability	6,201,969	496,203	6,698,172	1,278,628
OPEB liability	717,827	30,859	748,686	115,137
<b>Total liabilities</b>	<b>10,153,615</b>	<b>2,689,860</b>	<b>12,843,475</b>	<b>19,928,929</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension items	1,624,857	112,083	1,736,940	291,497
OPEB items	82,343	3,567	85,910	13,179
Unavailable revenue - property taxes	4,830,661	-	4,830,661	-
Unavailable revenue - motor vehicle taxes	641,142	-	641,142	-
<b>Total deferred inflows of resources</b>	<b>7,179,003</b>	<b>115,650</b>	<b>7,294,653</b>	<b>304,676</b>
<b>NET POSITION</b>				
Net investment in capital assets	50,859,459	15,948,592	66,808,051	53,587,621
Restricted by				
Voters	1,151,523	-	1,151,523	-
State statutes	1,412,949	-	1,412,949	-
Donors	-	-	-	8,346,662
Restricted as nonexpendable				
by donors	-	-	-	2,669,023
Unrestricted	6,686,158	139,811	6,825,969	30,429,949
<b>Total net position</b>	<b>\$60,110,089</b>	<b>\$16,088,403</b>	<b>\$76,198,492</b>	<b>\$95,033,255</b>

See accompanying notes to the financial statements

**SHERIDAN COUNTY, WYOMING**

**STATEMENT OF ACTIVITIES**

Year Ended June 30, 2018

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Function/Programs				
Primary government				
Governmental activities				
General government	\$ 9,453,910	\$ 920,458	\$ 371,376	\$ -
Public safety	5,096,223	123,697	597,760	-
Public works	2,328,396	163,401	-	47,460
Health, welfare, and recreation	1,137,492	62,225	321,318	32,000
Conservation of natural resources	150,224	-	43,087	-
Capital outlay	1,610,205	-	-	-
Interest on long-term debt	40,164	-	-	-
Total governmental activities	19,816,614	1,269,781	1,333,541	79,460
Business-type activities				
Airport	2,759,276	618,444	19,935	498,389
Total primary government	\$ 22,575,890	\$ 1,888,225	1,353,476	577,849
Component units	\$102,828,476	\$ 93,780,180	2,218,432	\$ 1,921,697
		General revenues		
		Property taxes		
		Sales taxes		
		Other taxes		
		Grants and contributions not restricted to specific programs		
		Payments in lieu of taxes		
		Unrestricted investment income		
		Contributions to an endowment		
		Miscellaneous revenue		
		Transfers		
		Total general revenues		
		Change in net position		
		Net position, beginning of year		
		Prior period adjustment		
		Net position, beginning of year, as restated		
		Net position, end of year		

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units Totals
Governmental Activities	Business Activity	Total	
\$ (8,162,076)	\$ -	\$ (8,162,076)	\$ -
(4,374,766)	-	(4,374,766)	-
(2,117,535)	-	(2,117,535)	-
(721,949)	-	(721,949)	-
(107,137)	-	(107,137)	-
(1,610,205)	-	(1,610,205)	-
(40,164)	-	(40,164)	-
(17,133,832)	-	(17,133,832)	-
-	(1,622,508)	(1,622,508)	-
(17,133,832)	(1,622,508)	(18,756,340)	-
-	-	-	(4,908,167)
4,848,061	-	4,848,061	1,022,770
4,666,718	-	4,666,718	-
5,880,149	71,235	5,951,384	-
1,275,079	-	1,275,079	-
1,128,964	-	1,128,964	-
90,261	8,976	99,237	1,004,931
-	-	-	1,100
505,732	-	505,732	318,793
(436,632)	436,632	-	-
17,958,332	516,843	18,475,175	2,347,594
824,500	(1,105,665)	(281,165)	(2,560,573)
58,787,107	17,225,019	76,012,126	97,709,308
498,482	(30,951)	467,531	(115,480)
59,285,589	17,194,068	76,479,657	97,593,828
\$ 60,110,089	\$ 16,088,403	\$ 76,198,492	\$ 95,033,255

**SHERIDAN COUNTY, WYOMING**

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2018

	General Fund	Capital Facilities Tax Fund	Road Construction Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,074,115	\$ 1,112,803	\$ 1,318,433	\$ 12,505,351
Investments	228,675	-	-	228,675
Property taxes receivable	5,647,864	-	-	5,647,864
Accounts receivable	367,131	-	-	367,131
Due from other governments	1,125,245	597,972	41,450	1,764,667
Due from other funds	252,122	-	-	252,122
Inventory	-	28,881	-	28,881
Total assets	<u>\$ 17,695,152</u>	<u>\$ 1,739,656</u>	<u>\$ 1,359,883</u>	<u>\$ 20,794,691</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ 411,909	\$ 32,130	\$ -	\$ 444,039
Due to other governments	900,851	-	-	900,851
Due to other funds	-	252,122	-	252,122
Refundable advances	6,290	-	-	6,290
Total liabilities	<u>1,319,050</u>	<u>284,252</u>	<u>-</u>	<u>1,603,302</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	5,587,879	-	-	5,587,879
Unavailable revenue - motor vehicle taxes	641,142	-	-	641,142
Unavailable revenue - other governments	97,242	275,000	-	372,242
Total deferred inflows of resources	<u>6,326,263</u>	<u>275,000</u>	<u>-</u>	<u>6,601,263</u>
<b>Fund Balances</b>				
<b>Nonspendable</b>				
Inventory	-	28,881	-	28,881
<b>Restricted</b>				
Voters resolution	-	1,151,523	-	1,151,523
Wyoming state statutes	53,066	-	1,359,883	1,412,949
<b>Committed</b>				
County resolutions	360,000	-	-	360,000
Assigned	6,840,460	-	-	6,840,460
Unassigned	2,796,313	-	-	2,796,313
Total fund balances	<u>10,049,839</u>	<u>1,180,404</u>	<u>1,359,883</u>	<u>12,590,126</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,695,152</u>	<u>\$ 1,739,656</u>	<u>\$ 1,359,883</u>	<u>\$ 20,794,691</u>

See accompanying notes to the financial statements

**SHERIDAN COUNTY, WYOMING**

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

June 30, 2018

Total fund balances - governmental funds		\$ 12,590,126
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund statements. As capital assets used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in the governmental funds. This is the total capital assets reported in the government-wide statements.		
		52,070,284
Since the focus of governmental fund statements is on short-term financing, some assets will not be available to pay for current expenditures. Those assets are offset by deferred revenue in the governmental funds and are not included in the governmental fund balances.		
Difference in unavailable revenue - property taxes	\$ 757,217	
Unavailable revenue - other governments	372,242	
Deferred outflows of resources - pension items	2,499,769	
Deferred inflows of resources - pension items	(1,624,857)	
Deferred inflows of resources - OPEB items	(82,343)	1,922,028
<hr/>		
Some liabilities exceed the amount that is due and payable in the current period and, therefore, are not fully reported in the governmental funds.		
Capital lease obligations	(125,551)	
Note payable to a bank	(860,625)	
State Revolving Fund loan	(224,649)	
Reclamation and royalties liability	(73,000)	
Other postemployment employee benefits liability current year	(717,827)	
Compensated absences in total	(327,897)	
Pension liability	(6,201,969)	(8,531,518)
<hr/>		
An internal service fund is used by the County's management to charge cost of medical insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the the statement of net position		
		2,059,169
<hr/>		
Net position of governmental activities		<u><u>\$ 60,110,089</u></u>

See accompanying notes to the financial statements

**SHERIDAN COUNTY, WYOMING**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS**

Year Ended June 30, 2018

	General Fund	Capital Facilities Tax Fund	Road Construction Fund	Total
<b>Revenues</b>				
Taxes	\$ 6,742,989	\$ 1,807,853	\$ -	\$ 8,550,842
Licenses and permits	268,032	-	-	268,032
Intergovernmental revenues	9,804,803	832,636	611,274	11,248,713
Charges for services	1,035,136	-	-	1,035,136
Investment income	63,352	14,874	-	78,226
Miscellaneous revenues	197,310	-	-	197,310
Total revenues	<u>18,111,622</u>	<u>2,655,363</u>	<u>611,274</u>	<u>21,378,259</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	8,042,141	-	-	8,042,141
Public safety	4,696,053	-	-	4,696,053
Public works	1,951,833	-	-	1,951,833
Health, welfare and recreation	1,108,249	-	-	1,108,249
Conservation of natural resources	143,782	-	-	143,782
<b>Debt Service</b>				
Principal	345,694	-	-	345,694
Interest	40,164	-	-	40,164
<b>Capital outlay</b>	611,613	1,622,962	314,627	2,549,202
Total expenditures	<u>16,939,529</u>	<u>1,622,962</u>	<u>314,627</u>	<u>18,877,118</u>
Excess of revenues over expenditures	<u>1,172,093</u>	<u>1,032,401</u>	<u>296,647</u>	<u>2,501,141</u>
<b>Other financing sources (uses)</b>				
Proceeds from sale of assets	44,666	-	-	44,666
Transfers in	242,806	-	-	242,806
Transfers out	(436,632)	(252,122)	-	(688,754)
Total other financing sources (uses)	<u>(149,160)</u>	<u>(252,122)</u>	<u>-</u>	<u>(401,282)</u>
Net changes in fund balances	1,022,933	780,279	296,647	2,099,859
Fund balances, beginning of year	9,026,906	400,125	1,063,236	10,490,267
Fund balances, end of year	<u>\$ 10,049,839</u>	<u>\$ 1,180,404</u>	<u>\$ 1,359,883</u>	<u>\$ 12,590,126</u>

See accompanying notes to the financial statements

**SHERIDAN COUNTY, WYOMING**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2018**

Net change in fund balances - total governmental funds		\$ 2,099,859
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These changes are detailed as follows:		
Fixed asset acquisitions expensed in the governmental funds	\$ 2,287,020	
Assets transferred from construction in progress to fixed assets and infrastructure	(1,237,688)	
Depreciation expense for the year	(1,419,436)	(370,104)
Pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Pension plan items - deferred outflows - current year	2,499,769	
Pension plan items - deferred outflows - prior year	(2,046,081)	
Pension plan items - deferred inflows - current year	(1,624,857)	
Pension plan items - deferred inflows - prior year	418,611	
OPEB items - deferred inflows - current year	(82,343)	(834,901)
The issuance of long-term debt (e.g., lease purchase obligations) provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the government-wide changes in net position. This is the net effect of these differences in the treatment of long term-debt, including compensated absences:		
Principal payments on capital lease obligations	178,572	
Principal payment on a note payable with a bank	152,643	
Principal payment on State Revolving Fund loan	14,476	
Compensated absences - prior year	355,750	
Compensated absences - current year	(327,897)	
Liability for OPEB - prior year	719,965	
Liability for OPEB - current year	(717,827)	
Net pension liability - prior year	6,294,250	
Net pension liability - current year	(6,201,969)	467,963
An internal service fund is used by management to charge the costs of medical insurance to individual funds. The net income of certain activities of the internal service fund is reported with governmental activities		
		(181,103)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Unavailable revenue - property and motor vehicle taxes - prior year	(5,421,394)	
Unavailable revenue - property and motor vehicle taxes - current year	5,471,803	
Unavailable revenue - other government - prior year	(779,865)	
Unavailable revenue - other government - current year	372,242	(357,214)
Change in net position of governmental activities		\$ 824,500

See accompanying notes to the financial statements

**SHERIDAN COUNTY, WYOMING**

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2018

	Business-Type Activity Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Governmental Activity Internal Service Fund Sheridan County Health Benefit Plan Fund
<b>ASSETS</b>		
Cash and cash equivalents	\$ 200,954	\$ 2,256,974
Investments	447,228	-
Accounts receivable	39,881	73,112
Due from other governments	2,697	-
Investments restricted by bond covenants	264,648	-
Capital assets not being depreciated	1,210,768	-
Capital assets being depreciated, net of accumulated depreciation	16,573,176	-
Total assets	<u>18,739,352</u>	<u>2,330,086</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pension items	154,561	-
Total deferred outflow of resources	<u>154,561</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	41,830	47,924
Incurred but not reported claims	-	222,993
Current maturity of bonds payable	150,000	-
Total current liabilities	<u>191,830</u>	<u>270,917</u>
Bonds payable, net of current maturity	1,950,000	-
Compensated absences	20,968	-
Net pension liability	496,203	-
OPEB liability	30,859	-
Total long-term liabilities	<u>2,498,030</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Pension Items	112,083	-
OPEB items	3,567	-
Total deferred inflows of resources	<u>115,650</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	15,948,592	-
Unrestricted	139,811	2,059,169
Total net position	<u>\$ 16,088,403</u>	<u>\$ 2,059,169</u>

See accompanying notes to the financial statements



**SHERIDAN COUNTY, WYOMING**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 Year Ended June 30, 2018

	Business-Type Activity Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Governmental Activity Internal Service Fund Sheridan County Health Benefit Plan Fund
Operating revenues		
Charges for services	\$ 618,444	\$ 1,866,271
Operating expenses		
Salaries and benefits	557,988	-
Operating expenses	399,335	453,755
Claims expenses	-	1,614,969
Depreciation	1,748,098	-
Total operating expenses	2,705,421	2,068,724
Operating loss	(2,086,977)	(202,453)
Nonoperating revenues (expense)		
Taxes	29,272	-
Interest income	8,976	12,034
Interest expense	(53,855)	-
Grants	19,935	-
Passenger facility charges pledged as security for revenue bonds	41,963	-
Total nonoperating revenue (expenses)	46,291	12,034
Loss before contributions and transfers	(2,040,686)	(190,419)
Capital contributions - grants	498,389	-
Transfers in	436,632	9,316
Changes in net position	(1,105,665)	(181,103)
Net position, beginning of year	17,225,019	2,240,272
Prior period adjustment	(30,951)	-
Net position, beginning of year, as restated	17,194,068	2,240,272
Net position, end of year	\$ 16,088,403	\$ 2,059,169

See accompanying notes to the financial statements

**SHERIDAN COUNTY, WYOMING**

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
Year Ended June 30, 2018

	Business-Type Activity Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Governmental Activity Internal Service Fund Sheridan County Health Benefit Plan Fund
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 592,919	\$ -
Payments to suppliers	(403,681)	(1,997,134)
Payments to employees	(425,271)	-
Receipts from interfund services provided	-	1,866,271
Payments for interfund services used	(85,286)	-
Net cash used in operating activities	(321,319)	(130,863)
Cash Flows from Noncapital Financing Activities		
Passenger facility charges	41,963	-
Subsidy from tax revenue	29,272	-
Subsidy from state and federal grants	19,935	-
Net cash provided by noncapital financing activities	91,170	-
Cash Flows from Capital and Related Financing Activities		
State and federal capital grants	521,976	-
Transfer from general fund	436,632	9,316
Principal payment on bonds payable	(150,000)	-
Interest paid on bonds and note payable	(53,855)	-
Purchases of property and equipment	(653,077)	-
Net cash provided by capital and related financing activities	101,676	9,316
Cash Flows from Investing Activities		
Interest received	8,884	12,034
Proceeds from sale of investments	13,419	-
Net cash provided by investing activities	22,303	12,034
Net decrease in cash and cash equivalents	(106,170)	(109,513)
Cash and cash equivalents, including \$83,889 of restricted cash for bond funded projects, beginning of year	307,124	2,366,487
Cash and cash equivalents, end of year	\$ 200,954	\$ 2,256,974

(Continued)

See accompanying notes to the financial statements

**SHERIDAN COUNTY, WYOMING**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)**

Year Ended June 30, 2018

	Business-Type Activity Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Governmental Activity Internal Service Fund Sheridan County Health Benefit Plan Fund
Reconciliation of operating loss to net cash used in operating activities		
Loss from operations	\$ (2,086,977)	\$ (202,453)
Adjustments to reconcile operating loss to cash used in operating activities		
Depreciation and amortization	1,748,098	-
Amortization - pension items	62,490	-
Amortization - OPEB items	3,567	-
Increase (decrease) in cash resulting from changes in operating assets and liabilities		
Accounts receivable	(25,525)	(58,977)
Deferred outflows - pension plan items	1,802	-
Accounts payable and accrued liabilities	(4,346)	11,631
Incurred but not reported claims	-	118,936
Compensated absences	2,096	-
Net pension liability	(22,432)	-
OPEB liability	(92)	-
Net cash used in operating activities	\$ (321,319)	\$ (130,863)
Cash paid for interest	\$ 54,470	\$ -

See accompanying notes to the financial statements

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**SHERIDAN COUNTY, WYOMING**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
June 30, 2018**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,565,997
Taxes receivable	26,169,721
Due from other governments	698,057
Total assets	<u>\$ 31,433,775</u>
<b>LIABILITIES</b>	
Due to other taxing units	31,433,775
Total liabilities	<u>\$ 31,433,775</u>

