

# Lincoln County, Wyoming



## FINANCIAL STATEMENTS

June 30, 2022

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## INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners  
Lincoln County  
Kemmerer, Wyoming

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Wyoming (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison information, the schedules of the proportionate share of the net pension liability, and the schedules of contributions, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying schedules of Drug Court financial position and Drug Court activities and functional expenses are presented for additional analysis as required by the State of Wyoming Department of Health and are also not a required part of the basic financial statements.

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

### ***Change in Accounting Principle***

As described in the notes to the financial statements, the County adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



JONES SIMKINS LLC  
Logan, Utah  
December 29, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

LINCOLN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022

The Board of County Commissioners of Lincoln County, Wyoming (the County) offers this narrative discussion, overview, and analysis of the financial activities of the County for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the financial statements which follow this section.

Unless otherwise noted, the information and financial data included in this discussion and analysis relate to the primary government and do not include its discretely presented component units. The primary government can be generally described as providing the core services expected of local government, such as public health and safety and maintenance of infrastructure; component units are separate legal entities that provide ancillary services (examples of which are the county library, weed and pest control district, and fair board.)

**Financial Highlights**

The total net position of Lincoln County for the year increased by \$133,442, resulting in total net position of \$59,312,161. Three focal points of the County's finances are: cash and investments (including cash and cash equivalents, pooled cash and cash equivalents, and investments), capital assets (including land, roads, buildings, equipment, construction in process, and accumulated depreciation) and long-term liabilities (including notes payable, compensated absences, and capital leases).

The change in net position resulted from changes in all three categories. 1. Cash and investments increased by \$1,795,039 or 8% over the prior year. Cash and investments now represent 30% of total assets. 2. Net capital assets decreased by \$3,188,824 or 7% from the prior year. Net capital assets now represent 49% of total assets. This decrease was primarily a result of an increase to accumulated depreciation, as the result of current year depreciation expense. 3. Long-term liabilities, including the net pension liability, which account for 77% of total liabilities, decreased by \$729,238 or 5%. This decrease was primarily a result of changes in the County's repayment on long-term liabilities.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to Lincoln County's basic financial statements. These statements comprise three components: 1) government-wide financial statements; 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. A comparative presentation of government-wide information is also included in this discussion and analysis. The purpose of this narrative is to simplify and clarify the following financial statements.

LINCOLN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Government-Wide Financial Statements**

The government-wide financial statements provide a view of the County's finances as a whole, similar to a private-sector business. The statements consist of the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of the County's assets and liabilities and the resulting difference between the assets and liabilities as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. However, to evaluate the County's overall financial condition, the reader needs to consider other important factors, such as the economic outlook, stability of and control over revenue sources, and the condition of and plan to maintain capital assets.

The Statement of Activities presents information showing how the net position of the County changed during this fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, the financial statements are presented using the accrual method of accounting and revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected and delinquent property taxes and employees' earned, but unused, paid leave).

The distinct type of activities reflected in the primary government financial statements is governmental activities. The County does not have any business-type activities. Governmental activities are those supported primarily by taxes and intergovernmental revenue and are not designed to charge fees sufficient to recover all costs of operations. As reported by the County, governmental activities include such functions as general government, public safety, public works, and health and welfare.

The government-wide financial statements include not only the County itself (known as the primary government), but discretely presented component units which include: the Lincoln County Weed and Pest Control District, the Lincoln County Fair Board, and the Lincoln County Library. Financial information for these component units are reported separately from the financial information presented for the primary government.

**Fund Financial Statements**

A fund is a group of accounts that the County uses to keep track of specific resources that are segregated for a specific purpose. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County maintains a general fund, five special revenue funds, and a debt service fund.

LINCOLN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022

Governmental funds include essentially the same functions and services as delineated under governmental activities shown in the government-wide statements. However, for accounting and reporting purposes, governmental fund amounts are determined with a different approach. At the fund level, the focus is on changes in near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The General Fund is the primary operating fund of the County and is one of two governmental funds designated as "major" because of the magnitude of the assets, liabilities, revenues, and expenditures recorded in these funds. The Grants Fund is the other major fund of the County. There are five other governmental funds that are reported. A summary of these funds is combined into one "non-major fund" column. The non-major funds include the Contracts Fund, the Enhanced 911 Fund, the State Roads Fund, the Landfill Fund, and the Debt Service Fund. The composition of the non-major funds is shown in the combining statements. The County is required to adopt an annual budget showing appropriations for each of the governmental funds. To demonstrate legal compliance, statements comparing budget to actual numbers for the General Fund and the Grants Fund are included in the required supplementary information. Budget to actual schedules for all other governmental funds are included in the supplementary information.

The County also maintains four fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs.

**Notes to the Financial Statements**

Notes to the financial statements provide additional information that is necessary to more fully understand the financial statements. Many of the notes contain a more complete definition of accounting terms and description of the County's accounting policies. The notes also provide additional detail on deposits and investments, changes to capital assets, funded liabilities, long-term debt obligations, retirement plans and compliance-related issues.

LINCOLN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022

**Government-Wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position and condition. As of June 30, 2022, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$59,312,161. The largest portion of the County's assets (49%) reflects its investment in capital assets, (land, rights of way, buildings, infrastructure, equipment, construction in progress, and accumulated depreciation). The County uses these capital assets to provide services to its citizens; consequently these assets are not available for future spending. Current and other assets represent 51% of assets and for the most part these funds are available for future spending. The asset and deferred outflows of resources to liability and deferred inflows of resources ratio is approximately 3:1, meaning, for every dollar of liabilities and deferred inflows of resources the County holds three dollars in assets and deferred outflows of resources.

**Statement of Net Position:** As taken from the Statement of Net Position in the basic financial statements, the following table depicts the net position including all assets and liabilities that create net position for fiscal years 2022 and 2021, respectively, as well as the changes between the two years. The percentage to total assets, liabilities and deferred inflows of resources, and net position illustrates the percent change of each account to their respective totals for each year. This will assist in evaluating the importance of that account to the total and how that translates to its effect on net position.

LINCOLN COUNTY  
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June 30, 2022

	2022	2021		Percentage of Total		% Change
	Governmental	Governmental	Net Change	2022	2021	Between
	Activities	Activities				Years
<b>Assets:</b>						
Current and Other						
Assets	\$ 44,897,006	39,257,564	5,639,442	51.25%	46.10%	14.37%
Capital Assets	42,704,437	45,893,261	(3,188,824)	48.75%	53.90%	-6.95%
<b>Total Assets</b>	<b>87,601,443</b>	<b>85,150,825</b>	<b>2,450,618</b>			
<b>Deferred Outflows of Resources:</b>						
Pensions	4,341,576	1,531,346	2,810,230	100.00%	100.00%	183.51%
<b>Total Deferred Outflows of Resources</b>	<b>4,341,576</b>	<b>1,531,346</b>	<b>2,810,230</b>			
<b>Liabilities:</b>						
Other Liabilities	4,379,636	3,035,887	1,343,749	23.45%	16.81%	44.26%
Long-term Liabilities	14,295,713	15,024,951	(729,238)	76.55%	83.19%	-4.85%
<b>Total Liabilities</b>	<b>18,675,349</b>	<b>18,060,838</b>	<b>614,511</b>			
<b>Deferred Inflows of Resources:</b>						
Property Taxes	9,386,977	7,015,314	2,371,663	67.26%	71.12%	33.81%
Pensions	4,568,533	2,849,144	1,719,389	32.74%	28.88%	60.35%
<b>Total Deferred Inflows of Resources</b>	<b>13,955,510</b>	<b>9,864,458</b>	<b>4,091,052</b>			
<b>Net Position:</b>						
Net investment						
in capital assets	35,864,378	37,028,261	(1,163,883)	60.47%	63.02%	-3.14%
Restricted	3,340,991	3,814,783	(473,792)	5.63%	6.49%	-12.42%
Unrestricted	20,106,791	17,913,831	2,192,960	33.90%	30.49%	12.24%
<b>Total Net Position</b>	<b>\$ 59,312,160</b>	<b>58,756,875</b>	<b>555,285</b>			
Assets and Deferred Outflows of Resources to Liabilities and Deferred Inflows of Resources	2.8	3.1				

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Changes in Net Position:** As taken from the Statement of Activities in the basic financial statements, the following table depicts the changes in net position for fiscal years 2022 and 2021, the changes between fiscal years 2022 and 2021, and the percentages of revenue to total revenues and expenses to total expenses.

**Summary of Changes in Net Position**

	2022	% of Total Revenues	2021	% of Total Revenues	\$ Change Between Years	% Change Between Years
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 1,611,393	6.91%	2,825,472	10.37%	(1,214,079)	-42.97%
Operating grants	2,226,171	9.54%	6,403,173	23.50%	(4,177,002)	-65.23%
Capital grants	956,538	4.10%	232,295	0.85%	724,243	311.78%
General Revenues:						
Property taxes	9,296,488	39.84%	9,753,915	35.79%	(457,427)	-4.69%
Sales and use tax	6,771,017	29.02%	6,150,208	22.57%	620,809	10.09%
Other taxes	2,386,463	10.23%	1,813,567	6.66%	572,896	31.59%
Interest and investment income (loss)	(212,964)	-0.91%	67,040	0.25%	(280,004)	-417.67%
Gain on transfer of long-term liabilities	-	0.00%	6,995,000	25.67%	(6,995,000)	-100.00%
Gain (loss) on disposal of assets	56,799	0.24%	(7,452,100)	-27.35%	7,508,899	-100.76%
Miscellaneous	242,560	1.04%	461,979	1.70%	(219,419)	-47.50%
<b>Total Revenues</b>	<b>23,334,465</b>		<b>27,250,549</b>		<b>(3,916,084)</b>	<b>-14.37%</b>
		<u>% of Total Expenses</u>		<u>% of Total Expenses</u>		
<b>Expenses:</b>						
General Government	9,640,773	41.55%	8,477,555	35.97%	1,163,218	13.72%
Public Safety	6,837,453	29.47%	6,102,208	25.89%	735,245	12.05%
Public Works	4,559,760	19.65%	4,183,312	17.75%	376,448	9.00%
Health & Welfare	1,940,374	8.36%	4,440,373	18.84%	(2,499,999)	-56.30%
Interest & fiscal charges	222,664	0.96%	364,249	1.55%	(141,585)	0.00%
<b>Total expenses</b>	<b>23,201,024</b>		<b>23,567,697</b>		<b>(366,673)</b>	<b>-1.56%</b>
Change in net position	133,441		3,682,852			
Net position-beginning, as restated	59,178,719		55,074,023			
Net position-ending	\$ 59,312,160		59,178,719			

LINCOLN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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For fiscal year 2022, the County experienced an increase in net position of \$133,442 compared to an increase of \$3,682,852 in fiscal year 2021. This change is due to the following factors: 1) revenues from capital grants and sales and use tax increased by \$724,243 and \$620,809, respectively; 2) expenses decreased by \$366,673 due to decreases in health and welfare expenses; and 3) property taxes decreased by \$457,427 due to decreases in the assessed value of property within the County.