See accompanying notes to the financial statements

**SHERIDAN COUNTY, WYOMING**

COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2018

	Weed and Pest Control District	Sheridan County Fair	Sheridan County Public Library
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,296,819	\$ 518,245	\$ 394,774
Property taxes receivable	196,841	-	-
Accounts receivable, net	39,636	-	-
Other receivables	-	-	-
Pledge receivables	-	-	-
Estimated third party payor settlement	-	-	-
Due from primary government	17,239	-	-
Prepaid items and other current assets	-	-	-
Inventory	199,342	-	-
Investments	-	-	1,239,916
Investments, long-term	-	-	-
Investments, restricted by donors	-	-	1,682,368
Capital assets not being depreciated	-	-	868,461
Capital assets being depreciated, net of accumulated depreciation	746,226	1,807,619	2,882,526
Other assets, long-term	-	-	-
Total assets	<u>2,496,103</u>	<u>2,325,864</u>	<u>7,068,045</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items	71,739	70,044	241,759
Total deferred inflows of resources	<u>71,739</u>	<u>70,044</u>	<u>241,759</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	149,381	1,381	-
Unearned revenue	-	-	-
Noncurrent liabilities			
Due within one year	-	-	-
Due in more than one year	14,574	9,018	41,344
Net pension liability	221,553	240,519	816,556
OPEB Liability	-	31,842	83,295
Total liabilities	<u>385,508</u>	<u>282,760</u>	<u>941,195</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items	57,365	52,611	181,521
OPEB items	-	3,666	9,513
Total deferred inflows of resources	<u>57,365</u>	<u>56,277</u>	<u>191,034</u>
<b>NET POSITION</b>			
Net investment in capital assets	746,226	1,807,619	3,750,987
Restricted for operations and capital acquisitions	-	-	-
Permanently restricted by donors	-	-	1,652,366
Unrestricted	1,378,743	249,252	774,222
Total net position	<u>\$ 2,124,969</u>	<u>\$ 2,056,871</u>	<u>\$ 6,177,575</u>

See accompanying notes to the financial statements

Memorial Hospital of Sheridan County	Total
\$ 696,148	\$ 2,905,986
-	196,841
12,765,768	12,805,404
506,939	506,939
135,680	135,680
1,148,000	1,148,000
-	17,239
1,274,219	1,274,219
2,585,034	2,784,376
3,127,926	4,367,842
13,979,319	13,979,319
7,685,229	9,367,597
16,063,609	16,932,070
38,540,628	43,976,999
4,484,807	4,484,807
<u>102,993,306</u>	<u>114,883,318</u>
-	383,542
<u>-</u>	<u>383,542</u>
10,936,675	11,087,437
61,343	61,343
464,480	464,480
6,856,968	6,921,904
-	1,278,628
	115,137
<u>18,319,466</u>	<u>19,928,929</u>
-	291,497
<u>-</u>	<u>13,179</u>
<u>-</u>	<u>304,676</u>
47,282,789	53,587,621
8,346,662	8,346,662
1,016,657	2,669,023
28,027,732	30,429,949
<u>\$ 84,673,840</u>	<u>\$ 95,033,255</u>

**SHERIDAN COUNTY, WYOMING**

COMBINING STATEMENT OF ACTIVITIES  
DISCRETELY PRESENTED COMPONENT UNITS  
Year Ended June 30, 2018

Component Units	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Weed and Pest Control District	\$ 1,442,877	\$ 257,312	\$ 177,220	\$ -
Sheridan County Fair	574,571	69,204	402,119	-
Sheridan County Public Library	1,616,514	32,860	1,412,343	-
Memorial Hospital of Sheridan County	99,194,514	93,420,804	226,750	1,921,697
	<u>\$ 102,828,476</u>	<u>\$ 93,780,180</u>	<u>\$ 2,218,432</u>	<u>\$ 1,921,697</u>

General Revenues

Property taxes  
Miscellaneous  
Contributions to endowment  
Unrestricted investment earnings  
Total general revenues  
Change in net position

Net position, beginning of year

Prior period adjustment

Net position, beginning of year, as restated

Net position, end of year

See accompanying notes to the financial statements



Net (Expense) Revenue and Changes in Net Position

Weed and Pest Control District	Sheridan County Fair	Sheridan County Public Library	Memorial Hospital of Sheridan County	Totals
\$ (1,008,345)	\$ -	\$ -	\$ -	\$ (1,008,345)
-	(103,248)	-	-	(103,248)
-	-	(171,311)	-	(171,311)
-	-	-	(3,625,263)	(3,625,263)
(1,008,345)	(103,248)	(171,311)	(3,625,263)	(4,908,167)
1,022,770	-	-	-	1,022,770
-	-	102	318,691	318,793
-	-	1,100	-	1,100
14,455	41	165,999	824,436	1,004,931
1,037,225	41	167,201	1,143,127	2,347,594
28,880	(103,207)	(4,110)	(2,482,136)	(2,560,573)
2,096,089	2,192,015	6,265,228	87,155,976	97,709,308
-	(31,937)	(83,543)	-	(115,480)
2,096,089	2,160,078	6,181,685	87,155,976	97,593,828
<u>\$ 2,124,969</u>	<u>\$ 2,056,871</u>	<u>\$ 6,177,575</u>	<u>\$ 84,673,840</u>	<u>\$ 95,033,255</u>

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# SHERIDAN COUNTY, WYOMING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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### **Note 1. Nature of Operations and Significant Accounting Policies**

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

#### ***Financial Reporting Entity***

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

#### ***Blended Component Units***

In compliance with the parameters of Government Accounting Standards Board ("GASB") Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Sheridan County Law Enforcement Center Joint Powers Board is considered a blended component unit of the County. The County owns the assets of the Sheridan County Law Enforcement Center Joint Powers Board and budgets for the expenditures of the Sheridan County Law Enforcement Center Joint Powers Board within its general fund.

#### ***Discretely Presented Component Units***

The columns in the combining statements for major component units include the financial data of the County's discretely presented component units. They are reported in separate columns to emphasize that they are legally separate from the County. The governing boards of all of these component units are appointed by the Board of County Commissioners.

The *Weed and Pest Control District* was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. The District is fiscally dependent upon the County as the Board of Commissioners approves the District's budget and levies taxes (if necessary) on behalf of the District. The Weed and Pest Control District's taxes are levied under the taxing authority of the County and are not included as part of the County's total tax levy. The District does not issue separate external financial statements.

The *Sheridan County Fair* maintains and manages the operations of the County Fair and conducts agricultural, industrial and other fairs and exhibitions within the County. The Fair Board is fiscally dependent upon the County, and the Board of Commissioners must approve any debt issuances. The Fair receives funding from the County's general fund. Funds allocated to the Fair are part of the County's total tax levy. The Fair does not issue separate external financial statements.

The *Sheridan County Public Library* maintains and manages the operations of the County Library and library system. The Library Board is fiscally dependent upon the County and the Board of Commissioners must approve any debt issuances. The Library receives funding from the County's general fund. Funds allocated to the Library are part of the County's total tax levy. The Library does not issue separate external financial statements.

# SHERIDAN COUNTY, WYOMING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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

#### ***Discretely Presented Component Units (Continued)***

In compliance with the parameters of Government Accounting Standards Board (“GASB”) Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Sheridan County Library Foundation has been included as a component unit of the Sheridan County Public Library.

The *Memorial Hospital of Sheridan County* is a public hospital operated as an enterprise fund of Sheridan County, Wyoming, and provides health care for the benefit of the Sheridan, Wyoming community and the surrounding area. The Hospital is a component unit of Sheridan County, Wyoming (the County). The hospital is governed by a board of seven trustees appointed by the Sheridan County Commissioners.

In compliance with the parameters of Government Accounting Standards Board (“GASB”) Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Sheridan County Memorial Hospital Foundation has been included as a component unit of the Memorial Hospital of Sheridan County. The Memorial Hospital of Sheridan County issues separate financial statements.

The Memorial Hospital of Sheridan County Foundation was established to raise funds to support the operation of Memorial Hospital of Sheridan County. The Hospital Foundation’s bylaws provide that funds be used for the purpose specified, if any, by the donor. The Hospital Foundation may also place restrictions on the funds. There are eleven foundation directors, two of whom are required to be Memorial Hospital of Sheridan County representatives. The Hospital Foundation is reported as a discretely presented component unit of the Memorial Hospital of Sheridan County.

#### ***Other Entities***

Under criteria established by Government Accounting Standards Board, the following joint powers boards are considered separate reporting entities and have not been included in the financial statements of the County:

- Sheridan Area Water Supply Joint Powers Board (SAWS). SAWS is included as a discretely presented component unit of City of Sheridan.
- Sheridan Juvenile Justice Commission Joint Powers Board. This Board does not qualify as a component unit of any primary government.

#### ***Government-wide and Fund Financial Statements***

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

# SHERIDAN COUNTY, WYOMING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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

#### ***Government-wide and Fund Financial Statements (Continued)***

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

#### ***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, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

The government reports the following major governmental funds:

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

*Capital Facilities Tax Fund* is a special revenue fund and is used to account for major construction and maintenance projects funded by the capital facilities tax approved by the voters.

*Road Construction Fund* is a capital project fund and is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The government reports the following major proprietary funds:

The *Sheridan County Airport Fund* is a facility which provides air travel and freight services to all the citizens of the County.

The *Sheridan County Health Benefit Plan Fund* accounts for the transactions of the County's self-funded health plan.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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

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

Additionally, the government reports the following fund types:

The *agency funds* are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

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

***Cash and Cash Equivalents***

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

***Investments and Restricted Investments***

The County follows the guidelines described in Wyoming Statute 9-4-831 as it relates to the investment of public funds. Among the authorized investments are certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, repurchase agreements involving U.S. Government securities, and authorized government investment pools. WYO-STAR is an authorized government investment pool offered exclusively to Wyoming governmental entities by Wyoming State Treasurer's Office. The value of the County's investments in WYO-STAR equals the value of its WYO-STAR shares. Each participant's position in the WYO-STAR investment pool is calculated by the proportion of the cost of their contribution to the total funds invested in the pool multiplied by the pools total fair value as of any specific date. The non-profit foundation component units of the Library and Memorial Hospital of Sheridan County have their own investment policies which allow investments in mutual funds, corporate bonds, and equities as they are not governed by Wyoming Statute 9-4-831.

The County has investments restricted by bond covenants for reserves and the Library and Memorial Hospital of Sheridan County component units have investments restricted by donors.

***Interfund Balances, Receivables and Payables***

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

Any advances between funds, as may be reported in the fund financial statements, may be offset by a nonspendable fund balance in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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

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

***Receivables and Payables (Continued)***

The Memorial Hospital of Sheridan County provides an allowance for uncollectible accounts using management's judgement. Patients are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice or claim submitted. Accounts more than 180 days past due are individually analyzed for collectability. Amounts for which no payments have been received are written off using management's judgement on a per account basis. In addition, an allowance is estimated for other accounts based on historical data. At June 30, 2018, the Hospital's allowance for uncollectible accounts was approximately \$9,402,000.

***Inventory***

Inventories are stated at the lower of cost (first-in, first-out method) or market. Inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to expense when consumed or sold.

***Endowments***

Restricted nonexpendable net position as of June 30, 2018 represents the principal of permanent endowments restricted in perpetuity by donors given to the foundations of the Library and Memorial Hospital of Sheridan County. Investment earnings, except for changes in fair market value, are expendable for specific purposes designated by the donors.

***Capital Assets***

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

	<u>Years</u>
Primary Government	
Land improvements	20
Buildings, building improvements and runways	20 - 40
Equipment	10 - 15
Furnishings, computer equipment and software	5 - 10
Vehicles	5
Component Units	
Land improvements	20-25
Buildings and improvements	5-40
Furnishings and computer equipment	3 - 15
Equipment	3-20
Library collection	2 - 5
Vehicles	5

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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

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

*Capital Assets (Continued)*

In accordance with the alternative approach to depreciating infrastructure assets permitted by GASB Statement No. 34, the County has elected to expense all infrastructure related expenditures, except for those expenditures related to additions to or significant improvement of infrastructure assets, in lieu of depreciating infrastructure assets. In order to utilize the alternative system, the County must maintain an asset management system which assesses asset condition and must maintain infrastructure assets at the condition level established by the County. Capital asset purchases are accounted for as expenditures of the general fund and road construction fund in the governmental fund financial statements. Other costs for repairs and maintenance are accounted for as expenditures as incurred.

*Impairment of Long-Lived Assets*

Management periodically reviews the carrying value of long-lived assets for potential impairment by comparing the carrying value of these assets to the estimated undiscounted future cash flows expected to result from the use of these assets. Should the sum of the related expected future net cash flows be less than the carrying value, an impairment loss would be recognized. There was no impairment recorded in 2018.

*Investment in Joint Ventures*

The Memorial Hospital of Sheridan County has investment in joint ventures which are accounted for using the equity method of accounting. Under the equity method, the Hospital recognizes the original investment in the joint venture adjusted by the Hospital's percentage of the joint venture's profit or loss and any contributions or distributions.

*Property Taxes*

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied on or about August 1, and are due in two installments. The first becomes due on September 1 and delinquent on November 10; the second becomes due on March 1 and delinquent on May 11. The County's property tax revenues are recognized when levied to the extent that they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period. Property taxes which are not current receivables are offset by deferred revenues on the fund financials, but are reported on the government-wide financial statements as revenues and receivables, with no amount being deferred. Property taxes receivable are recognized as of the lien date; however, revenue is not recognized until the levy date. The County is permitted by Wyoming Statutes to levy taxes up to 12 mills of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2018, was 12 mills, which means the County has levied to the maximum amount available.



**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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

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

*Deferred Outflows and Deferred Inflows of Resources*

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

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

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

*Pensions*

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

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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

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

***Major Taxpayers***

The County's 10 largest taxpayers account for approximately 7% of the County's total assessed property valuation. Five of the 10 taxpayers are involved in mineral extraction industries. The remaining taxpayers represent utility, railway, and agriculture industries. The County received approximately 1% of its total revenues from these taxpayers.

***Compensated Absences***

All regular, full-time employees are entitled to vacation leave and all regular part-time employees accumulate vacation leave on a prorated basis. Non-exempt employees accumulate vacation leave hours monthly based on number of years of service with the County. Exempt employees earn 14 hours per month. Employees will be paid for the unused vacation leave up to a maximum of 192 accumulated hours. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirement.

Regular employees accrue one day per month of sick leave; however, none of the accumulated sick leave will be paid upon termination of employment. The contingent liability for the primary government's unvested amount of sick leave as of June 30, 2018 was approximately \$810,803.

Memorial Hospital of Sheridan County's policies permits most employees to accumulate paid time-off benefits. Expense and related liability are recognized as benefits when earned. Accrued vacation liabilities are computed using the regular pay rates in effect at the statement of net position date.

***Short-term Financing***

The County did not issue any tax anticipation notes or use any other type of short-term financing for the year ended June 30, 2018.

***Fund Equity***

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form or legal restrictions. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the County Commission, the highest level of authority, through approval of resolutions. Assigned fund balances express the intent of the County, as designated by the County Commission, to utilize the funds for specific purpose. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes. Proprietary fund equity is classified the same as in the government-wide statements.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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

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

*Fund Equity (Continued)*

When both restricted and unrestricted fund balances are available for use, it is the County's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

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

Certain resources of the Memorial Hospital of Sheridan County are set aside and classified as restricted assets on the balance sheet because their use is limited by applicable restrictions. Restricted net position is used to differentiate resources, the uses of which are restricted by donors or grantors, from unrestricted net position on which donors or grantors place no restriction or that arise as a result of the operations of the Memorial Hospital of Sheridan County for its stated purposes. Restricted gifts and other restricted resources are recorded as additions to the appropriate restricted net asset accounts.

Resources restricted by donors for plant replacement and expansion and capital debt requirements are added to unrestricted net position to the extent expended within the period. Resources restricted by donors or grantors for specific operating purposes are reported in other revenue to the extent used within the period.

When both restricted and unrestricted resources available to finance various programs, the policy is to use restricted resources before unrestricted resources.

***Restricted Resources***

When both restricted and unrestricted resources are available to finance various programs, the County's policy is to use restricted resources before unrestricted resources.

***Budget***

The County Commissioners annually adopt a budget and approve the related appropriations for the funds in accordance with provisions of the Wyoming Statutes. Budgets are legally adopted for the Primary Government, Weed and Pest Control District, Sheridan County Fair, Memorial Hospital of Sheridan County and Sheridan County Public Library. Annual appropriated budgets are prepared on a basis of estimated cash receipts and cash disbursements and accounts payable. Unexpended and unencumbered budgeted amounts and budget appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing year. The County Commissioners exercise legal spending control at the department level. Any over-expenditures or transfers of appropriations must be approved by them, as are all departmental budget amendments. Management control is exercised at budgetary line item levels. The County Commissioners and the governing Boards of the Component Units may also amend the budget after it is approved, using the same procedures necessary to approve the original budget. The budgetary data presented in the financial statements reflects the approved budget.

# SHERIDAN COUNTY, WYOMING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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

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

##### *Charity Care*

The Memorial Hospital of Sheridan County provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenue. The Hospital maintains records to identify and monitor the level of charity it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy and equivalent services statistics. The amount of charges forgone, based on established rates, was approximately \$4,044,000 for the year ended June 30, 2018.

##### *Net Patient Service Revenue*

Net patient service revenues for the Memorial Hospital of Sheridan County are reported at the estimated net realizable amounts from patients, third-party payers, and others for service rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

The Memorial Hospital of Sheridan County has agreements with third-party payers that provide for reimbursement to the Memorial Hospital of Sheridan County at amounts different from its established rates. A summary of the payment arrangements with major third-party payers is as follows. For the year ended June 30, 2018, gross patient service revenue was \$187,464,561, with total adjustments in the amount of \$95,990,197, amounting to a net patient service revenue of \$91,474,364.