Taxes comprise the largest source of revenue for the County. Property and motor vehicle taxes represent 40% of total revenues, followed by sales and use taxes which constitute 29% of total revenues. Charges for services, operating grants, and other taxes represent 7%, 10%, and 10% of total revenues, respectively, while capital grants represent 1% of total revenues and miscellaneous and other income represent less than 1% of total revenues.

On the expense side, the cost of General Government programs increased by 14% or \$1,163,218 from 2021 and was 42% of total expenses. Public Safety and Public Works increased by \$735,245 and \$376,448, respectively, and were 12% and 9% of total expenses, respectively. Health and Welfare decreased by \$2,499,999 and was 19% of total expenses.

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

The County uses fund accounting to demonstrate compliance with standard accounting procedures and Wyoming State Statutes.

**Governmental Funds:** The focus of the County's governmental funds is to provide information on near term inflows, outflows, and the balance of resources available for appropriation. Such information is a useful measure of the County's net resources available for spending at the end of the year.

As of June 30, 2022, the fund balance of the County's governmental funds was \$30,735,194, which increased \$6,154,352 compared to the prior year. Of the \$30,735,194 in fund balance, \$23,556,122 is unassigned and is available for appropriation by the County. The remainder of the fund balance is comprised of \$183,000 which is in nonspendable form, \$3,340,991 which is restricted by enabling legislation and/or for specific road projects, state and federal contracts, and state and federal grant programs, \$1,983,763 which is committed for future debt service and \$1,671,318 which is assigned for special projects and other purposes.

LINCOLN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022

**General Fund Budgetary Highlights**

A comparison of final budget amounts to actual revenues and expenses is another measure of the County's ability to manage the sources and application of funds.

<b>Year Ending June 30, 2022 - Final Budget to Actual</b>				
	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>	<u>% of Change Budget to Actual</u>
<b><u>Revenues:</u></b>				
Taxes	\$ 14,995,167	18,293,688	3,298,521	22.00%
Intergovernmental	339,312	753,940	414,628	122.20%
Charges for services	1,150,500	1,331,790	181,290	15.76%
Licenses and permits	3,500	3,540	40	1.14%
Interest and investment income	85,000	(218,864)	(303,864)	100.00%
Miscellaneous	1,585,551	156,560	(1,428,991)	-90.13%
<b><i>Total revenues</i></b>	<b><u>18,159,030</u></b>	<b><u>20,320,654</u></b>	<b><u>2,161,624</u></b>	<b><u>11.90%</u></b>
<b><u>Expenditures:</u></b>				
General government	11,410,357	9,465,330	1,945,027	17.05%
Public safety	5,094,112	4,396,486	697,626	13.69%
Public works	3,012,261	2,738,624	273,637	9.08%
Health and welfare	958,063	776,346	181,717	18.97%
<b><i>Total expenditures</i></b>	<b><u>\$ 20,474,793</u></b>	<b><u>17,376,786</u></b>	<b><u>3,098,007</u></b>	<b><u>15.13%</u></b>

The original revenues budget was \$18,159,030 with no modifications made during the year. Actual revenues compared to the final budget had a favorable variance of \$2,161,624 or 12%.

Original budgeted expenditures were \$20,474,793 with no modifications made during the year. Actual expenditures amounted to \$17,376,786, resulting in a favorable variance of \$3,098,007 or 15%. At the department level, General Government expenditures were \$9,465,330, or 17% less than budgeted expenditures, due mostly to expected increases in health insurance costs; Public Safety expenditures were \$4,396,486, or 14% less than budgeted expenditures; Public Works expenditures were \$2,738,624 or 9% less than budgeted expenditures; and, Health and Welfare expenditures were \$776,346 or 19% less than budgeted expenditures.

LINCOLN COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Capital Asset and Long-Term Debt Administration**

**Capital Assets:** The County's investment in capital assets for its governmental activities, net of accumulated depreciation, came to a total of \$42,704,437 as of June 30, 2022. This investment in capital assets includes land, rights of way, infrastructure, buildings, vehicles, equipment, and construction in process. Major capital additions this year include vehicles, building construction and improvements, and other tools and equipment.

**Long-Term Liabilities:** Total long-term liabilities, including net pension liability, as of June 30, 2022 were \$14,295,713 of which \$615,000 is due within one year and \$13,680,713 is due in more than one year. There is no general obligation indebtedness as of June 30, 2022.

**Economic and Other factors**

One of the ways to measure the economic strength of the County is to look at the assessed market valuation of property in the County. Due to the changes in governmental approach towards fossil and other similar fuels, the assessed market valuation used in property tax levies for fiscal year 2022 decreased by 5% or approximately \$15 million from the prior year, which resulted in a decrease of approximately \$450,000 in property tax revenue.

**Contacting the County**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's financial condition and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Board of County Commissioners at Lincoln County Wyoming, 925 Kemmerer, Wyoming 83101.

The preceding discussion and analysis focuses on the County's primary government operations. The County's component units do not issue separate audited financial statements. Additional information regarding component unit finances may be obtained from their respective administrative offices.

## **Basic Financial Statements**

LINCOLN COUNTY  
STATEMENT OF NET POSITION  
June 30, 2022

	<u>Primary Government</u>		<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Total</u>	
<u>Assets</u>			
Pooled cash and cash equivalents	\$ 10,499,042	10,499,042	-
Cash and cash equivalents	8,504,464	8,504,464	3,501,155
Investments	14,021,769	14,021,769	-
Beneficial interest	-	-	1,343,961
Accounts receivable	68,212	68,212	63,139
Taxes receivable	9,386,977	9,386,977	2,621,548
Due from other governments	1,760,542	1,760,542	-
Prepaid expenses	-	-	14,648
Inventory	183,000	183,000	215,862
Note receivable	473,000	473,000	-
Capital assets	89,950,844	89,950,844	2,613,735
Accumulated depreciation and amortization	(47,246,407)	(47,246,407)	(1,636,444)
Total assets	<u>87,601,443</u>	<u>87,601,443</u>	<u>8,737,604</u>
<u>Deferred outflows of resources</u>			
Pensions	<u>4,341,576</u>	<u>4,341,576</u>	<u>263,078</u>
Total deferred outflows of resources	<u>4,341,576</u>	<u>4,341,576</u>	<u>263,078</u>
<u>Liabilities</u>			
Accounts payable	725,453	725,453	62,337
Accrued liabilities	146,415	146,415	24,046
Unearned revenue	3,318,816	3,318,816	-
Other liabilities	188,952	188,952	-
Long-term liabilities:			
Due within one year	615,000	615,000	128,000
Due in more than one year	6,648,059	6,648,059	-
Net pension liability	<u>7,032,654</u>	<u>7,032,654</u>	<u>937,877</u>
Total liabilities	<u>18,675,349</u>	<u>18,675,349</u>	<u>1,152,260</u>
<u>Deferred inflows of resources</u>			
Property taxes	9,386,977	9,386,977	2,550,947
Pensions	<u>4,568,533</u>	<u>4,568,533</u>	<u>667,993</u>
Total deferred inflows of resources	<u>13,955,510</u>	<u>13,955,510</u>	<u>3,218,940</u>
<u>Net position</u>			
Net investment in capital assets	35,864,378	35,864,378	977,291
Restricted – expendable	3,340,991	3,340,991	-
Restricted – nonexpendable	-	-	1,343,961
Unrestricted	<u>20,106,791</u>	<u>20,106,791</u>	<u>2,308,230</u>
Total net position	<u>\$ 59,312,160</u>	<u>59,312,160</u>	<u>4,629,482</u>

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNTY  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
					Governmental Activities	Total	
Primary government:							
Governmental:							
General	\$ 9,640,773	686,137	207,645	-	(8,746,991)	(8,746,991)	-
Public safety	6,837,453	649,474	463,386	399,845	(5,324,748)	(5,324,748)	-
Public works	4,559,760	-	1,218,594	556,693	(2,784,473)	(2,784,473)	-
Health and welfare	1,940,374	275,782	336,546	-	(1,328,046)	(1,328,046)	-
Interest and fiscal charges	222,664	-	-	-	(222,664)	(222,664)	-
Total governmental activities	<u>23,201,024</u>	<u>1,611,393</u>	<u>2,226,171</u>	<u>956,538</u>	<u>(18,406,922)</u>	<u>(18,406,922)</u>	<u>-</u>
Total primary government	<u>\$ 23,201,024</u>	<u>1,611,393</u>	<u>2,226,171</u>	<u>956,538</u>	<u>(18,406,922)</u>	<u>(18,406,922)</u>	<u>-</u>
Component units:							
Weed and pest control district	\$ 1,201,706	403,565	-	-	-	-	(798,141)
County fair	753,747	266,656	-	-	-	-	(487,091)
County library	1,312,058	13,647	92,924	-	-	-	(1,205,487)
Total component units	<u>\$ 3,267,511</u>	<u>683,868</u>	<u>92,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,490,719)</u>
General revenues:							
Taxes:							
Property taxes					\$ 9,296,488	9,296,488	2,767,991
Sales and use taxes					6,771,017	6,771,017	-
Other taxes and shared revenues					2,386,463	2,386,463	-
Total taxes					<u>18,453,968</u>	<u>18,453,968</u>	<u>2,767,991</u>
Interest and investment loss					(212,964)	(212,964)	(214,298)
Gain on disposal of assets					56,799	56,799	-
Miscellaneous					242,560	242,560	2,008
Total general revenues					<u>18,540,363</u>	<u>18,540,363</u>	<u>2,555,701</u>
Change in net position					133,441	133,441	64,982
Net position - beginning, as restated					<u>59,178,719</u>	<u>59,178,719</u>	<u>4,564,500</u>
Net position - ending					<u>\$ 59,312,160</u>	<u>59,312,160</u>	<u>4,629,482</u>