##### *Medicare and Medicaid*

Acute care services provided to Medicare program beneficiaries were paid at prospectively determined rates per visit. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Memorial Hospital of Sheridan County is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been finalized by the Medicare fiscal intermediary through June 30, 2016. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Hospital.

Medicare reimburses the Hospital based on a fee schedule subject to various adjustments for most outpatient services. The following services are excluded from the APC payment methodology; services already paid on a fee schedule, and certain drugs, biological and medical devices identified as pass-through items.

Inpatient acute care services rendered to Medicaid program beneficiaries are paid at prospectively determined rates, similar to Medicare. Outpatient services rendered to Medicaid program beneficiaries are reimbursed using prospectively determined rates.

**SHERIDAN COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

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

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

*Medicare and Medicaid (Continued)*

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

The Hospital has also entered into payment agreements with commercial insurance carriers and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

The hospital provides healthcare services to patients who have not purchased commercial healthcare insurance coverage and do not qualify as beneficiaries of the Medicare or Medicaid programs. Based upon financial information obtained, some of these patients qualify for discounts from charges under the Hospital's charity care policy.

*Accounting Estimates*

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual amounts could differ from estimates. It is reasonably possible that these estimates will change within one year of the date of the financial statement due to one or more future events. The effect of the change could be material to the financial statements and could result in a loss.

*Collections*

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

**Note 2. Deposits and Investments**

*Primary Government*

Deposits held in the County's bank accounts are insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the County. As of June 30, 2018, the County had balances in the bank of \$16,245,544, with a carrying amount of \$14,762,324. The fiduciary funds, as of June 30, 2018, had balances in the bank of \$4,422,125 with a carrying amount of \$4,565,997. The difference between the carrying amount and the bank balance is the result of the transactions in transit. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

**SHERIDAN COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

**Note 2. Deposits and Investments (Continued)**

***Custodial Credit Risk - Deposits***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require that the County's deposits in excess of the Federal depository insurance limits must be collateralized. The County follows the requirements of State statutes as their policy of managing custodial credit risk on deposits.

***Component Units***

As of June 30, 2018, the County's component units, except for the Memorial Hospital of Sheridan County, had bank balances of \$2,298,817 with a carrying amount of \$2,209,838. The difference between the carrying amount and the bank balance is the result of transactions in transit. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

***Investments***

As of June 30, 2018, the primary government of the County had the following investments:

Investment Type	Total	Interest Rate	Less Than 1	1 - 5	6 - 10	More Than 10	Rating
<b>Investments</b>							
State Treasurer's Investment							
Pool (WYO-STAR)	\$ 674,903	0.76% - 0.79%	\$ 674,903	\$ -	\$ -	\$ -	Not rated
Certificate of deposit	1,000	0.208%	-	1,000	-	-	Not rated
	<u>\$ 675,903</u>		<u>\$ 674,903</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Investments - restricted</b>							
Institutional							
Money Market							
Mutual Fund	\$ 264,648	1.25%	\$ 264,648	\$ -	\$ -	\$ -	AA+

As of June 30, 2018, the Sheridan County Library and Hospital Foundations which are component units of the Sheridan County Library and Memorial Hospital of Sheridan County, had the following investments:

Investment Type	Total	Interest Rate	Less Than 1	1 - 5	6 - 10	More Than 10	Rating
<b>Library Foundation</b>							
Corporate bonds	\$ 530,013	n/a	\$ -	\$530,013	\$ -	\$ -	Not rated
Equities	1,890,639		1,890,639	-	-	-	
I-shares- U.S. Treasury bonds	444,116	n/a		444,116	-	-	Not rated
Certificate of deposit	57,516	1.00%	57,516	-	-	-	Not rated
Total	<u>\$ 2,922,284</u>		<u>\$ 1,948,155</u>	<u>\$974,129</u>	<u>\$ -</u>	<u>\$ -</u>	

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 2. Deposits and Investments (Continued)**

***Investments (Continued)***

Investment Type	Total	Interest Rate	Less Than 1	1 - 5	6 - 10	More Than 10	Rating
Hospital							
Noncurrent cash equivalents	\$ 7,371,884	n/a	\$ 7,371,884	\$ -	\$ -	\$ -	Not rated
Certificates of deposit	8,950,285	0.45%-1.60%	8,950,285	-	-	-	Not rated
Corporate bonds	277,079	3.25% - 9.12%	61,982	215,097	-	-	A-/AA-
Equities	2,035,680	n/a	2,035,680	-	-	-	Not rated
Real estate investment trusts	49,558	n/a	49,558	-	-	-	Not rated
TIPS	86,676		86,676				
Mutual funds	6,021,312	n/a	6,021,312	-	-	-	Not rated
	<u>\$ 24,792,474</u>		<u>\$ 24,577,377</u>	<u>\$ 215,097</u>	<u>\$ -</u>	<u>\$ -</u>	

***Fair Value Measurements***

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

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2018:

*Institutional money market mutual funds:* Fixed value dollar shares of short-term governmental investments valued at daily closing price

*Corporate bonds:* These bonds mature from 2018 through 2022 and have interest rates ranging from 3.25% to 9.125%, rates between A- and AA- by Standard Poor's rating and between A1 and A3 by Moody's Investor Services.

*Equities:* Valued at the closing price reported in the active market in which the individual securities are traded.

*Real estate investment trust:* Alternatives consist of principal global real estate securities which do not have maturity dates.

*Treasury Inflation –Protected Securities (TIPS):* TIPS consist of inflation protected securities which do not have maturity dates.

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

*WYO-STAR:* Valued on level 2 inputs by which each participant's position in the investment pool is calculated by the proportion of the cost of their contribution to the total funds invested in the pool multiplied by the pools total fair value as of any specific date.

*I-Shares US Treasury -* Valued using quoted prices for identical or similar assets in active markets.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 2. Deposits and Investments (Continued)**

***Fair Value Measurements (Continued)***

Primary government investments

	Assets at Fair Value as of June 30, 2017			
	Level 1	Level 2	Level 3	Total
Investments by fair value level				
WYO-STAR investment pool	\$ -	\$ 674,903	\$ -	\$ 674,903
Institutional money market fund	264,648	-	-	264,648
Total investments at fair value	\$ 264,648	\$ 674,903	\$ -	939,551
Other investments				
Certificates of deposit				1,000
Total primary government investments				\$ 940,551

Reported in these captions:

Investments	\$ 675,903
Restricted investments long-term	264,648
	\$ 940,551

Component unit investments

	Assets at Fair Value as of June 30, 2017			
	Level 1	Level 2	Level 3	Total
Investments by fair value level				
Corporate bonds	\$ -	\$ 807,092	\$ -	\$ 807,092
Equities	3,926,319	-	-	3,926,319
I-Shares - U.S. Treasury bonds	444,116	-	-	444,116
TIPS	86,676	-	-	86,676
Mutual funds	6,021,312	-	-	6,021,312
Real estate investment trusts	49,558	-	-	49,558
Total investments at fair value	\$ 10,527,981	\$ 807,092	\$ -	11,335,073
Other investments				
Noncurrent cash equivalents				7,371,884
Certificates of deposit				9,007,801
Total component unit investments				\$ 27,714,758

Reported in these captions:

Investments	\$ 4,367,842
Investments, long-term	13,979,319
Restricted investments long-term	9,367,597
	\$ 27,714,758



## SHERIDAN COUNTY, WYOMING

### NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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#### **Note 2. Deposits and Investments (Continued)**

##### ***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's investments are held in external pooled investment accounts with a focus on liquidity. The County does not have a formal interest rate risk policy, as a means of limiting its exposure to fair value losses arising from interest rates the County attempts to match its investment maturities with its expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains and losses.

##### ***Credit Risk***

Generally, credit risk is the risk that an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not allow governments to invest in corporate bonds, stocks or mutual funds and limits investments in commercial paper to short term maturities (not greater than 270 days) and to the top ratings issued by nationally recognized statistical rating organizations (Moody's and Standard and Poor's). Obligations of the U.S. Government and obligations specifically guaranteed by the U.S. Government are backed by the full faith and credit of the U.S. Government. The U.S. Government agency securities and securities held in the external investment pool are not rated. WYO-STAR invests in short-term investments using Bank of America/Merrill Lynch 3 month U.S. T-Bills index. The County follows the State statutes as their credit risk policy.

##### ***Concentration of Credit Risk***

The County has a formal policy that follows W.S. 9-4-831, Investment of Public Funds. The County's policy does not limit investments in any one issuer or to a specified percentage of the County's total investments. At June 30, 2018, the County had 72% of its investments in WYOSTAR, the State Treasurer's Investment Pool.

The Library Foundation had 2% of their investments in Certificates of Deposit, 64% of their investments in equities, and 33% of their investments in fixed income, respectively. The Library Foundation's investment policy limits investments to 20-40% in fixed income, 60-80% in equities, and 1-10% in cash. As of June 30, 2018, the Library Foundation was in compliance with its investment policy.

The Memorial Hospital of Sheridan County Foundation's investment policy places limits on the amounts that can be invested in one company. The Finance Committee of the Foundation is responsible for the formulation, documentation, and monitoring of the investment strategy consistent with the investment policy. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in values of the investments will occur in the near term and that such changes could materially affect the Foundation's account balances and the amounts reported in the financial statements. The Memorial Hospital of Sheridan County had 36% of their investments in certificates of deposits and the remaining balance in noncurrent cash and cash equivalents.

Investments in mutual and corporate bond funds and equities are held by the Sheridan County Library and Memorial Hospital Foundations, which are not subject to the state statutes restricting investments.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 2. Deposits and Investments (Continued)**

***Custodial Credit Risk – Investments***

For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The County does not have a formal policy for custodial credit risk. The County’s investments in WYOSTAR are not subject to custodial credit risk since they are held by the Treasurer of the State of Wyoming and not comingled with other State funds; each entity has an individual interest in the pool held in its own name. The only other significant exposure is for securities held by securities brokers or other banks. Management believes the stability and reputation of these securities brokers and banks serves to limit its custodial credit risk.

**Note 3. Accounts Receivable, Component Units**

The accounts receivable balance of the component units, including net patient receivables of Memorial Hospital of Sheridan County as of June 30, 2018, is comprised of the following:

Receivable from patients and their insurance carriers	\$ 22,174,368
Receivable from medicare	8,857,517
Receivable from medicaid	1,367,883
Gross patient receivable	32,399,768
Less allowance for contractual adjustments	(10,232,000)
Less allowance for uncollectible accounts	(9,402,000)
Patient receivables, net	12,765,768
Additional accounts receivable	39,636
Total accounts receivable, component units	\$ 12,805,404

**Note 4. Interfund Balances**

Interfund and intra-entity receivables and payables at June 30, 2018 are as follows:

	Receivable	Payable
General Fund	\$ 252,122	\$ -
Capital Facilities Tax Fund	-	252,122
	\$ 252,122	\$ 252,122

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occurred, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**SHERIDAN COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

**Note 4. Interfund Balances (Continued)**

	Transfers In	Transfers Out
General Fund	\$ 242,806	\$ 436,632
Capital Facilities Tax Fund	-	252,122
Road Construction Fund	-	-
Sheridan County Airport Fund	436,632	-
Health Insurance Fund	9,316	-
	\$ 688,754	\$ 688,754

Transfers were made from the General Fund to the Airport Fund for infrastructure projects. Transfers were made from the Capital Facilities Tax fund to the General fund for reimbursement of County Road & Bridge labor and equipment utilized on capital road projects. Transfers may also (1) be used to move revenues from the funds that statute or budget requires expending them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary restrictions.

**Note 5. Receivable From Other Government**

Prior to November of 2012, Sheridan County and Johnson County were participating agencies in the Lake DeSmet Counties Coalition (“Coalition”) and were parties to the Lake DeSmet Counties Coalition Joint Agreement. In November 2012, Sheridan County and Johnson County voted to dissolve and terminate the Coalition and have entered into an agreement terminating and dissolving the Coalition. Since the agreement was contingent upon the Wyoming Game and Fish Commission entering into a lease with Johnson County, the dissolution agreement was not finalized until July 2013. As part of the dissolution agreement, Sheridan County conveyed to Johnson County all of its interest in the assets of the Coalition and Johnson County was to pay Sheridan County \$500,000 in five annual installments of \$100,000 beginning in November 2013. The County recorded the receivable using the present value of the \$500,000 calculated at the County’s borrowing rate of 2.8% resulting in of \$455,851 receivable recorded at June 30, 2014. As of June 30, 2018 the County had the following principal and interest receivable:

	Principal	Interest	Total
2019	\$ 97,242	\$ 2,758	\$ 100,000
	\$ 97,242	\$ 2,758	\$ 100,000

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 6. Capital Assets**

**Primary Government**

Capital asset activity for the governmental activities for the year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 963,317	\$ -	\$ -	\$ 963,317
Infrastructure	34,729,246	1,090,797	-	35,820,043
Construction in progress	632,393	662,073	1,237,688	56,778
Total capital assets not being depreciated	<u>36,324,956</u>	<u>1,752,870</u>	<u>1,237,688</u>	<u>36,840,138</u>
Capital assets being depreciated				
Land improvements	815,568	-	-	815,568
Buildings and building improvements	25,828,584	146,891	-	25,975,475
Equipment	5,546,112	207,594	-	5,753,706
Furnishings, computer equipment and software	3,011,129	32,768	-	3,043,897
Vehicles	1,334,025	146,897	112,104	1,368,818
Total capital assets being depreciated	<u>36,535,418</u>	<u>534,150</u>	<u>112,104</u>	<u>36,957,464</u>
Less accumulated depreciation for				
Land improvements	553,530	57,028	-	610,558
Buildings and building improvements	11,235,954	811,548	-	12,047,502
Equipment	4,843,390	334,160	-	5,177,550
Furnishings, computer equipment and software	2,750,495	79,809	-	2,830,304
Vehicles	1,036,617	136,891	112,104	1,061,404
Total accumulated depreciation	<u>20,419,986</u>	<u>1,419,436</u>	<u>112,104</u>	<u>21,727,318</u>
Total capital assets, being depreciated, net	<u>16,115,432</u>	<u>(885,286)</u>	<u>-</u>	<u>15,230,146</u>
Governmental activities, capital assets, net	<u>\$ 52,440,388</u>	<u>\$ 867,584</u>	<u>\$ 1,237,688</u>	<u>\$ 52,070,284</u>

Approximately \$1,481,161 of equipment has been acquired under capital leases. The related amortization expense on these assets in the amount of \$185,251 is included in annual depreciation expense.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 6. Capital Assets (Continued)**

**Primary Government (Continued)**

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

Governmental activities	
General government	\$ 982,076
Public safety	136,891
Public works	300,469
Total depreciation expense - governmental activities	\$ 1,419,436

Capital asset activity for the business-type activities of Sheridan County for the year ended June 30, 2018:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,125,806	\$ -	\$ -	\$ 1,125,806
Construction in progress	24,072	616,577	555,687	84,962
Total capital assets not being depreciated	1,149,878	616,577	555,687	1,210,768
Capital assets being depreciated				
Buildings, building improvements and runways	44,669,187	-	-	44,669,187
Equipment	2,618,129	592,186	-	3,210,315
Total capital assets being depreciated	47,287,316	592,186	-	47,879,502
Less accumulated depreciation for:				
Buildings, building improvements and runways	28,223,946	1,576,336	-	29,800,282
Equipment	1,334,283	171,761	-	1,506,044
Total accumulated depreciation	29,558,229	1,748,097	-	31,306,326
Total capital assets, being depreciated, net	17,729,087	(1,155,911)	-	16,573,176
Capital assets, net	\$18,878,965	\$ (539,334)	\$ 555,687	\$17,783,944

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 6. Capital Assets (Continued)**

***Component Units***

Capital asset activity for each component unit for the year ended June 30, 2018, was as follows:

Capital asset activity for the Sheridan County Weed and Pest Control District for the year ended June 30, 2018, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Buildings and improvements	\$ 857,723	\$ 31,745	\$ -	889,468
Vehicles and equipment	321,616	9,920	-	331,536
Total capital assets being depreciated	<u>1,179,339</u>	<u>41,665</u>	<u>-</u>	<u>1,221,004</u>
Less accumulated depreciation for				
Buildings and improvements	176,891	22,353	-	199,244
Vehicles and equipment	256,585	18,949	-	275,534
Total accumulated depreciation	<u>433,476</u>	<u>41,302</u>	<u>-</u>	<u>474,778</u>
Total capital assets, being depreciated, net	<u>745,863</u>	<u>363</u>	<u>-</u>	<u>746,226</u>
Capital assets, net	<u>\$ 745,863</u>	<u>\$ 363</u>	<u>\$ -</u>	<u>\$ 746,226</u>

Capital asset activity for the Sheridan County Fair for the year ended June 30, 2018, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Land improvements	\$ 3,786,062	\$ -	\$ -	3,786,062
Buildings and building improvements	2,038,516	-	-	2,038,516
Equipment, grounds keeping	318,322	-	-	318,322
Equipment, other	-	-	-	-
Vehicles	53,250	-	-	53,250
Total capital assets being depreciated	<u>6,196,150</u>	<u>-</u>	<u>-</u>	<u>6,196,150</u>
Less accumulated depreciation for				
Land improvements	2,406,272	89,698	-	2,495,970
Buildings and building improvements	1,473,779	47,210	-	1,520,989
Equipment, grounds keeping	311,356	6,966	-	318,322
Equipment, other	-	-	-	-
Vehicles	53,250	-	-	53,250
Total accumulated depreciation	<u>4,244,657</u>	<u>143,874</u>	<u>-</u>	<u>4,388,531</u>
Capital assets, net	<u>\$ 1,951,493</u>	<u>\$ (143,874)</u>	<u>\$ -</u>	<u>\$ 1,807,619</u>

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 6. Capital Assets (Continued)**

***Component Units (Continued)***

Capital asset activity for the Sheridan County Public Library for the year ended June 30, 2018, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Art	\$ 177,430	\$ -	\$ -	177,430
Rare book collection	442,800	-	-	442,800
Land	248,231	-	-	248,231
Total capital assets not being depreciated	<u>868,461</u>	<u>-</u>	<u>-</u>	<u>868,461</u>
Capital assets being depreciated				
Buildings and building improvements	5,276,023	97,553	-	5,373,576
Furnishings and computer equipment	114,250	-	-	114,250
Equipment	42,310	-	-	42,310
Vehicles	48,375	-	-	48,375
Library collection	3,185,722	163,503	238,220	3,111,005
Total capital assets being depreciated	<u>8,666,680</u>	<u>261,056</u>	<u>238,220</u>	<u>8,689,516</u>
Less accumulated depreciation for				
Buildings and building improvements	2,974,084	158,345	-	3,132,429
Furnishings and computer equipment	91,129	5,396	-	96,525
Equipment	18,122	5,375	-	23,497
Vehicles	38,018	4,780	-	42,798
Library collection	2,726,603	23,358	238,220	2,511,741
Total accumulated depreciation	<u>5,847,956</u>	<u>197,254</u>	<u>238,220</u>	<u>5,806,990</u>
Total capital assets being depreciated, net	<u>2,818,724</u>	<u>63,802</u>	<u>-</u>	<u>2,882,526</u>
Capital assets, net	<u>\$ 3,687,185</u>	<u>\$ 63,802</u>	<u>\$ -</u>	<u>\$ 3,750,987</u>

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 6. Capital Assets (Continued)**

*Component Units (Continued)*

*Memorial Hospital of Sheridan County*

Capital asset activity for the Memorial Hospital of Sheridan County for the year ended June 30, 2018, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Land and land improvements	\$ 5,211,798	\$ 165,240	\$ 529,505	\$ 4,847,533
Construction in progress	6,976,884	9,959,866	5,720,674	11,216,076
Total capital assets not being depreciated	<u>12,188,682</u>	<u>10,125,106</u>	<u>6,250,179</u>	<u>16,063,609</u>
Capital assets being depreciated				
Buildings and improvements	62,650,917	701,225	402,454	62,949,688
Equipment	44,961,334	6,141,860	4,495,246	46,607,948
Total capital assets being depreciated	<u>107,612,251</u>	<u>6,843,085</u>	<u>4,897,700</u>	<u>109,557,636</u>
Less accumulated depreciation				
Total accumulated depreciation	<u>70,698,567</u>	<u>5,480,452</u>	<u>5,162,011</u>	<u>71,017,008</u>
Total capital assets, being depreciated, net	<u>36,913,684</u>	<u>1,362,633</u>	<u>(264,311)</u>	<u>38,540,628</u>
Capital assets, net	<u>\$49,102,366</u>	<u>\$ 11,487,739</u>	<u>\$ 5,985,868</u>	<u>\$54,604,237</u>

At June 30, 2018, construction in progress is made up of the Medical Office Building construction, the MRI unit, and several other facility upgrades. The expected cost of the Medical Office Building construction is approximately \$16,200,000 and is expected to be completed in January 2019. The project is being funded with internal funds as well as a \$10,000,000 debt issuance. Total interest expense capitalized during the fiscal year 2018 for the Medical Office Building project was \$88,230. The MRI unit is expected to cost approximately \$663,000 and is expected to be funded with internal funds. The project is expected to be completed in January 2019.

At June 30, 2018 the cost of equipment acquired under a capital lease is \$343,920 and accumulated depreciation is \$20,062.



**SHERIDAN COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

**Note 7. Investment in Joint Ventures**

***Watt Dialysis Center, LLC (Dialysis Center)***

In fiscal year 2016, the Hospital purchased a 49% interest in the Watt Dialysis Center, LLC (Dialysis Center), which started operations in October 2015. The hospital is accounting for its investment in the Dialysis Center by the equity method under which the Hospital's share of net income (loss) of the Dialysis Center is recognized as income (loss) in the Hospital's statements of revenue, expenses, and changes in net position and added to (reduced from) the investment account. Contributions to the Dialysis Center are treated as an increase in the investment and distributions received are treated as reduction of the investment. The Hospital did not contribute to the Dialysis Center in fiscal years 2018 and 2017. There were no distributions from the Dialysis Center in fiscal years 2018 and 2017. The Dialysis Center's accounting period ends December 31. The Hospital's investment in the Dialysis Center includes account activity through June 30, 2018 and 2017.

The Hospital's investment in the Dialysis Center consists of the following at June 30:

	2018	2017
Beginning balance	\$ 90,855	\$ 127,430
Gain (loss) on investment in joint venture	23,596	(36,575)
Ending balance	<u>\$ 114,451</u>	<u>\$ 90,855</u>

***Sheridan Regional Health Holdings, LLC (Surgery Center)***

In fiscal year 2017, the Hospital purchased a 40% interest in the Sheridan Regional Health Holding, LLC (Surgery Center), which started operations in February 2017. The Hospital is accounting for its investment in the Surgery Center by the equity method under which the Hospital's share of net income (loss) of the Surgery Center is recognized as income (loss) in the Hospital's statement of revenues, expenses, and changes in net position and added to (reduced from) the investment account. Contributions to the Surgery Center are treated as an increase in the investment and distributions received are treated as reduction of the investment. The Hospital contributed \$0 and \$640,000 to the Surgery Center in fiscal years 2018 and 2017, respectively. There were no distributions from the Surgery center in fiscal years 2018 and 2017. The Surgery Center's accounting period ends December 31. The Hospital's investment in the Surgery Center includes activity through June 30, 2018.

The Hospital's investment in the Surgery Center consists of the following at June 30, 2018:

	2018	2017
Beginning balance	\$ 628,267	\$ -
Contributions to joint venture	-	640,000
Gain (loss) on investment in joint venture	195,178	(11,733)
Ending balance	<u>\$ 823,445</u>	<u>\$ 628,267</u>

**SHERIDAN COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

**Note 8. County Debt**

The Wyoming Constitution (Article 16§3) limits the amount of indebtedness for any County to not more than two percent of the last general assessment. This limit was \$8,068,906 at June 30, 2018. The County had no outstanding debt subject to this limitation.

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2018:

	<u>Balance</u> <u>June 30, 2017</u>	<u>New Debt</u> <u>Incurred</u>	<u>Debt</u> <u>Retired</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due Within</u> <u>One Year</u>
<b>Primary Government</b>					
<b>Governmental activities</b>					
Capital lease obligations	\$ 304,123	\$ -	\$ 178,572	\$ 125,551	\$ 125,551
Note payable to a bank	1,013,268	-	152,643	860,625	156,988
State Revolving Fund loan	239,125	-	14,476	224,649	14,838
Incurred but not reported claims (Note 13)	104,057	118,936	-	222,993	222,993
Reclamation liability and royalty payments (Note 12)	73,000	-	-	73,000	-
Compensated absences (Note 1)	355,750	327,896	355,749	327,897	40,625
	<u>2,089,323</u>	<u>446,832</u>	<u>701,440</u>	<u>1,834,715</u>	<u>560,995</u>
Net pension liability	6,294,250	-	92,281	6,201,969	-
OPEB liability (Note 15)	719,965	-	2,138	717,827	-
	<u>\$ 9,103,538</u>	<u>\$ 446,832</u>	<u>\$ 795,859</u>	<u>\$ 8,754,511</u>	<u>\$ 560,995</u>
<b>Business Activities</b>					
Bonds payable	\$ 2,250,000	\$ -	\$ 150,000	\$ 2,100,000	\$ 150,000
Compensated absences	18,872	2,096	-	20,968	-
	<u>2,268,872</u>	<u>2,096</u>	<u>150,000</u>	<u>2,120,968</u>	<u>150,000</u>
Net pension liability	518,635	-	22,432	496,203	-
OPEB liability (Note 15)	30,951	-	92	30,859	-
	<u>\$ 2,818,458</u>	<u>\$ 2,096</u>	<u>\$ 172,524</u>	<u>\$ 2,648,030</u>	<u>\$ 150,000</u>
<b>Component Units</b>					
Note payable to a bank	\$ 709,462	\$6,268,066	\$ -	\$ 6,977,528	\$ 366,271
Capital leases	29,900	343,920	29,900	343,920	98,209
Compensated absences	74,159	-	8,273	65,886	-
	<u>813,521</u>	<u>6,611,986</u>	<u>38,173</u>	<u>7,387,334</u>	<u>464,480</u>
Net pension liability	1,352,632	-	74,004	1,278,628	-
OPEB liability (Note 15)	115,480	-	343	115,137	-
	<u>\$ 2,281,633</u>	<u>\$6,611,986</u>	<u>\$ 112,520</u>	<u>\$ 8,781,099</u>	<u>\$ 464,480</u>

All County obligations are generally liquidated by the general fund. The reclamation liability and royalty payments are generally liquidated by the Road Construction Fund. Repayment of sales and use tax due to incorrect distribution from the state will be repaid by both the general fund and capital facilities tax fund according to the sales and use tax distribution percentages to the general fund and capital facilities tax fund.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 8. County Debt (Continued)**

***Primary Government***

During the fiscal year ended June 30, 2010, the Wyoming State Loan and Investment Board authorized a \$500,000 loan to the County through the Drinking Water and State Revolving Fund (“DWSRF”) Loan Program. The County relinquished \$181,141 in unused DWSRF loan funds in May 2011 and received a loan of \$318,858 amortized over 20 years with 2.5% interest. As of June 30, 2018, the County made principal payments of \$14,476 on this loan. The debt requirement on the Drinking Water and State Revolving Fund Loan as of June 30, 2018 is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 14,838	\$ 5,616	\$ 20,454
2020	15,209	5,245	20,454
2021	15,589	4,865	20,454
2022	15,979	4,475	20,454
2023	16,378	4,076	20,454
2024-2028	88,239	14,030	102,269
2029-2031	58,417	2,945	61,362
	<u>\$ 224,649</u>	<u>\$ 41,252</u>	<u>\$ 265,901</u>

***Capital Leases Payable***

Capital lease obligations collateralized by the assets noted as of June 30, 2018 are as follows:

Lease/Purchase obligation on heavy equipment, due in annual installments of \$94,328 including interest of 1.49%, through January 2019	\$ 92,915
Lease/Purchase obligation on heavy equipment, due in annual installments of \$33,451 including interest of 2.50%, through November 2018	32,636
	<u>125,551</u>
Less current maturities of capital lease obligations	125,551
	<u>\$ -</u>

In the event that the County is unable to appropriate funds for the rental payments for any fiscal year during the terms of the leases, the lease-purchase contracts will terminate on the last day of the fiscal year for which appropriations were received, without any penalty to the County. In the event of a termination under these circumstances, the County will return the equipment, and will not be obligated to pay the remaining scheduled rental payments. This debt is serviced by the General Fund.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 8. County Debt (Continued)**

*Primary Government (Continued)*

*Capital Leases Payable (Continued)*

Future minimum lease payments under capital leases together with the present value of net minimum lease payments as of June 30, 2018 are as follows:

<u>Year ending June 30,</u>		
2019		\$ 127,760
	Total minimum lease payments	<u>127,760</u>
	Less: amount representing interest	<u>2,209</u>
	Present value of minimum lease payments	<u><u>\$ 125,551</u></u>

*Note Payable*

The County has a note payable with a bank. The total original amount was \$1,560,207 payable monthly at \$14,930 including interest at 2.810% due August 2023. The loan is unsecured.

The scheduled principal and interest payments on the note payable to a bank as of June 30, 2018, are as follows:

<u>Year ending June 30,</u>	<u>Jail Loan Principal</u>	<u>Jail Loan Interest</u>	<u>Total</u>
2019	\$ 156,988	\$ 22,176	\$ 179,164
2020	161,411	17,754	179,165
2021	166,052	13,113	179,165
2022	170,778	8,386	179,164
2023-2024	205,396	3,629	209,025
	<u><u>\$ 860,625</u></u>	<u><u>\$ 65,058</u></u>	<u><u>\$ 925,683</u></u>

*Revenue Bonds - Sheridan County Airport*

In June 2013, the County issued Series 2013 Airport Revenue Refunding Bonds for the purpose of defeasing the Series 2005 Airport Revenue Refunding Bonds, financing the cost of eight new hangars and financing a new fueling station. The proceeds from the Series 2013 Airport Revenue Refunding Bonds to provide for the defeased Series 2005 Airport Revenue Refunding Bonds were placed in an escrow account to provide for all future debt service payments on those bonds. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in the County's financial statements.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 8. County Debt (Continued)**

***Primary Government (Continued)***

A summary of the Airport Fund bonds payable as of June 30, 2018 is as follows:

Sheridan County Airport Revenue Bonds, Series 2013, interest at .5% to 3.25%, due in annual installments plus interest, through September 2027, redeemable to the extent of pledged airport revenues from passenger facility charges and hangar rentals \$ 2,100,000

The debt requirement on Sheridan County Airport Revenue Bonds as of June 30, 2018, is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 150,000	\$ 52,438	\$ 202,438
2020	150,000	50,030	200,030
2021	150,000	47,360	197,360
2022	175,000	44,115	219,115
2023	175,000	40,186	215,186
2024-2028	1,300,000	118,645	1,418,645
	<u>\$ 2,100,000</u>	<u>\$ 352,774</u>	<u>\$ 2,452,774</u>

***Component Unit***

***Long-Term Debt Memorial Hospital of Sheridan County***

The Hospital entered into a capital lease agreement for copiers in fiscal year 2013. The Hospital is making monthly payments of \$3,070 through April 2018 at a 5.78% interest rate.

The Hospital entered into a capital lease agreement for surgical video equipment in fiscal year 2018. The hospital is making monthly payments of \$12,307 through March 2021 at a 5.57% interest rate. The capital lease agreement is secured by the leased equipment. Subsequent to year end the Hospital executed the early buy-out option for this capital lease.

The scheduled maturities for the Hospital's capital lease obligations as of June 30, 2018 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 98,209	\$ 12,554	\$ 110,763
2020	137,475	10,209	147,684
2021	108,236	2,527	110,763
Total minimum payments	<u>\$ 343,920</u>	<u>\$ 25,290</u>	<u>\$ 369,210</u>

On November 26, 2016, the Hospital entered into an unsecured promissory note with a financial institution in the amount of \$10,000,000. The unsecured promissory note bears interest at a fixed rate of 2.20% and is being used to fund the construction of the Medical Office Building. The unsecured promissory note includes a construction draw period of two years and then converts to a 10-year term loan with payments due monthly.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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**Note 8. County Debt (Continued)**

***Component Unit (Continued)***

During fiscal year 2018, the Hospital had draws of \$6,268,066 related to funding of the Medical Office Building construction project.

Scheduled principal and interest payments on the long term debt are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 366,271	\$ 87,535	\$ 453,806
2020	638,924	139,031	777,955
2021	653,123	124,832	777,955
2022	667,637	110,317	777,954
2023	682,474	95,480	777,954
Thereafter	3,969,099	244,821	4,213,920
Total minimum payments	<u>\$ 6,977,528</u>	<u>\$ 802,016</u>	<u>\$ 7,779,544</u>

***Primary Government***

***Operating Leases***

The County leases certain copiers and vehicles under non-cancelable operating leases. For the year ended June 30, 2018, rental expense was \$12,771, respectively.

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

<u>Year ending June 30,</u>	
2019	\$ 38,313
2020	38,313
2021	38,313
2022	38,313
2023	25,542
	<u>\$ 178,794</u>

The general government is responsible for payment of lease obligations.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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**Note 8. County Debt (Continued)**

*Component Units*

*Operating Leases*

The Hospital leases certain facilities and equipment under long-term operating lease agreements. Total lease expense for all operating leases for the years ended June 30, 2018 and 2017 was approximately \$920,000 and \$898,000, respectively.

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

<u>Year ending June 30,</u>	<u>Operating Leases</u>
2019	\$ 332,538
2020	322,763
2021	324,499
2022	250,292
2023	229,153
Thereafter	19,135
Total	<u>\$ 1,478,380</u>

**Note 9. Defined Benefit Pension Plans**

*Pension Plans*

They Wyoming Retirement System issues a publicly available financial report which includes audited financial statements and required supplementary information for each plan. Detailed information about the pension plans' fiduciary net position is available in separately issued Wyoming Retirement System financial report. The report may be obtained from the Wyoming Retirement System website at <http://retirement.state.wy.us>.