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022

	<u>General</u>	<u>Grants Special Revenue</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Pooled cash and cash equivalents	\$ 3,325,343	4,729,696	2,449,287	10,504,326
Cash and cash equivalents	5,486,293	-	3,012,887	8,499,180
Investments	14,021,769	-	-	14,021,769
Accounts receivable	10,085	-	58,127	68,212
Taxes receivable	9,386,977	-	-	9,386,977
Due from other governments	1,535,180	99,858	125,504	1,760,542
Note receivable	473,000	-	-	473,000
Inventory	183,000	-	-	183,000
Total assets	<u>\$ 34,421,647</u>	<u>4,829,554</u>	<u>5,645,805</u>	<u>44,897,006</u>
<u>Liabilities</u>				
Accounts payable	\$ 543,981	170,558	10,914	725,453
Accrued liabilities	68,615	-	-	68,615
Unearned revenue	-	3,318,816	-	3,318,816
Other liabilities	188,952	-	-	188,952
Total liabilities	<u>801,548</u>	<u>3,489,374</u>	<u>10,914</u>	<u>4,301,836</u>
<u>Deferred inflows of resources</u>				
Property taxes	9,386,977	-	-	9,386,977
Unavailable revenues	473,000	-	-	473,000
Total deferred inflows of resources	<u>9,859,977</u>	<u>-</u>	<u>-</u>	<u>9,859,977</u>
<u>Fund balances</u>				
Nonspendable	183,000	-	-	183,000
Restricted	21,000	-	3,319,991	3,340,991
Committed	-	-	1,983,762	1,983,762
Assigned	-	1,340,180	331,138	1,671,318
Unassigned	23,556,122	-	-	23,556,122
Total fund balances	<u>23,760,122</u>	<u>1,340,180</u>	<u>5,634,891</u>	<u>30,735,193</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 34,421,647</u>	<u>4,829,554</u>	<u>5,645,805</u>	<u>44,897,006</u>

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNTY  
RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
June 30, 2022

Total fund balances for governmental funds \$ 30,735,193

Amounts reported for governmental activities in the Statement of Net Position are different because:

The net pension liability and deferred inflows and outflows related to pensions are not reported in the funds.

Deferred outflows of resources - pensions	\$ 4,341,576	
Deferred inflows of resources - pensions	(4,568,533)	
Net pension liability	<u>(7,032,654)</u>	(7,259,611)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Buildings and improvements	\$ 32,719,467	
Infrastructure	28,056,034	
Equipment and vehicles	18,036,328	
Right to use asset	7,487,395	
Land	2,559,755	
Rights of way	1,056,600	
Construction in process	35,265	
Accumulated depreciation and amortization	<u>(47,246,407)</u>	42,704,437

Long-term note receivables are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds.

Notes receivable	\$ <u>473,000</u>	473,000
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Long-term liabilities and certain related accrued interest are not due and payable in the current period and therefore are not reported in the funds.

Lease liability	\$ (6,840,059)	
Accrued interest	(77,800)	
Compensated absences	<u>(423,000)</u>	<u>(7,340,859)</u>

Net position of governmental activities \$ 59,312,160

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2022

	<u>General</u>	<u>Grants</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 18,293,688	-	160,280	18,453,968
Intergovernmental	753,940	1,602,659	826,110	3,182,709
Charges for services	1,331,790	-	276,063	1,607,853
Licenses and permits	3,540	-	-	3,540
Interest and investment income (loss)	(218,864)	-	5,900	(212,964)
Miscellaneous	156,560	-	-	156,560
Total revenues	<u>20,320,654</u>	<u>1,602,659</u>	<u>1,268,353</u>	<u>23,191,666</u>
Expenditures:				
General government	9,465,330	552,714	-	10,018,044
Public safety	4,396,486	377,806	300,684	5,074,976
Public works	2,738,624	592,290	281,746	3,612,660
Health and welfare	776,346	390,700	524,910	1,691,956
Debt service	-	-	870,000	870,000
Total expenditures	<u>17,376,786</u>	<u>1,913,510</u>	<u>1,977,340</u>	<u>21,267,636</u>
Excess (deficiency) of revenues over expenditures	<u>2,943,868</u>	<u>(310,851)</u>	<u>(708,987)</u>	<u>1,924,030</u>
Other financing sources (uses):				
Proceeds from payments on notes receivable	4,230,321	-	-	4,230,321
Transfers in	-	975,317	619,623	1,594,940
Transfers out	(722,940)	-	(872,000)	(1,594,940)
Total other financing sources (uses)	<u>3,507,381</u>	<u>975,317</u>	<u>(252,377)</u>	<u>4,230,321</u>
Net change in fund balance	6,451,249	664,466	(961,364)	6,154,351
Fund balance – beginning	<u>17,308,873</u>	<u>675,714</u>	<u>6,596,255</u>	<u>24,580,842</u>
Fund balance – ending	<u>\$ 23,760,122</u>	<u>1,340,180</u>	<u>5,634,891</u>	<u>30,735,193</u>

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNTY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022

Net change in fund balance – total governmental funds \$ 6,154,351

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 these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$352,044) were exceeded by depreciation (\$2,641,906). (2,289,862)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales of capital assets) is to increase net position. 56,799

The net effect of transactions involving the issuance of and payments on installment notes receivable decreases net position. (4,144,321)

The net effect of transactions involving the net pension liability and deferred inflows and outflows of resources related to pensions results in an increase in benefit expense and decreases net position. (290,862)

Bond proceeds and lease liabilities provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the Statement of Net Position. Repayments of bond and lease principal are expenditures in governmental funds, but reduce liabilities in the Statement of Net Position. In the Statement of Activities, interest expense is recognized as it accrues, regardless of when it is due. Also, in the Statement of Activities, compensated absences are recognized when incurred.