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

*Public Employees' Pension Plan*

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

PEPP members are required to contribute 8.25% of their annual covered salary and the County is required to contribute 8.37% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The County currently pays 10% of the required contribution and the employees contribute the remaining portion, 6.62%.

## SHERIDAN COUNTY, WYOMING

### NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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#### **Note 9. Defined Benefit Pension Plans (Continued)**

##### ***Public Employees' Pension Plan (Continued)***

The County's contributions to the PEPP for the years ended June 30, 2018, 2017 and 2016 were \$408,164, \$409,394, and \$501,103 respectively and the employees' contributions were \$270,204, \$271,018, and \$192,925, respectively, equal to the required contributions for each year. As of September 1, 2018, the employer contribution and the employee statutory rates will increase by 0.25%, respectively. Therefore the County's contribution rate will increase to 10.25% and the employee's contribution rate will increase to 6.87%.

The Weed and Pest and the Library component units currently pay all of the required employee's contribution. The Fair pays 10% of the required 16.62% total contribution and the employees contribute the remaining portion, 6.62%. The County's component unit contributions to the PEPP for the years ended June 30, 2018, 2017 and 2016 were \$153,190, \$151,387, and \$167,786 respectively and the employees' contributions were \$12,024, \$12,624, and \$8,825, respectively, equal to the required contributions for each year.

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

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

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

##### ***Wyoming Law Enforcement Retirement Plan***

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



**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 9. Defined Benefit Pension Plans (Continued)**

***Wyoming Law Enforcement Retirement Plan (Continued)***

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

The WLERP is funded by amounts withheld from participating employees' salaries and by contributions from the County. These contributions are determined by state statutes and as of June 30, 2018, the percentages to be contributed on compensation were 8.60% for the employees and the same for the County. The County currently contributes 9.9% of the required contribution and the employees contribute the remaining portion, 7.3%.

For the years ended June 30, 2018, 2017 and 2016, the contributions to the Wyoming Law Enforcement Retirement Plan were \$297,913, \$292,104, and \$284,805, respectively. The County's portion of these contributions were \$171,473, \$168,130, and \$197,045, respectively and the employees' contributions were \$126,440, \$123,974, and \$87,760, respectively, equal to the required contributions for each year.

At June 30, 2018, the County reported a total liability of \$6,698,172 for its proportionate share of the net pension liability. The County's component units: Weed and Pest, Fair, and Library reported \$221,553, \$240,519, and \$816,556, respectively, for their proportionate share on the net pension liability. The net pension liability was determined by an actuarial valuation as of January 1, 2017, applied to all prior periods included in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covering the five year period ending December 31, 2016. The net pension liability as of December 31, 2017 is based on the results of an actuarial valuation as of January 1, 2017, rolled forward to a measurement date of December 31, 2017, and taking into consideration information from the recent experience study.

	Pension liability at June 30, 2018	Proportion at December 31, 2017	Increase (decrease) from December 31, 2016
County			
Public Employees' Pension Plan	\$ 5,742,854	0.251952388%	0.003427287%
County - Sheriff			
Law Enforcement Pension Plan	\$ 955,318	1.110261852%	0.044201592%
Weed and Pest			
Public Employees' Pension Plan	\$ 221,553	0.009720069%	0.000278451%
Fair			
Public Employees' Pension Plan	\$ 240,519	0.010552132%	0.000013527%
Library			
Public Employees' Pension Plan	\$ 816,556	0.035824242%	-0.000147222%

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 9. Defined Benefit Pension Plans (Continued)**

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

For the year ended June 30, 2018, the County and its component units Weed and Pest, Fair, and Library recognized pension expense of \$1,341,756, \$43,134, \$48,517, and \$163,132, respectively. At June 30, 2018, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows (Inflows) of Resources				Total Outflows	Total (Inflows)
	PEPP		WLERP			
Net difference between projected and actual earnings on pension plan investments	\$ 761,593	\$ (937,097)	\$ 257,257	\$(346,769)	\$ 1,018,850	\$(1,283,866)
Difference due to changes in assumption	558,013	-	450,559	-	1,008,572	-
Difference between actual and expected experience rate	-	(202,447)	7,466	(80,610)	7,466	(283,057)
Change in employer's proportion	96,183	(159,263)	14,392	(10,754)	110,575	(170,017)
Amortizing deferred outflows and deferred inflows	\$1,415,789	\$ (1,298,807)	\$ 729,674	\$(438,133)	\$ 2,145,463	\$(1,736,940)
Contributions subsequent to the measurement date	370,568	-	138,299	-	508,867	-
Total	<u>\$1,786,357</u>	<u>\$ (1,298,807)</u>	<u>\$ 867,973</u>	<u>\$(438,133)</u>	<u>\$ 2,654,330</u>	<u>\$(1,736,940)</u>

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 9. Defined Benefit Pension Plans (Continued)**

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

The County reported \$508,866 as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date; these deferred outflows will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Primary government		
	Deferred Outflows		
	Wyoming Law		
	Public Employees' Pension Plan	Enforcement Retirement Plan	Plan Total
2019	\$ 652,520	\$ 270,689	\$ 923,209
2020	517,064	236,508	753,572
2021	208,959	130,123	339,082
2022	37,246	92,354	129,600
	<u>\$ 1,415,789</u>	<u>\$ 729,674</u>	<u>\$ 2,145,463</u>

Year ended June 30,	Primary government		
	Deferred Inflows		
	Wyoming Law		
	Public Employees' Pension Plan	Enforcement Retirement Plan	Plan Total
2019	\$ 423,470	\$ 114,548	\$ 538,018
2020	366,101	116,257	482,358
2021	268,331	108,990	377,321
2022	240,905	98,338	339,243
	<u>\$ 1,298,807</u>	<u>\$ 438,133</u>	<u>\$ 1,736,940</u>

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 9. Defined Benefit Pension Plans (Continued)**

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

The County's component units, Weed and Pest, Fair, and Library reported \$14,670, \$14,615, and \$53,548, respectively, as deferred outflows of resources related to pensions resulting from their contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows	Deferred (Inflows)
Weed and Pest		
Net difference between projected and actual earnings on pension plan investments	\$ 31,226	\$ (36,152)
Difference due to changes in assumptions	21,527	-
Difference between actual and expected experience rate	-	(7,876)
Change in employer's proportion	4,316	(13,337)
Amortizing deferred outflows and deferred inflows	\$ 57,069	\$ (57,365)
Contributions subsequent to the measurement date	14,670	-
Total	\$ 71,739	\$ (57,365)
Fair		
Net difference between projected and actual earnings on pension plan investments	\$ 31,849	\$ (39,247)
Difference due to changes in assumptions	23,370	-
Difference between actual and expected experience rate	-	(8,491)
Change in employer's proportion	210	(4,873)
Amortizing deferred outflows and deferred inflows	\$ 55,429	\$ (52,611)
Contributions subsequent to the measurement date	14,615	-
Total	\$ 70,044	\$ (52,611)
Library		
Net difference between projected and actual earnings on pension plan investments	\$ 108,869	\$ (133,243)
Difference due to changes in assumptions	79,342	-
Difference between actual and expected experience rate	-	(28,908)
Change in employer's proportion	-	(19,370)
Amortizing deferred outflows and deferred inflows	\$ 188,211	\$ (181,521)
Contributions subsequent to the measurement date	53,548	-
Total	\$ 241,759	\$ (181,521)

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 9. Defined Benefit Pension Plans (Continued)**

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year ended June 30,	Component Units					
	Weed and Pest		Fair		Library	
	Deferred Outflows (Inflows)	Deferred Outflows (Inflows)	Deferred Outflows (Inflows)	Deferred Outflows (Inflows)	Deferred Outflows (Inflows)	Deferred Outflows (Inflows)
2019	\$ 25,364	\$ (20,505)	\$ 24,944	\$ (16,864)	\$ 84,869	\$ (58,285)
2020	21,369	(17,214)	20,918	(14,419)	71,114	(49,977)
2021	8,761	(10,352)	8,130	(11,238)	27,392	(38,867)
2022	1,575	(9,294)	1,437	(10,090)	4,836	(34,392)
	\$ 57,069	\$ (57,365)	\$ 55,429	\$ (52,611)	\$ 188,211	\$ (181,521)

***Actuarial Assumptions***

Actuarial Assumptions and Methods	
Valuation date	January 1, 2017
Actuarial cost method	Entry Age Normal
Inflation	3.25%
Salary increases	4.25% to 8.00%, including inflation
Payroll growth rate	4.25%
Cost of living increase	0.00%
Investment net rate of return	7.75%, net of pension plan investment expense
Post-Retirement Mortality	RP-2000 Combined Mortality Table, generational projected with Scale BB Males: Set back 1 year with a 104% multiplier Females: No set back with a 90% multiplier
Pre-Retirement Mortality	RP-2000 Combined Mortality Table, generational projected with Scale BB Males: Set back 5 years with a 104% multiplier Females: Set back 4 years with a 90% multiplier

The assumed rate of investment return was adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in the WRS actuarial valuation report as of January 1, 2017. In addition, an experience study was conducted covering the five-year period ending December 31, 2016 and information from this study was consider in measuring the pension liability at December 31, 2017. The assumed rate of investment return of 7.00% (real return net of inflation of 4.75%) falls within a reasonable range of the long-term expected rate of return.

**SHERIDAN COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

**Note 9. Defined Benefit Pension Plans (Continued)**

**Actuarial Assumptions (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plans target asset allocation as of January 1, 2018 these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	0.00%	0.40%	0.40%
Fixed income	20.00%	1.25%	1.77%
Equity	45.00%	4.96%	6.88%
Marketable alternatives	17.50%	2.79%	3.30%
Private markets	17.50%	5.06%	7.11%
Total	100.00%	3.85%	5.27%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00 percent. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits using a 100 year analysis) and 2) tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for the use with the long-term expected rate of return are not met).

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

The following table presents the Board's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

Pension Plan	1% Decrease (6.00)%	Current Discount Rate (7.00)%	1% Increase (8.00)%
Public Employees' Pension Plan	\$ 8,679,687	\$ 5,742,853	\$ 3,293,575
Law Enforcement Pension Plan	2,050,403	955,318	63,831
Component Units			
Weed & Pest	334,854	221,553	127,063
Fair	363,518	240,519	137,940
Library	1,234,135	816,556	468,302

**Payables to the pension plan** – At June 30, 2018, the County did not have any payables to the pension plans.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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**Note 10. Fund Equity**

The County has designated an amount for emergency expenditures within several different funds as allowed by Wyoming Statute §16-4-105. The purpose is to provide cash to finance expenditures from the beginning of the budget year until general property taxes and other revenues are collected and to meet emergency expenditures.

At June 30, 2018, the County had the following assignments of general fund balance:

Business incubator	\$ 33,760
Courthouse remodel	1,000,000
Detention center/rural	110,000
Economic development	1,310,000
Emergency reserve	480,000
Equipment	125,000
General fund cash reserve	2,081,700
General fund insurance reserve	100,000
Health insurance reserve	300,000
Information and technology	250,000
Law enforcement and emergency services	850,000
Road and bridge	200,000
	<hr/>
	<u>\$ 6,840,460</u>

During the fiscal year ended June 30, 1999, the County approved the funding of the Sheridan Landfill Capital Reserve Account in the amount of \$360,000 to assist the City of Sheridan in the closure costs of the present City of Sheridan Solid Waste Landfill. This amount is included in the County's committed fund balance. The County will release these funds to the City of Sheridan upon the closure of the City's Solid Waste Landfill.

The Memorial Hospital of Sheridan County has restricted, nonexpendable net assets of \$1,016,657 as of June 30, 2018, that represent the principal amounts of the permanent endowment, restricted to investment in perpetuity. Investment earnings from the permanent endowment are expendable to support programs as established by the contributor. These earnings are restricted by donors and expendable for operations and capital acquisitions. The reporting entity had a total net position restricted, expendable for operations and capital acquisitions of \$8,346,662 as of June 30, 2018.

The Sheridan County Library has permanently restricted net assets of \$1,652,366 as of June 30, 2018, that represent funds restricted by donors.

**Note 11. Deferred Compensation Plans and Hospital Pension Plan**

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

**SHERIDAN COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

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**Note 11. Deferred Compensation Plans and Hospital Pension (Continued)**

***Memorial Hospital of Sheridan County***

The Hospital contributes to a defined contribution money-purchase pension plan covering all employees who have attained the age of 18 and have obtained 90 days of service. The Hospital also has a deferred compensation plan, covering all employees who have attained the age of 18 and have elected to participate. Pension expense is recorded for the amount of the Hospital's contributions, determined in accordance with the terms of both plans.

The defined contribution pension plan (401(a) plan) allows the Hospital to contribute between 6% and 10% of eligible wages, depending on the employees' years of service. Employees are fully vested after three years of continuous service. If any employee leaves the Hospital prior to completing the three years of service the employee forfeits the employer match portion received. The Hospital contributions to the plan during the years ended June 30, 2018, 2017, and 2016 were \$2,254,471, \$2,470,028, and \$2,365,287, respectively.

The defined contribution pension plan (457(b)) allows employees to contribute amounts up to the maximum contribution allowed by the Internal Revenue Code. For employees over 50 years of age, a participant may make additional catch-up contributions. Employee contributions to the plan during the years ended June 30, 2018, 2017, and 2016 were \$2,724,629, \$2,493,499, and \$2,383,717, respectively.

Under the nonqualified deferred compensation plan (457(f) plan), the Hospital contributes amounts according to the Hospital's discretion. The Hospital funds the contributions to the plan each year, and the funds are disbursed after three years. Hospital funding during the year ended June 30, 2018, 2017, and 2016 was \$83,500, \$177,679, and \$104,037, respectively.

**Note 12. Commitments and Contingencies**

As of June 30, 2018, the County and the Airport had approximately \$38,930 and \$104,872, respectively, in outstanding contract commitments relating to various projects in construction in progress.

The County pays royalties to landowners for rights to mine gravel under a permit filed with the Department of Environmental Quality. At June 30, 2018, the County had five active pits under this permit. The County is required to reclaim the permit sites at which it is conducting gravel extraction activities once the activities have been completed. At June 30, 2018, the County's estimated liability for the reclamation of the active gravel pits is \$73,000. The estimated liability was included with noncurrent liabilities in the Statement of Net Position.

In the normal course of business, various lawsuits or claims are brought against the County. It is not possible to determine the ultimate disposition of these matters at this time; however, the County Attorney and the County Commissioners are of the opinion that these matters would not have a material adverse effect on the results of operations, financial condition, or cash flows of the County.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Recently, federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously, billed and collected revenues from patient services. Management believes that the Hospital is in substantial compliance with current laws and regulations.



**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 12. Commitments and Contingencies (Continued)**

In the normal course of business, the Memorial Hospital of Sheridan County is, from time to time, subject to allegations that may or do result in litigation. The Hospital evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected losses, which are not covered by insurance, if any. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

The Hospital entered into a purchase agreement during December 2016 to acquire an interest in real estate and substantially all of the assets of an internal medicine practice at a total cost of \$1,925,000. The total amount paid during the year ended June 30, 2018 was \$100,000. The Hospital paid the remaining balance owed in September 2018.

**Note 13. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. As a result of these and other risks, the County participates in the Wyoming Association of Risk Management (WARM), a management risk pool and WARM property insurance pool and Local Government Liability Pool (LGLP). LGLP provides liability coverage for claims subject to the Wyoming Governmental Claims Act (W.S. 1-39-101) up to \$250,000 per claimant but not more than \$500,000 per occurrence, \$1,500,000 per occurrence, and \$5,000,000 annual aggregate for federal and out-of-state claims. The coverage limit is \$1,000,000,000 for all members combined of the WARM risk pool including various additional sub-limits. Claims have not exceeded coverage amounts in any of the last three years. Premiums paid to WARM and LGLP by the County were approximately \$161,000 and \$49,000 respectively.

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

Wyoming Statute §27-14-101 created the Wyoming Workers' Compensation Act which is administered as an enterprise fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan with only a few exceptions. This Act provides for the payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the County.

The County makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and is a split rate between hazardous and non-hazardous positions. Amounts paid by the County to the State for Workers' Compensation during fiscal year 2018 and 2017 were approximately \$61,000 and \$53,000, respectively.

Wyoming Statute § 27-3-101 created the Wyoming Unemployment Compensation Act. This Act requires the County to pay the cost of actual claims incurred. Changes in the balances of claims liabilities during fiscal years 2018 and 2017 were as follows for the County's participation in the Unemployment Compensation Act Program.

	2018	2017
Unpaid claims, beginning of year	\$ -	\$ -
Claims incurred	9,302	33,163
Claims paid	(9,302)	(33,163)
Unpaid claims, end of year	\$ -	\$ -

**SHERIDAN COUNTY, WYOMING**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

**Note 13. Risk Management (Continued)**

The County also provides health care benefits for the primary government and component unit employees. Under this program, the County is insured under a stop-loss policy for individual claims exceeding \$60,000 per year. The aggregate stop-loss limit is \$1,000,000. Premiums paid for stop-loss insurance were approximately \$319,928. Estimated medical claims are calculated by the plan administrator based on past historical experience and current economic events. Claims are usually paid within one year of submission.