Payment of principal on long-term liabilities	\$ <u>647,336</u>	<u>647,336</u>
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Change in net position of governmental activities	\$ <u><u>133,441</u></u>	
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The accompanying notes are an integral part of these financial statements.

LINCOLN COUNTY  
STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2022

	<u>Custodial Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 5,269,025
Accounts receivable	<u>92,714</u>
 Total assets	 <u>5,361,739</u>
<u>Liabilities</u>	
Claims payable	427,363
Due to other taxing units	<u>4,727,410</u>
 Total liabilities	 <u>5,154,773</u>
<u>Net Position</u>	
Restricted for participants	<u>206,966</u>
 Total net position	 \$ <u><u>206,966</u></u>

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNTY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
Year Ended June 30, 2022

	<u>Custodial Funds</u>
Additions:	
Contributions - County	\$ 3,381,200
Contributions - component units	76,300
Contributions - participants	161,479
Insurance reimbursements	815,835
Tax collections for other governments	110,596,981
Interest and other income	<u>524,273</u>
Total additions	<u>115,556,068</u>
Deductions:	
Claim benefit expense	3,570,723
Trust operating expense	673,602
Tax distributions to other governments	<u>111,120,960</u>
Total deductions	<u>115,365,285</u>
Change in net position	190,783
Net position – beginning	<u>16,183</u>
Net position – ending	<u><u>\$ 206,966</u></u>

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNTY  
COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS  
June 30, 2022

	Weed and Pest Control	County Fair	County Library	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 1,166,543	932,021	1,402,591	3,501,155
Beneficial interest	-	-	1,343,961	1,343,961
Accounts receivable	63,139	-	-	63,139
Taxes receivable	910,601	450,000	1,260,947	2,621,548
Prepaid expenses	982	13,666	-	14,648
Inventory	215,862	-	-	215,862
Capital assets	1,430,098	942,821	240,816	2,613,735
Accumulated depreciation	<u>(856,767)</u>	<u>(577,292)</u>	<u>(202,385)</u>	<u>(1,636,444)</u>
 Total assets	 <u>2,930,458</u>	 <u>1,761,216</u>	 <u>4,045,930</u>	 <u>8,737,604</u>
<u>Deferred outflows of resources</u>				
Pensions	<u>83,317</u>	<u>23,490</u>	<u>156,271</u>	<u>263,078</u>
 Total deferred outflows of resources	 <u>83,317</u>	 <u>23,490</u>	 <u>156,271</u>	 <u>263,078</u>
<u>Liabilities</u>				
Accounts payable	34,358	20,500	7,479	62,337
Accrued payroll	24,046	-	-	24,046
Compensated absences	64,000	18,000	46,000	128,000
Net pension liability	<u>252,727</u>	<u>84,526</u>	<u>600,624</u>	<u>937,877</u>
 Total liabilities	 <u>375,131</u>	 <u>123,026</u>	 <u>654,103</u>	 <u>1,152,260</u>
<u>Deferred inflows of resources</u>				
Property taxes	840,000	450,000	1,260,947	2,550,947
Pensions	<u>176,785</u>	<u>74,661</u>	<u>416,547</u>	<u>667,993</u>
 Total deferred inflows of resources	 <u>1,016,785</u>	 <u>524,661</u>	 <u>1,677,494</u>	 <u>3,218,940</u>
<u>Net position</u>				
Net investment in capital assets	573,331	365,529	38,431	977,291
Restricted – nonexpendable	-	-	1,343,961	1,343,961
Unrestricted	<u>1,048,528</u>	<u>771,490</u>	<u>488,212</u>	<u>2,308,230</u>
 Total net position	 <u>\$ 1,621,859</u>	 <u>1,137,019</u>	 <u>1,870,604</u>	 <u>4,629,482</u>

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNTY  
COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
Year Ended June 30, 2022

	<u>Weed and Pest Control</u>	<u>County Fair</u>	<u>County Library</u>	<u>Total</u>
Expenses	\$ 1,201,706	753,747	1,312,058	3,267,511
Program revenues:				
Charges for services	403,565	266,656	13,647	683,868
Operating grants and contributions	-	-	92,924	92,924
Total program revenues	403,565	266,656	106,571	776,792
Net expenses	(798,141)	(487,091)	(1,205,487)	(2,490,719)
General revenues:				
Taxes	842,353	506,822	1,418,816	2,767,991
Interest and investment income (loss)	8,448	97	(222,843)	(214,298)
Miscellaneous	-	-	2,008	2,008
Total general revenues	850,801	506,919	1,197,981	2,555,701
Change in net position	52,660	19,828	(7,506)	64,982
Net position – beginning	1,569,199	1,117,191	1,878,110	4,564,500
Net position – ending	\$ 1,621,859	1,137,019	1,870,604	4,629,482

The accompanying notes are an integral part of these financial statements.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies

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

**Financial Reporting Entity**

The County operates as an incorporated governmental entity within the State of Wyoming. The County is a municipal corporation governed by three elected commissioners. The County provides the following services as authorized by statute: public safety, road and bridge operation and maintenance, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services. As required by GAAP, these financial statements present the County and its component units.