Changes in the County's health care risk management liability during the years ended June 30, 2018 and 2017 are as follows:

	2018	2017
Health care risk management liability, beginning of year	\$ 104,057	\$ 207,605
Claims incurred	1,494,799	799,103
Claims paid	(1,375,863)	(902,651)
Health care risk management liability, end of year	\$ 222,993	\$ 104,057

Insurance settlements during the last three fiscal years have not exceeded the County's insurance coverage. There has been no significant change in insurance coverage nor the County's risk management programs during the year ended June 30, 2018.

The Memorial Hospital of Sheridan County maintains a commercial insurance policy covering the professional liability of the Hospital and its employees on a claims-made basis up to \$1,000,000 per claim and in aggregate up to \$5,000,000. There is additional umbrella coverage above this limit up to \$10,000,000. The policy provides coverage up to the policy limits for claims first made and incidents first reported to the insurer during the policy's term. Should this policy lapse and not be replaced with equivalent coverage, claims based upon a medical incident that occurred during the term would not be covered and an extended reporting endorsement (tail) would have to be purchased. The Hospital, based upon the information provided by its insurance carrier, has determined that the estimated liability for potential losses incurred, but not reported, is not material to the accompanying financial statements. Accordingly, no provisions for such losses have been made.

The Memorial Hospital of Sheridan County partially self-insures the cost of employee health care benefits as it purchases annual stop-loss insurance coverage for all claims in excess of \$80,000 per claim. Liabilities on the statement on net position include an accrual for claims that have been incurred but not reported. Claim liabilities are re-evaluated periodically to take into consideration recently settled claims, frequency of claims and other economic and social factors. The estimated liability accrued for this program at June 30, 2018 and 2017 was approximately \$632,000 and \$615,000, respectively.

For the year ended June 30, 2018, the Hospital incurred expenses of \$4,630,122 for employee health insurance.

**Note 14. Transactions with Related Parties and with Component Units**

During the fiscal year ended June 30, 2018, the County provided \$393,500, \$200,000, and \$1,162,000 in support to the Sheridan County Fair, Memorial Hospital of Sheridan County, and Sheridan County Public Library, respectively. These component units reimbursed the County approximately \$326,976 for health insurance premiums paid by the County.

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 15. Other Postemployment Benefits (OPEB)**

***Plan Description***

Sheridan County provides a single-employer defined post-employment health care plan that covers eligible retired employees of the County. An employee must have 4 or more years of service and reach the age 50 or have a minimum of 20 years of service to enroll in the plan. Coverage continues until the earlier of reaching Medicare eligibility, age 65, or death. Dependents may also enroll in the plan and their coverage ceases upon the termination of the retiree's coverage or upon reaching Medicare eligibility or age 65. The plan is self-funded and is administered by UMR. No assets for this plan have been accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

***Benefits Provided***

The County provides medical benefits for retirees, not including dental or vision. The retiree benefits are the same as those provided for active employees. One medical plan is offered, which has three tiers that vary by provider network and cost sharing. Deductibles range from \$675 to \$1,075 for individuals and \$1,550 to \$1,950 for families, depending on the tier. The maximum out-of-pocket is \$2,800 for individuals and \$5,600 for families, regardless of tier. Coinsurance varies by tier and service. The medical deductibles do not apply to prescription drug benefits, which are generally covered with 20% coinsurance.

Retirees pay 100% of their total premium. There is no explicit County contribution for retirees. The monthly premiums for retirees are shown in the table below.

Coverage Category	Monthly Premium Rate	
	FY 16-17	FY 17-18
Retiree only	629	554
Retiree and children	1,145	1,008
Retiree and spouse	1,397	1,230
Retiree and family	1,914	1,685

***Employees Covered by Benefit Terms***

As of June 30, 2018 the number of active and inactive employees covered by the plan was as follows:

Inactive employees or beneficiaries currently receiving benefit payments	\$	1
Inactive employees entitled to but not yet receiving benefit payments		-
Active employees		133
Total	\$	134

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**Note 15. Other Postemployment Benefits (OPEB) (Continued)**

***Total OPEB Liability***

The County, Library and Fair's total OPEB liability was \$748,686, \$83,295 and \$31,842 as of June 30, 2018 and was determined by the application of roll forward procedures to the liability determined as of June 30, 2017. The roll forward procedures included two steps:

- a. Change the valuation date from June 30, 2017 to June 30, 2018.
- b. Update the discount rate to reflect the S&P Municipal Bond 20 Year High Grade Rate Index as of a date close to June 30, 2018.

***Actuarial Assumptions and Other Inputs***

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions and Other Inputs

Salary increase	2.00%
Discount rate	3.45%
Healthcare cost trend rates	6.60% decreasing 0.20% per year to an ultimate rate of 5.00% for 2026 and beyond
Retirees' share of benefit related costs	100.00%

The discount rate was based on the single equivalent rate which results in the same present value as discounting future benefit payments funded on a pay-as-you-go basis on the municipal bond 20-year index rate.

Mortality rates were based on the RP-2000 Combined Mortality Table with setbacks, Fully Generational Projected with Scale BB, consistent with Wyoming Retirement System pension valuation as of June 30, 2016.

As the plan is funded on a pay-as-you-go-basis, there is no long-term expected rate of return or inflation rate.

***Change in Net OPEB Liability***

	County OPEB Liability	Fair OPEB Liability	Library OPEB Liability
Balance at June 30, 2017	\$ 750,916	\$ 31,937	\$ 83,543
Changes for the year:			
Service cost	73,176	3,112	8,141
Interest	25,907	1,102	2,882
Difference between expected and actual experience	(79,522)	(3,382)	(8,847)
Changes in assumption	(21,506)	(915)	(2,392)
Benefit payments	(285)	(12)	(32)
Net changes	(2,230)	(95)	(248)
Balance at June 30, 2018	\$ 748,686	\$ 31,842	\$ 83,295

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 15. Other Postemployment Benefits (OPEB) (Continued)**

***Sensitivity of the Total OPEB Liability***

The following table present the total OPEB liability of the County, Library and Fair, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or higher than the current discount rate.

Sensitivity of the total OPEB liability to changes in the discount rate

OPEB Liability	1% Decrease	Current	1% Increase
	2.45%	3.45%	4.45%
County	\$ 818,359	\$ 748,686	\$ 685,901
Fair	34,924	31,842	29,271
Library	90,614	83,295	75,948

The following table presents the total OPEB liability of the County, Library and Fair, as well as what the total OPEB liability would be if it were calculated using a medical trend rate that is 1-percentage-point lower or higher than the current trend rate.

Sensitivity of the total OPEB liability to changes in the medical trend rate

OPEB Liability	1% Decrease	Current	1% Increase
	5.80%	6.80%	7.80%
County	\$ 654,544	\$ 748,686	\$ 861,401
Fair	27,933	31,842	36,761
Library	72,475	83,295	95,380

***OPEB Expense and Deferred Inflows of Resources related to OPEB***

For the year ended June 30, 2018, the County, Library and Fair recognized OPEB expense of \$83,680. \$9,265 and \$3,571, respectively. At June 30, 2018, the County, Library and Fair reported deferred inflows of resources related to OPEB from the following sources:

Deferred Inflows of Resources

	County	Fair	Library
Differences between expected and actual experience	\$ (67,619)	\$ (7,490)	\$ (2,886)
Changes in assumptions	(18,291)	(2,023)	(780)
	<u>\$ (85,910)</u>	<u>\$ (9,513)</u>	<u>\$ (3,666)</u>

**SHERIDAN COUNTY, WYOMING**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**Note 15. Other Postemployment Benefits (Continued)**

***OPEB Expense and Deferred Inflows of Resources related to OPEB***

Amounts reported as deferred inflows of resources related to OPEB for the County, Library and Fair, will be recognized in OPEB expense as follows:

Year	County	Fair	Library
2019	\$ (15,151)	\$ (647)	\$ (1,678)
2020	(15,151)	(647)	(1,678)
2021	(15,151)	(647)	(1,678)
2022	(15,151)	(647)	(1,678)
2023	(15,151)	(647)	(1,678)
2024	(10,155)	(431)	(1,123)
	(85,910)	(3,666)	(9,513)
	(85,910)	(3,666)	(9,513)

**Note 16. Prior Period Adjustment**

The County implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* during the year. The implementation of this standard required an adjustment to several beginning balances. The table below illustrates the deferred inflows, net OPEB liability and net position as originally stated and restated:

	As originally stated June 30, 2017	Increase (Decrease)	Restated June 30, 2017
<i>Governmental activities</i>			
Net OPEB liability	\$ 1,218,447	(498,482)	719,965
Net position	58,787,107	498,482	59,285,589
<i>Business-type activities</i>			
Net OPEB liability	\$ -	30,951	30,951
Net position	17,225,019	(30,951)	17,194,068
<i>Fair</i>			
Net OPEB liability	\$ -	31,937	31,937
Net position	2,192,015	(31,937)	2,160,078
<i>Library</i>			
Net OPEB liability	\$ -	83,543	83,543
Net position	6,265,228	(83,543)	6,181,685

# SHERIDAN COUNTY, WYOMING

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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### **Note 17. Implementation of Governmental Accounting Standards Board Statement 75**

Effective July 1, 2017, the County implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaces the requirements of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Among other things, Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities.

### **Note 18. Issued Standards Not Yet Implemented**

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. The requirements of the Statement are effective for reporting periods beginning after December 15, 2018. Management has not completed its assessment of the effects of implementing this standard.

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

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, establishes accounting and financial reporting requirements related to debt, including direct borrowings and direct placements, and clarifies which liabilities governments should include when disclosing information related to debt. The requirements of the Statement are effective for reporting periods beginning after June 15, 2018. Management has not completed its assessment of the effects of implementing this standard.

### **Note 19. Subsequent Events**

In July 2018, the Hospital entered into a capital lease agreement for equipment at a total cost of \$1,167,577. The Hospital is making monthly payments of \$26,275 through July 2022 at a 4.0% interest rate. The capital lease agreement is secured by the leased equipment.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
(Unaudited)

**SHERIDAN COUNTY, WYOMING**

**INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH  
(Unaudited)**

June 30, 2018

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

The County manages its road network with an assessment system conducted in-house by the Public Works department. The network is assessed annually. The roads may be rated as being in standard or substandard condition. Standard paved roads will not need major repairs for 10 to 15 years. Substandard paved roads will need major repairs within 0 to 10 years. Standard gravel roads will not need major repairs for 4 years. Substandard gravel roads will need major repairs within 0 to 5 years due to not having the proper structural base.

Effective July 1, 2008, it is the County's policy to maintain its paved roads with at least 33% rated as standard and to maintain its gravel roads with at least 33% rated as standard. The County added an additional category for dirt/unimproved roads which are not assessed or maintained. The number of miles of paved and gravel rated standard and substandard are as follows:

2018 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard	19.00	74%	321	75%	-	0%
Sub-standard	6.80	26%	120	25%	-	0%
Unimproved	-	0%	-	0%	74	100%
	<u>25.80</u>	<u>100%</u>	<u>441</u>	<u>100%</u>	<u>74</u>	<u>100%</u>
2017 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard	17.00	64%	320	75%	-	0%
Sub-standard	9.60	36%	120	25%	-	0%
Unimproved	-	0%	-	0%	74	100%
	<u>26.60</u>	<u>100%</u>	<u>440</u>	<u>100%</u>	<u>74</u>	<u>100%</u>
2016 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard	17.00	64%	305	72%	-	0%
Sub-standard	9.60	36%	120	28%	-	0%
Unimproved	-	0%	-	0%	76	100%
	<u>26.60</u>	<u>100%</u>	<u>425</u>	<u>100%</u>	<u>76</u>	<u>100%</u>

See accompanying notes to required supplementary information

**SHERIDAN COUNTY, WYOMING**

**INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH  
(Unaudited)**

June 30, 2018

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

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

<u>Condition Rating</u>	2018	
	<u>Bridges</u>	<u>Percent</u>
Acceptable (80 to 100 points)	27	70.00%
Borderline (50 to 80 points)	6	15.00%
Deficient (less than 50 points)	6	15.00%
	<u>39</u>	<u>100.00%</u>
<u>Condition Rating</u>	2017	
	<u>Bridges</u>	<u>Percent</u>
Acceptable (80 to 100 points)	29	72.50%
Borderline (50 to 80 points)	3	7.50%
Deficient (less than 50 points)	8	20.00%
	<u>40</u>	<u>100.00%</u>
<u>Condition Rating</u>	2016	
	<u>Bridges</u>	<u>Percent</u>
Acceptable (80 to 100 points)	29	72.50%
Borderline (50 to 80 points)	3	7.50%
Deficient (less than 50 points)	8	20.00%
	<u>40</u>	<u>100.00%</u>

See accompanying notes to required supplementary information

**SHERIDAN COUNTY, WYOMING**  
**INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH**  
(Unaudited)

June 30, 2018

The County's estimated maintenance and preservation expenditures on infrastructure assets as compared to actual expenditures on the budgetary basis are as follows:

	Roads			Bridges		
	Estimated	Actual	Variance	Estimated	Actual	Variance
Maintenance and preservation expenditures (budgetary basis)						
2013	\$ 3,642,696	\$ 3,591,378	\$ 51,318	\$ 161,000	\$ 78,817	\$ 82,183
2014	2,989,748	2,618,441	371,307	220,000	152,220	67,780
2015	2,416,677	2,357,047	59,630	100,000	94,675	5,325
2016	3,006,794	2,536,743	470,051	136,656	68,471	68,185
2017	3,415,304	3,261,669	153,635	-	-	-
2018	2,749,460	1,896,243	853,217	-	-	-

See accompanying notes to required supplementary information

**SHERIDAN COUNTY, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND

(Unaudited)

Year Ended June 30, 2018

	Budget Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
<b>Revenues</b>				
Taxes	\$ 12,003,800	\$ 12,399,350	\$ 12,332,423	\$ (66,927)
Licenses and permits	239,100	239,100	261,688	22,588
Charges for services	1,162,600	1,337,600	1,223,022	(114,578)
Miscellaneous	480,500	480,500	905,364	424,864
One cent optional tax	1,760,000	1,939,300	1,950,526	11,226
Enhanced emergency 911 tax	276,500	286,500	285,808	(692)
Grant revenue	1,359,698	1,764,538	1,245,760	(518,778)
WIC	14,423	14,423	7,097	(7,326)
Rents, royalties, interest and fines	79,950	89,950	74,885	(15,065)
Sale of assets	41,000	41,000	44,700	3,700
Transfer from Capital Facilities Tax				
Fund	270,000	270,000	288,578	18,578
<b>Total revenues</b>	<b>17,687,571</b>	<b>18,862,261</b>	<b>18,619,851</b>	<b>(242,410)</b>
<b>Expenditures</b>				
County commissioners	278,997	278,997	275,390	3,607
County clerk	627,798	650,818	640,724	10,094
Elections	228,861	228,861	108,214	120,647
Administration	204,923	216,483	214,652	1,831
County treasurer	395,698	405,803	404,687	1,116
County assessor	540,384	540,384	525,982	14,402
County attorney	835,722	868,017	857,227	10,790
County coroner	162,486	162,486	146,715	15,771
Clerk of district court	476,095	476,095	437,464	38,631
Building and maintenance	344,650	344,650	342,437	2,213
Information technology	608,167	608,167	579,280	28,887
Fixed costs	2,410,575	2,410,575	2,336,453	74,122
One cent optional	1,760,000	1,947,635	1,947,627	8
General government	8,874,356	9,138,971	8,816,852	322,119
County sheriff	1,806,893	1,806,893	1,795,857	11,036
Detention center	2,639,820	2,639,820	2,482,392	157,428
E911	256,612	258,732	258,728	4
Emergency management	48,248	57,148	53,081	4,067
Public safety	4,751,573	4,762,593	4,590,058	172,535

(Continued)

See accompanying notes to required supplementary information

**SHERIDAN COUNTY, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND (CONTINUED)  
(Unaudited)

Year Ended June 30, 2017

	Budget Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Public works	\$ 693,780	\$ 693,780	\$ 683,407	\$ 10,373
Road and bridge	905,142	905,142	897,008	8,134
Public works	1,598,922	1,598,922	1,580,415	18,507
WIC	14,423	14,423	6,273	8,150
Community health	402,430	402,430	363,210	39,220
Health, welfare and recreation	416,853	416,853	369,483	47,370
County extention	110,391	110,391	89,795	20,596
Conservation of natural resources	110,391	110,391	89,795	20,596
Capital funding	979,000	1,124,000	1,079,854	44,146
Capital outlay	979,000	1,124,000	1,079,854	44,146
Grants	1,191,818	1,610,963	1,147,179	463,784
Grants	1,191,818	1,610,963	1,147,179	463,784
Total expenditures	17,922,913	18,762,693	17,673,636	1,089,057
Excess (deficiency) of revenues over expenditures	(235,342)	99,568	946,215	846,647
Net change in fund balance	(235,342)	99,568	946,215	\$ 846,647
Fund balance, beginning of year	7,697,958	7,697,958	7,697,958	
Fund balance, end of year	\$ 7,462,616	\$ 7,797,526	\$ 8,644,173	

Note: The County receipts all grants in the General Fund and transfers revenue related to projects accounted for in the Capital Facilities Tax Fund to that fund.