As required by GAAP, the County evaluates whether separate legal entities are controlled by or dependent on the County. The evaluation of control or dependence is based on several factors including the appointment of the respective governing board, ability of the County to impose its will on the separate legal entity, and whether a financial benefit or burden relationship exists.

Blended component units, although legally separate entities, are in substance part of the County's operations and data from those units is combined with data of the primary government. The County has no blended component units. Discretely presented component units, conversely, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. All discretely presented component units have a June 30 fiscal year-end.

*Discretely Presented Component Units*

**The Weed and Pest Control District** was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. The District is fiscally dependent upon the County because the Board of Commissioners approves the District's budget and tax levy. The District is presented as a governmental fund type. The District does not issue separate financial statements.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

*Discretely Presented Component Units* (continued)

**The County Fair Board** maintains and manages the operations of the County Fair and the County fairgrounds and conducts agricultural, industrial, and other fairs and exhibitions within the County. The Fair Board is fiscally dependent upon the County because the Board of Commissioners approves the Fair Board's budget, levies taxes on behalf of the Fair Board, and must approve any debt issuance. The Fair Board's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Fair Board is presented as a governmental fund type. The Fair Board does not issue separate financial statements.

**The County Library Board** maintains and manages the operations of the County Library system. The Library Board is fiscally dependent upon the County because the Board of Commissioners approves the Library Board's budget, levies taxes on behalf of the Library Board and must approve any debt issuance. The Library Board's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Library is presented as a governmental fund type. Included in the Library Board is the County Library Foundation (the Foundation), which is a separate legal nonprofit entity. The Foundation's purpose is to raise money for the Library Board. The Foundation was determined to be a component unit of the Library Board in accordance with GASB statement 39. The Library Board does not issue separate financial statements.

*Joint Ventures*

**The Lincoln County Airport Joint Powers Board** is a joint venture between the municipalities of Kemmerer, Cokeville, and Afton, Wyoming and the Board of County Commissioners of Lincoln County, Wyoming. Board members are appointed by the County Commissioners of Lincoln County and the Mayor and City Council of each municipality involved. Although neither the municipalities nor the County has any obligation to fund the Joint Powers Board, they may fund any sum of money as determined in their individual budget processes. Audited financial statements can be obtained from the City of Kemmerer, the City of Cokeville, the Town of Afton, and from the Airport Joint Powers Board.

**The Upper Green River Basin Water Joint Powers Board** has representatives from Sublette County, Lincoln County, and Sweetwater County. The counties formed an agreement to establish and operate water storage facilities along the Green River and within the Upper Green River Basin. Each county appoints two members to this board. The counties have an equity interest in all assets purchased to provide services. None of the participants have any obligation to fund this board, however they may fund any sum of money as determined in their individual budget processes.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

*Joint Ventures (continued)*

**The IDAWY Solid Waste District (IDAWY)** is a political subdivision of the State of Idaho and has representatives from Bear Lake County, Caribou County, and Oneida County, Idaho, as well as Lincoln County, Wyoming. These counties formed an agreement to establish and operate landfills, solid waste transfer stations, and to create a long-term regional waste solution for all counties involved. Each county appoints members to this board. Annual contributions are required of each participating county. Lincoln County's participation in this agreement began upon the execution of a joint powers agreement with IDAWY in December 2019 enabling the County to become a participating county of IDAWY. As a result, in February 2021, all assets, liabilities, current and future closure costs, and the operations of all open and closed landfills formerly operated by Lincoln County were transferred to IDAWY. IDAWY issues separate financial statements which can be obtained by writing to 241 S. Main, Suite #3, Soda Springs, Idaho, 83276.

**Basic Financial Statements**

The County's basic financial statements include both government-wide financial statements (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Governmental activities are usually financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The County currently has no services that are classified as business-type activities. Therefore, all of the County's services, including public works, public safety, health and welfare, and general administrative services, are classified as governmental activities.

*Government-Wide Financial Statements*

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis, and (b) is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term liabilities and obligations. The County's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (general, public safety, etc.). The functions are also supported by general revenues (property taxes, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants and contributions.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function) are normally covered by general revenue (property or sales taxes, intergovernmental revenues, interest income, etc.). The County does not allocate indirect costs.

These government-wide statements focus more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

*Fund Financial Statements*

The County's accounting system is organized on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the government establishes for accountability purposes in accordance with statutes, laws, regulations, restrictions, or specific purposes.

Separate financial statements are provided for governmental funds. For governmental funds, the emphasis is on major individual funds, as defined by GASB Statement No. 34, with each displayed as a separate column. All remaining governmental funds are aggregated and reported as non-major funds in their respective fund financial statements.

*Governmental Funds*

The focus of the governmental funds' measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than on net income.

The following is a description of the governmental funds of the County:

- The **General Fund** is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- The **Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.
- The **Debt Service Fund** is used to account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the County.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

The County’s major governmental funds consist of the General Fund (see description above) and the Grants Fund, which is a special revenue fund established to receive grants or other restricted revenues and record the related expenditures in an effort to document compliance with grant requirements. The County’s nonmajor governmental funds consist of special revenue funds that collect fees and taxes for public safety (Enhanced 911 Fund), public road construction maintenance and repair (State Roads Fund), revenues related to intergovernmental contracts (Contracts Fund), and landfill operations and closure (Landfill Fund), and the County’s Debt Service Fund.