**SHERIDAN COUNTY, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)

CAPITAL FACILITIES TAX FUND

(Unaudited)

Year Ended June 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,700,000	\$ 1,700,000	\$ 1,793,191	\$ 93,191
Grants revenue transferred from General Fund	-	250,000	250,000	-
Transfer from Road Construction Fund	38,000	38,000	-	(38,000)
Intergovernmental	500,000	901,000	949,522	48,522
Investment income	-	-	14,874	14,874
	<u>2,238,000</u>	<u>2,889,000</u>	<u>3,007,587</u>	<u>118,587</u>
<b>Expenditures</b>				
Capital outlay	2,489,460	2,489,460	1,597,218	892,242
Transfer to General Fund	260,000	260,000	288,578	(28,578)
Total expenditures	<u>2,749,460</u>	<u>2,749,460</u>	<u>1,885,796</u>	<u>863,664</u>
Excess (deficiency) of revenues over expenditures	<u>(511,460)</u>	<u>139,540</u>	<u>1,121,791</u>	<u>982,251</u>
Net change in fund balance	<u>(511,460)</u>	<u>139,540</u>	<u>1,111,344</u>	<u>\$ 971,804</u>
Fund balance, beginning of year	<u>1,459</u>	<u>1,459</u>	<u>1,459</u>	
Fund balance, end of year	<u>\$ (510,001)</u>	<u>\$ 140,999</u>	<u>\$ 1,112,803</u>	

See accompanying notes to required supplementary information

**SHERIDAN COUNTY**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

Last 10 Fiscal Years\*\*

(Unaudited)

	2018	2017	2016
<b>Public Employees' Pension Plan - County</b>			
Proportion of the net pension liability	0.251952388%	0.248525100%	0.266812354%
Proportionate share of the net pension liability	\$ 5,742,854	\$ 6,008,095	\$ 6,214,988
Covered-employee payroll	\$ 4,475,626	\$ 4,430,967	\$ 4,653,405
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	76.35%	73.42%	73.40%
<b>Law Enforcement Pension Plan - County</b>			
Proportion of the net pension liability	1.110261852%	1.066060300%	1.102343047%
Proportionate share of the net pension liability	\$ 955,318	\$ 804,789	\$ 828,080
Covered-employee payroll	\$ 1,704,775	\$ 1,650,040	\$ 1,657,921
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	56.04%	48.77%	49.95%
Plan fiduciary net position as a percentage of the total pension liability	87.99%	88.11%	87.49%
<b>Public Employees Pension Plan - Component Units</b>			
<b>Weed and Pest</b>			
Proportion of the net pension liability	0.009720069%	0.009441600%	0.010918868%
Proportionate share of the net pension liability	\$ 221,553	\$ 228,250	\$ 254,338
Covered-employee payroll	\$ 172,665	\$ 168,335	\$ 190,433
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	76.35%	73.42%	73.40%
<b>Fair</b>			
Proportion of the net pension liability	0.010552132%	0.010538600%	0.011074179%
Proportionate share of the net pension liability	\$ 240,519	\$ 254,171	\$ 257,956
Covered-employee payroll	\$ 187,446	\$ 187,893	\$ 193,142
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	128.31%	135.27%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	76.35%	73.42%	73.40%
<b>Library</b>			
Proportion of the net pension liability	0.035824242%	0.035971500%	0.037862286%
Proportionate share of the net pension liability	\$ 816,556	\$ 869,611	\$ 881,944
Covered-employee payroll	\$ 636,374	\$ 641,338	\$ 660,346
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	76.35%	73.42%	73.40%

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

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

See accompanying notes to required supplementary information



2015	2014	2013	2012	2011	2010	2009
0.255425552%	*	*	*	*	*	*
\$ 4,507,475	*	*	*	*	*	*
\$ 4,366,276	*	*	*	*	*	*
103.23%	*	*	*	*	*	*
79.08%	*	*	*	*	*	*
1.170668484%	*	*	*	*	*	*
\$ 344,923	*	*	*	*	*	*
\$ 1,730,141	*	*	*	*	*	*
19.94%	*	*	*	*	*	*
94.76%	*	*	*	*	*	*
0.011043182%	*	*	*	*	*	*
\$ 194,878	*	*	*	*	*	*
\$ 188,774	*	*	*	*	*	*
103.23%	*	*	*	*	*	*
79.08%	*	*	*	*	*	*
0.011129366%	*	*	*	*	*	*
\$ 196,399	*	*	*	*	*	*
\$ 190,247	*	*	*	*	*	*
103.23%	*	*	*	*	*	*
79.08%	*	*	*	*	*	*
0.038026982%	*	*	*	*	*	*
\$ 671,059	*	*	*	*	*	*
\$ 650,038	*	*	*	*	*	*
103.23%	*	*	*	*	*	*
79.08%	*	*	*	*	*	*

## SHERIDAN COUNTY

### SCHEDULE OF PENSION CONTRIBUTIONS

Last 10 Fiscal Years

(Unaudited)

	2018	2017	2016
<b>Public Employees' Pension Plan - County</b>			
Contractually required contribution	\$ 739,141	\$ 737,629	\$ 694,028
Contributions in relations to the contractually required contributions	(739,141)	(737,629)	(694,028)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 4,447,298	\$ 4,093,935	\$ 4,175,860
Contributions as a percentage of covered-employee payroll	16.62%	16.62%	16.62%
<b>Law Enforcement Pension Plan - County</b>			
Contractually required contribution	\$ 297,382	\$ 292,104	\$ 284,805
Contributions in relations to the contractually required contributions	(297,382)	(292,104)	(284,805)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,705,172	\$ 1,650,305	\$ 1,657,771
Contributions as a percentage of covered-employee payroll	17.44%	17.70%	17.18%
<b>Public Employees Pension Plan - Component Units</b>			
<b>Weed and Pest</b>			
Contractually required contribution	\$ 29,305	\$ 27,416	\$ 31,668
Contributions in relations to the contractually required contributions	(29,305)	(27,416)	(31,668)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 176,324	\$ 164,958	\$ 190,542
Contributions as a percentage of covered-employee payroll	16.62%	16.62%	16.62%
<b>Fair</b>			
Contractually required contribution	\$ 30,186	\$ 31,695	\$ 32,118
Contributions in relations to the contractually required contributions	(30,186)	(31,695)	(32,118)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 181,625	\$ 190,704	\$ 193,249
Contributions as a percentage of covered-employee payroll	16.62%	16.62%	16.62%
<b>Library</b>			
Contractually required contribution	\$ 105,722	\$ 104,901	\$ 109,810
Contributions in relations to the contractually required contributions	(105,722)	(104,901)	(109,810)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 636,113	\$ 631,173	\$ 660,710
Contributions as a percentage of covered-employee payroll	16.62%	16.62%	16.62%

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

See accompanying notes to required supplementary information

2015	2014	2013	2012	2011	2010	2009
\$ 690,160	*	*	*	*	*	*
(690,160)	*	*	*	*	*	*
\$ -	*	*	*	*	*	*
\$ 4,348,834	*	*	*	*	*	*
15.87%	*	*	*	*	*	*
\$ 338,222	*	*	*	*	*	*
(338,222)	*	*	*	*	*	*
\$ -	*	*	*	*	*	*
\$ 1,730,036	*	*	*	*	*	*
19.55%	*	*	*	*	*	*
\$ 29,273	*	*	*	*	*	*
(29,273)	*	*	*	*	*	*
\$ -	*	*	*	*	*	*
\$ 184,455	*	*	*	*	*	*
15.87%	*	*	*	*	*	*
\$ 29,501	*	*	*	*	*	*
(29,501)	*	*	*	*	*	*
\$ -	*	*	*	*	*	*
\$ 185,892	*	*	*	*	*	*
15.87%	*	*	*	*	*	*
\$ 100,800	*	*	*	*	*	*
(100,800)	*	*	*	*	*	*
\$ -	*	*	*	*	*	*
\$ 635,161	*	*	*	*	*	*
15.87%	*	*	*	*	*	*

## SHERIDAN COUNTY

### SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years\*\*  
(Unaudited)

	2018	2017	2016
<b>Total OPEB Liability - County</b>			
Service cost	\$ 73,177	\$ 80,746	*
Interest	25,907	25,343	*
Differences between expected and actual experience	(79,522)	(206,019)	*
Changes in assumptions and other inputs	(21,507)	41,583	*
Benefit payments	(285)	(434)	*
Net change in OPEB liability	(2,230)	(58,781)	*
Total OPEB liability - beginning	750,916	809,697	*
Total OPEB liability - ending	748,686	750,916	*
Covered payroll	6,039,318	6,160,105	*
Total liability as a percentage of covered payroll	10.57%	10.74%	*
<b>Total OPEB Liability - Library</b>			
Service cost	8,141	8,983	*
Interest	2,882	2,820	*
Differences between expected and actual experience	(8,847)	(22,921)	*
Changes in assumptions and other inputs	(2,392)	4,626	*
Benefit payments	(32)	(48)	*
Net change in OPEB liability	(248)	(6,540)	*
Total OPEB liability - beginning	83,543	90,083	*
Total OPEB liability - ending	83,295	83,543	*
Covered payroll	671,904	685,342	*
Total liability as a percentage of covered payroll	1.18%	1.20%	*
<b>Total OPEB Liability - Fair</b>			
Service cost	3,112	3,434	*
Interest	1,102	1,078	*
Differences between expected and actual experience	(3,382)	(8,762)	*
Changes in assumptions and other inputs	(915)	1,768	*
Benefit payments	(12)	(18)	*
Net change in OPEB liability	(95)	(2,500)	*
Total OPEB liability - beginning	31,937	34,437	*
Total OPEB liability - ending	31,842	31,937	*
Covered payroll	256,857	261,994	*
Total liability as a percentage of covered payroll	0.45%	0.46%	*

See accompanying notes to required supplementary information



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**SHERIDAN COUNTY, WYOMING**

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

**Note 1. Basis of Budgeting**

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

	<u>GAAP Basis</u>	<u>Adjustments to Budgetary Basis</u>	<u>Presentation Differences</u>	<u>Non-GAAP Budgetary Basis</u>
<b>Revenues</b>				
Taxes	\$ 6,742,989	\$ (16,479)	\$ 5,605,913	\$ 12,332,423
Licenses and permits	268,032	-	(6,344)	261,688
Intergovernmental	9,804,803	208,081	(10,012,884)	-
Charges for services	1,035,136	(6,331)	194,217	1,223,022
Investment income	63,352	(5,440)	(57,912)	-
Miscellaneous	197,310	(105,262)	813,316	905,364
One cent optional tax	-	-	1,950,526	1,950,526
Enhanced emergency 911 tax	-	-	285,808	285,808
Grant revenue	-	-	1,245,760	1,245,760
WIC	-	-	7,097	7,097
Rents, royalties, interest and fines	-	-	74,885	74,885
Insurance proceeds				
Sale of assets	-	-	44,700	44,700
Transfer from Capital Facilities Tax Fund	-	-	288,578	288,578
	<u>\$ 18,111,622</u>	<u>\$ 74,569</u>	<u>\$ 433,660</u>	<u>\$ 18,619,851</u>
<b>Expenditures</b>				
General government	\$ 8,042,141	\$ 458,276	\$ 316,435	\$ 8,816,852
Public safety	4,696,053	(18,962)	(87,033)	4,590,058
Public works	1,951,833	224,827	(596,245)	1,580,415
Health, welfare and recreation	1,108,249	72,203	(810,969)	369,483
Conservation of natural resources	143,782	(212)	(53,775)	89,795
Debt service - principal	345,694	(345,694)	-	-
Debt service - interest	40,164	(40,164)	-	-
Capital outlay	611,613	383,834	84,408	1,079,854
Grants	-	-	1,147,179	1,147,179
	<u>\$ 16,939,529</u>	<u>\$ 734,108</u>	<u>\$ -</u>	<u>\$ 17,673,636</u>

**SHERIDAN COUNTY, WYOMING**

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2018

**Note 1. Basis of Budgeting (Continued)**

Adjustments necessary to convert GAAP basis revenues and expenditures of the capital facilities tax fund are as follows:

	GAAP Basis	Adjustments to Budgetary Basis	Presentation Differences	Non-GAAP Budgetary Basis
<b>Revenues</b>				
Taxes	\$ 1,807,853	\$ (14,662)	\$ -	\$ 1,793,191
Grants revenue transferred from General Fund	-	-	250,000	250,000
Intergovernmental revenues	832,636	116,886	-	949,522
Investment income	14,874	-	-	14,874
	<u>\$ 2,655,363</u>	<u>\$ 102,224</u>	<u>\$ 250,000</u>	<u>\$ 3,007,587</u>
<b>Expenditures</b>				
Capital outlay	\$ 1,622,962	\$ (25,744)	\$ -	\$ 1,597,218
Transfer to General Fund	-	-	288,578	288,578
	<u>\$ 1,622,962</u>	<u>\$ (25,744)</u>	<u>\$ 288,578</u>	<u>\$ 1,885,796</u>

***Budgetary Information***

The schedule of revenues, expenditures and changes in fund balance – budget and actual – general fund presents a comparison of the legally adopted budget with actual data. The County prepares its budget on a cash basis, and the revenues and expenditures presented in the aforementioned statement are on the modified accrual basis. Any differences in revenues and expenditures as a result of the difference in accounting basis are considered immaterial. Appropriations lapse at fiscal year-end. All budget amendments are approved by the County Commissioners and are presented within the final budget figures.

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

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

The budget is adopted according to the following schedule:

1. On or before May 15, the Budget Officer shall prepare a tentative budget for each fund and file the budget with the governing body.
2. A summary of the tentative budget shall be entered into the minutes and the governing body shall publish the summary at least one week before the public hearing to adopt the budget.
3. The public hearing is held on or before the third Monday in July.
4. On the day of or the day following the public hearing, the County Commissioners, by resolution, make the necessary appropriations and adopt the budget, which subject to future amendment, shall be in effect for the next fiscal year.



**SHERIDAN COUNTY, WYOMING**

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2018

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**Note 1. Basis of Budgeting (Continued)**

***Budgetary Information***

The County Commissioners amended the budget for the fiscal year ended June 30, 2018 as follows:

General Fund that includes; Grant Department, County Treasurer's Office, County Clerk's Office, County Attorney's Office, Emergency Management Department, Administration Department, Capital Improvement Department, 1% Optional Tax Department, and the E-911 Department.

The Capital Facilities Tax Road Fund, and the Employee Health Benefit Plan Fund were also amended. Adjustments were made in operating expenses in the General Fund to appropriate \$419,145 in unanticipated grant expenses, and \$404,840 in unanticipated grant revenues. In addition, adjustments were made in operating expenses of \$10,105 for the County Treasurer Office, \$23,020 for the County Clerk's Office, \$32,295 for the County Attorney Office, \$8,900 for the Emergency Management Department, \$11,560 for the Administration Department, and \$145,000 for the Capital Improvement Department. An appropriation in tax revenue of \$570,550 was made to offset other unanticipated expenses in the General Fund.

Adjustments were made in the 1% Optional Tax Budget to appropriate \$187,635 in expenses and \$189,300 in revenue. Adjustments were made in the E-911 Department to appropriate \$2,120 in expenses and \$10,000 in revenue. Adjustments were made in the Capital Facilities Tax Fund to appropriate and \$651,000 in revenue. Adjustments were made in the Employee Health Benefit Plan Fund to appropriate \$210,000 in expenses and \$132,000 in revenue.

**Note 2. Explanation of Changes to Pension Plan**

***Changes to assumptions*** – There have been no changes of assumptions in the Public Employees' Pension Plan from January 1, 2016 to January 1, 2017. However, an experience study was conducted on behalf of all WRS's plans covering the five year period ended December 31, 2016. The study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g. mortality, salary increases, retirement, termination and disability) and proposed assumptions consistent with the findings. The proposed assumptions were used in the December 31, 2017 measurements.

***Changes in benefits*** – There been no changes in benefit provisions in the Public Employees' Pension Plan since the prior valuation.

**Note 3. Explanation of Changes to OPEB Plan**

***Changes to assumptions*** - Only one assumption change was made for this valuation. The discount rate was increased from 3.13% at June 2017, to 3.45% to June 30, 2018, based on the S&P Municipal Bond 20 Year High Grade Rate Index as of July 2, 2018.

***Changes in benefits*** – There has been no changes in benefit provisions in the OPEB plan since the prior valuation.

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**OTHER SUPPLEMENTARY INFORMATION**

**SHERIDAN COUNTY, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)  
ROAD CONSTRUCTION FUND  
Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 600,000	\$ 600,000	\$ 610,172	\$ 10,172
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>610,172</u>	<u>10,172</u>
Expenditures				
Capital outlay	318,000	318,000	314,627	3,373
Transfer to Capital Facilities Tax Fund	18,000	18,000	-	18,000
Total expenditures	<u>336,000</u>	<u>336,000</u>	<u>314,627</u>	<u>21,373</u>
Net change in fund balance	264,000	264,000	295,545	<u>\$ 31,545</u>
Fund balance, beginning of year	<u>1,022,888</u>	<u>1,022,888</u>	<u>1,022,888</u>	
Fund balance, ending of year	<u>\$ 1,286,888</u>	<u>\$ 1,286,888</u>	<u>\$ 1,318,433</u>	

**SHERIDAN COUNTY, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
WEED AND PEST CONTROL  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
Year Ended June 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tax	\$ 806,890	\$ 806,890	\$ 1,013,647	\$ 206,757
Grants	406,807	406,807	84,820	(321,987)
Charges for services	232,500	232,500	314,361	81,861
Investment income	-	-	14,455	14,455
Miscellaneous	17,600	17,600	1,000	(16,600)
Total revenues	<u>1,463,797</u>	<u>1,463,797</u>	<u>1,428,283</u>	<u>(35,514)</u>
Expenditures				
Conservation of natural resources	1,483,107	1,483,107	1,342,154	140,953
Capital outlay	71,000	71,000	67,568	3,432
Total expenditures	<u>1,554,107</u>	<u>1,554,107</u>	<u>1,409,722</u>	<u>144,385</u>
Net change in fund balance	(90,310)	(90,310)	18,561	<u>\$ 108,871</u>
Fund balance, beginning of year	<u>1,306,060</u>	<u>1,306,060</u>	<u>1,306,060</u>	
Fund balance, end of year	<u>\$ 1,215,750</u>	<u>\$ 1,215,750</u>	<u>\$ 1,324,621</u>	

**SHERIDAN COUNTY, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 SHERIDAN COUNTY FAIR  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 Year Ended June 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Allocation from the County	\$ 393,500	\$ 393,500	\$ 393,500	\$ -
Charges for services	59,600	59,600	65,907	6,307
Community support	7,000	7,000	8,619	1,619
Investment income	25	25	41	16
Other revenue	1,700	1,700	3,297	1,597
Total revenues	<u>461,825</u>	<u>461,825</u>	<u>471,364</u>	<u>9,539</u>
<b>Expenditures</b>				
Health, welfare and recreation	461,825	461,825	410,657	51,168
Total expenditures	<u>461,825</u>	<u>461,825</u>	<u>410,657</u>	<u>51,168</u>
Net change in fund balance	-	-	60,707	<u>\$ 60,707</u>
Fund balance, beginning of year	<u>456,157</u>	<u>456,157</u>	<u>456,157</u>	
Fund balance, end of year	<u>\$ 456,157</u>	<u>\$ 456,157</u>	<u>\$ 516,864</u>	

**SHERIDAN COUNTY, WYOMING**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 SHERIDAN COUNTY PUBLIC LIBRARY  
 (EXCLUDING SHERIDAN COUNTY LIBRARY FOUNDATION)  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 Year Ended June 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Allocation from the County	\$ 1,162,000	\$ 1,162,000	\$ 1,163,482	\$ 1,482
Grants	2,000	2,000	-	(2,000)
Charges for services	33,200	33,200	32,860	(340)
Fulmer Trust	57,200	57,200	60,406	3,206
Sheridan County Library Foundation	106,453	106,453	7,050	(99,403)
Intergovernmental contribution to endowment	70,000	70,000	70,000	-
Friends of the Library	43,000	43,000	76,000	33,000
Investment income	700	700	1,303	603
Total revenues	<u>1,474,553</u>	<u>1,474,553</u>	<u>1,411,101</u>	<u>(63,452)</u>
<b>Expenditures</b>				
Health, welfare and recreation	1,518,553	1,518,553	1,387,114	131,439
Total expenditures	<u>1,518,553</u>	<u>1,518,553</u>	<u>1,387,114</u>	<u>131,439</u>
Net change in fund balance	(44,000)	(44,000)	23,987	<u>\$ 67,987</u>
Fund balance, beginning of year	<u>63,011</u>	<u>63,011</u>	<u>63,011</u>	
Fund balance, end of year	<u>\$ 19,011</u>	<u>\$ 19,011</u>	<u>\$ 86,998</u>	

**SHERIDAN COUNTY, WYOMING**

COMBINING STATEMENT OF NET POSITION SHERIDAN COUNTY PUBLIC  
LIBRARY AND SHERIDAN COUNTY LIBRARY FOUNDATION

June 30, 2018

	Sheridan County Public Library	Sheridan County Public Library Foundation	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 86,999	\$ 307,775	\$ 394,774
Investments	-	1,239,916	1,239,916
Investments, restricted by donors	-	1,682,368	1,682,368
Capital assets not being depreciated	868,461	-	868,461
Capital assets being depreciated, net of accumulated depreciation	2,882,526	-	2,882,526
Total assets	<u>3,837,986</u>	<u>3,230,059</u>	<u>7,068,045</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items	241,759	-	241,759
Total deferred inflows of resources	<u>241,759</u>	<u>-</u>	<u>241,759</u>
<b>LIABILITIES</b>			
Noncurrent liabilities			
Due in more than one year	41,344	-	41,344
Net pension liability	816,556	-	816,556
OPEB Liability	83,295	-	83,295
Total current liabilities	<u>941,195</u>	<u>-</u>	<u>941,195</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items	181,521	-	181,521
OPEB items	9,513	-	9,513
Total deferred inflows of resources	<u>191,034</u>	<u>-</u>	<u>191,034</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	3,750,987	-	3,750,987
Permanently restricted by donors	-	1,652,366	1,652,366
Unrestricted (deficit)	(803,471)	1,577,693	774,222
Total net position	<u>\$ 2,947,516</u>	<u>\$ 3,230,059</u>	<u>\$ 6,177,575</u>



**SHERIDAN COUNTY, WYOMING**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
SHERIDAN COUNTY PUBLIC LIBRARY AND SHERIDAN COUNTY LIBRARY FOUNDATION

Year Ended June 30, 2018

	Sheridan County Public Library	Sheridan County Public Library Foundation	Total
Revenues			
Intergovernmental revenues	\$ 1,170,534	\$ -	\$ 1,170,534
Charges for services	32,860	-	32,860
Investment income	1,303	164,696	165,999
Contributions	93,406	148,403	241,809
Miscellaneous	-	102	102
Total revenues	<u>1,298,103</u>	<u>313,201</u>	<u>1,611,304</u>
Expenses			
Current			
Health, welfare and recreation	1,328,404	90,856	1,419,260
Capital outlay	197,254	-	197,254
Total expenditures	<u>1,525,658</u>	<u>90,856</u>	<u>1,616,514</u>
Excess (deficiency) of revenues over expenditures	<u>(227,555)</u>	<u>222,345</u>	<u>(5,210)</u>
Other financing sources (uses)			
Transfers out	-	(245,680)	(245,680)
Transfers in	245,680	-	245,680
Contributions to an endowment	-	1,100	1,100
	<u>245,680</u>	<u>(244,580)</u>	<u>1,100</u>
Net change in fund balance	18,125	(22,235)	(4,110)
Net position, beginning of year	<u>3,012,934</u>	<u>3,252,294</u>	<u>6,265,228</u>
Prior period adjustment	(83,543)	-	(83,543)
Net position, beginning of year, as restated	<u>2,929,391</u>	<u>3,252,294</u>	<u>6,181,685</u>
Net position, end of year	<u>\$ 2,947,516</u>	<u>\$ 3,230,059</u>	<u>\$ 6,177,575</u>

**SHERIDAN COUNTY, WYOMING**

COMBINING STATEMENT OF NET POSITION  
MEMORIAL HOSPITAL OF SHERIDAN COUNTY AND FOUNDATION  
June 30, 2018

	Memorial Hospital of Sheridan County	Memorial Hospital of Sheridan County Foundation	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 520,613	\$ 175,535	\$ 696,148
Accounts receivable, net	12,765,768	-	12,765,768
Other receivables	506,939	-	506,939
Pledges receivable	-	135,680	135,680
Estimated third party payor settlement	1,148,000	-	1,148,000
Prepaid items and other current assets	1,274,219	-	1,274,219
Inventory	2,585,034	-	2,585,034
Investments	-	3,127,926	3,127,926
Internally designated investments	13,979,319	-	13,979,319
Restricted investments	1,341,388	6,343,841	7,685,229
Capital assets being depreciated, net of accumulated depreciation	54,604,237	-	54,604,237
Other assets, long-term	2,907,957	1,576,850	4,484,807
	<u>91,633,474</u>	<u>11,359,832</u>	<u>102,993,306</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Accounts payable and accrued liabilities	5,179,213	51,757	5,230,970
Accrued payroll and related expenses	5,705,705	-	5,705,705
Deferred revenue	61,343	-	61,343
Noncurrent liabilities			
Due within one year	464,480	-	464,480
Due in more than one year	6,856,968	-	6,856,968
	<u>18,267,709</u>	<u>51,757</u>	<u>18,319,466</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	47,282,789	-	47,282,789
Restricted expendable for operations and capital acquisitions	1,341,388	7,005,274	8,346,662
Restricted nonexpendable permanent endowments	-	1,016,657	1,016,657
Unrestricted	24,741,588	3,286,144	28,027,732
	<u>\$ 73,365,765</u>	<u>\$ 11,308,075</u>	<u>\$ 84,673,840</u>

**SHERIDAN COUNTY, WYOMING**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
MEMORIAL HOSPITAL OF SHERIDAN COUNTY AND FOUNDATION

Year Ended June 30, 2018

	Memorial Hospital of Sheridan County	Memorial Hospital of Sheridan County Foundation	Total
Revenues			
Intergovernmental revenues	\$ 200,000	\$ -	\$ 200,000
Charges for services	92,460,815	959,989	93,420,804
Investment income	101,789	722,647	824,436
Total revenues	<u>92,762,604</u>	<u>1,682,636</u>	<u>94,445,240</u>
Expenses			
Current			
Health and welfare	97,145,716	2,048,798	99,194,514
Total expenditures	<u>97,145,716</u>	<u>2,048,798</u>	<u>99,194,514</u>
Deficiency of revenues over expenditures	<u>(4,383,112)</u>	<u>(366,162)</u>	<u>(4,749,274)</u>
Other financing sources			
Non-operating gains	318,691	-	318,691
Contributions	26,750	-	26,750
	<u>345,441</u>	<u>-</u>	<u>345,441</u>
Capital grants and contributions	<u>1,921,697</u>	<u>-</u>	<u>1,921,697</u>
Net change in net position	(2,115,974)	(366,162)	(2,482,136)
Net position, beginning of year	<u>75,481,739</u>	<u>11,674,237</u>	<u>87,155,976</u>
Net position, end of year	<u>\$ 73,365,765</u>	<u>\$ 11,308,075</u>	<u>\$ 84,673,840</u>

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**SINGLE AUDIT**

**INTERNAL CONTROL AND COMPLIANCE INFORMATION**

**SHERIDAN COUNTY, WYOMING**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Agriculture</u>				
Passed through Wyoming Department of Health WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	17W100343	\$ -	<u>3,390</u> <u>3,390</u>
Passed through Wyoming State Forestry Division Cooperative Forestry Assistance	10.664	13-DG-11020000-048	-	11,225
Cooperative Forestry Assistance	10.664	13-DG-11020000-033	-	<u>42,550</u> <u>53,775</u>
Total U.S. Department of Agriculture				<u>57,165</u>
<u>U.S. Department of Justice</u>				
Passed through Volunteers of America Northern Rockies Bulletproof Vest Partnership Program	16.607	Unknown	-	1,668
Total U.S Department of Justice			<u>-</u>	<u>1,668</u>
<u>U.S. Department of Transportation</u>				
Passed through Wyoming Department of Transportation Airport Improvement Program	20.106	AIP-3-56-0027-0050	-	<u>498,389</u> <u>498,389</u>
Passed through Wyoming Department of Transportation <i>Highway Planning and Construction Cluster</i> Highway Planning and Construction	20.205	CN03042	-	346,244
Highway Planning and Construction	20.205	CM15007	-	<u>275,000</u> <u>621,244</u>
Total <i>Highway Planning and Construction Cluster</i>				
Passed through Wyoming Department of Transportation <i>Highway Safety Cluster</i> National Priority Safety Programs	20.616	Unknown	-	7,731
Total <i>Highway Safety Cluster</i>				<u>7,731</u>
Passed through Wyoming Office of Homeland Security Intragency Hazardous Materials Public Sector Training and Planning Grant	20.703	17-DOT-SHE-HM-HMP17	-	11,348
Total U.S. Department of Transportation			<u>-</u>	<u>1,138,712</u> (Continued)

See notes to the schedule of expenditures of federal awards

**SHERIDAN COUNTY, WYOMING**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>				
Passed through Wyoming Department of Health Centers for Disease Control and Prevention Public Health Emergency Preparedness	93.069	Unknown	\$ -	\$ 41,282
				<u>41,282</u>
<i>TANF Cluster</i>				
Passed through Wyoming Department of Health Temporary Assistance for Needy Families	93.558	Unknown	-	11,275
Passed through Wyoming Department of Family Services Temporary Assistance for Needy Families	93.558	Unknown	47,452	47,452
Total <i>TANF Cluster</i>				<u>58,727</u>
Passed through Wyoming Department of Health Community Services Block Grant	93.569	Unknown	138,820	138,820
				<u>138,820</u>
Total U.S. Department of Health and Human Services			<u>186,272</u>	<u>238,829</u>
<u>Office of Homeland Security</u>				
Passed through Wyoming Office of Homeland Security Homeland Security Grant Program	97.067	HS-15-GPD-SHE-SC-HSG15	-	238
Homeland Security Grant Program	97.067	HS-17-GPD-SHE-SC-HSG17	-	20,068
Total Homeland Security Grant Program				<u>20,306</u>
Total Office of Homeland Security			-	20,306
			<u>\$ 186,272</u>	<u>\$ 1,456,680</u>

See notes to the schedule of expenditures of federal awards

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**SHERIDAN COUNTY, WYOMING**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2018

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Sheridan County, Wyoming under programs of the federal government for the year ended June 30, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Sheridan County, Wyoming, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Sheridan County, Wyoming.

Sheridan County, Wyoming's basic financial statements include the operations of the Memorial Hospital of Sheridan County, a discretely presented component unit. Our audit described below, did not include the operations of the Memorial Hospital of Sheridan County because the component unit engaged other auditors to perform its audit. The report of those auditors did not reference any federal awards being expended by the Memorial Hospital of Sheridan County. Our responsibility is to express an opinion on Sheridan County, Wyoming's compliance based on our audit.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3. Indirect Cost Rate**

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

**Note 4. Airport Improvement Grant Revenue**

During the fiscal year ended June 30, 2018, the Sheridan County Airport received the following revenues from Airport Improvement Grants passed through the Wyoming Transportation Department:

AIP-3-56-0027-0050	\$ 520,956
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**Note 5. Payment in Lieu of Taxes – CFDA 15.226**

To compensate local taxing units for the loss of taxes from Federally-owned and acquired lands, the Office of the Secretary, Department of the Interior makes direct payments to local governments that lost real property taxes because the jurisdiction contains eligible acres of PILT entitlement land under public law 97-258, as amended, 31 U.S.C. 6901-6907. Payments are unrestricted as to use by local governments and the program is excluded from coverage under Uniform Guidance. Consequently, the program has been excluded from the Schedule of Expenditures of Federal Awards and the determination of major programs as there is no expenditure or other requirements for the entitlement program. During the fiscal year ended June 30, 2018, the County recognized \$1,128,964 of PILT entitlement as income.

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Sheridan 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, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sheridan County, Wyoming (County) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Sheridan County's basic financial statements, and have issued our report thereon dated December 28, 2018. Our report includes a reference to other auditors who audited the financial statements of Memorial Hospital of Sheridan County, as described in our report on Sheridan County, Wyoming's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***Internal Control over Financial Reporting***

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



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Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material 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 result 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.



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, Wyoming  
December 28, 2018

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Sheridan County, Wyoming

***Report on Compliance for Each Major Federal Program***

We have audited Sheridan County, Wyoming's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Sheridan County, Wyoming's major federal programs for the year ended June 30, 2018. Sheridan County, Wyoming's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Sheridan County, Wyoming's basic financial statements include the operations of the Memorial Hospital of Sheridan County, a discretely presented component unit. Our audit described below, did not include the operations of the Memorial Hospital of Sheridan County because the component unit engaged other auditors to perform its audit. The report of those auditors did not reference any federal awards being expended by the Memorial Hospital of Sheridan County. Our responsibility is to express an opinion on Sheridan County, Wyoming's compliance based on our audit.

***Management's Responsibility***

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

***Auditor's Responsibility***

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



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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 on Sheridan County, Wyoming's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Sheridan County, Wyoming complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

***Report on Internal Control Over Compliance***

Management of Sheridan County, Wyoming is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sheridan County, Wyoming's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 a 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weakness or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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 purposes.



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, Wyoming  
December 28, 2018

**SHERIDAN COUNTY, WYOMING**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2018

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**PART I      SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

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**Financial Statements**

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

Internal control over financial reporting:

    Material weaknesses identified? No

    Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

    Material weaknesses identified? No

    Significant deficiencies identified? None reported

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program Cluster</u>	<u>Expenditures</u>
20.106	Airport Improvement Program	\$ 498,389

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

Auditee qualified as low-risk auditee? Yes

(Continued)

**SHERIDAN COUNTY, WYOMING**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

June 30, 2018

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**PART II      FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS REQUIRED  
TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED  
GOVERNMENT AUDITING STANDARDS**

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*Internal Control Matters*

*None reported.*

*Compliance Findings*

*None reported*

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**PART III      FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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*None reported.*





# SHERIDAN COUNTY COMMISSION

TERRY CRAM • STEVE MAIER • MIKE NICKEL • TOM RINGLEY •  
BOB ROLSTON

*There were no audit findings for the year ended June 30, 2017.*