*Fiduciary Funds*

The County’s fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other individuals or organizations. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The County has four fiduciary funds, all considered custodial funds.

Custodial funds are used to account for assets held by the County as an agent for other governmental units, other organizations, or individuals. These assets are primarily made up of tax collections. The County accounts for these funds in accordance with GASB Statement No. 84 “Fiduciary Activities” (GASB 84).

Custodial funds consist of the following:

- **Employee Benefit Trust Fund** – This fund is used to account for the operations of the County’s self-funded health insurance program. All funds are held in trust to pay benefits according to the health insurance benefit plan.
- **Treasurer’s Tax Fund** – This fund is used to hold and distribute taxes and fees collected on behalf of other governmental units.
- **School Bond and Interest Fund** – This fund collects specific purpose property taxes for school districts within Lincoln County and distributes the taxes to the bond trustee.
- **Hospital Bond and Interest Fund** – This fund collects specific-purpose property taxes for the hospitals within Lincoln County and distributes the taxes to the bond trustee.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transaction or events for recognition in the financial statements. The following provides a summary of the measurement focus and basis of accounting used by the County.

*Economic Resources Measurement Focus and Accrual Basis of Accounting*

The government-wide financial statements, the fiduciary funds financial statements, and the discretely presented component unit financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized 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.

*Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting*

The governmental funds' financial statements are reporting 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 or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days (the availability period) of the end of the current fiscal period. An exception to this policy is expenditure-drive grant revenues, which generally are considered to be available if the eligible expenditures have been made. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service and compensated absences expenditures are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governments funds. Issuance of direct borrowings are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, motor vehicle taxes, other taxes, and interest income associated with the current fiscal period that are susceptible to accrual, and received in the availability period (within 60 days of year-end), are recognized as revenues of the fiscal period they are intended to finance. All taxes and internally dedicated resources are reported as general revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

Program revenues, which include charges to customers and contributions for operational or capital requirements, are recorded as revenue when earned and the amount is received within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered measurable and available only when cash is received by the government.

**Financial Statement Amounts**

*Cash and Cash Equivalents*

For the purposes of the Statement of Net Position, the term “cash and cash equivalents” includes all demand deposits, savings accounts, certificates of deposit, or other short-term, highly liquid investments.

*Pooled Cash and Cash Equivalents*

Wherever possible, the County’s cash accounts are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein. An individual fund’s equity in the pooled cash accounts is available on demand and is considered to be cash equivalents for purposes of these financial statements. Negative balances incurred in pooled cash at year-end are treated as interfund payables of the deficit account and interfund receivables in other funds with positive balances. Investments of the pool are reported at fair value.

*Investments*

Investments are reported at fair value. Wyoming statute allows the County to invest in U.S. and state and local government securities and accounts of any bank and savings associations, which are federally insured. Stocks and bonds of private corporations as well as reverse repurchase agreements are prohibited investments for the County. All investments made during the year were made within these statutory limits.

*Receivables, Due from Other Governments*

Receivables consist of revenues earned as of year-end but received after year-end. All receivable balances are reported net of any allowance for uncollectible accounts. Allowances for uncollectible accounts are based upon historical trends and current data regarding the condition of specific debtors as of the date of issuance of the financial statements. Due from other governments consists of amounts due to the County at year-end but remitted after year-end. The balance consists primarily of sales tax and other taxes due from the State of Wyoming, payments in lieu of taxes due from the federal government, and reimbursements for grant expenditures due from the State of Wyoming, the federal government, or other agencies.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

*Notes Receivable*

Notes receivable include proceeds from the sale of County property expected to be paid through installment payments over an extended period of time. Notes receivable are carried at the gross amount outstanding reduced by an allowance for uncollectibility, if any. These receivables are considered past due when the debtor fails to comply with the repayment terms of the loan document. These receivables are placed on non-accrual status when management believes, after considering economic and business conditions and collection efforts, that the borrower's financial condition is such that collection of additional interest is doubtful. Credit quality is determined by the Company during the loan application process. At that time, factors such as employment history and bank account activity are considered. No further determinations of credit quality are made during the life of the loan.

*Inventories*

Inventories are valued at the lower of cost (first-in, first-out method) or market and consists of crushed rock and road base materials and pesticides, insecticides, and other supplies. In the governmental fund financial statements, expenditures are recorded as inventory is used (consumption method).

*Capital Assets*

Capital assets are reported in the government-wide financial statements. The County defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than 2 years. All capital assets are valued at cost or estimated cost if actual cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life is not capitalized.

Depreciation on all depreciable capital assets of the County has been provided over the estimated useful lives using the straight-line method. The ranges of estimated useful lives are as follows:

Buildings, improvements, and infrastructure	15 to 80 years
Equipment and vehicles	3 to 20 years

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

*Lease*

The County leases property and equipment under a noncancellable lease. The County recognizes a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements with an initial, individual value of \$25,000 or more. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or lease term. Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments. The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

*Deferred Outflows of Resources and Deferred Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Items qualifying for reporting in this category are related to pensions.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

*Deferred Outflows of Resources and Deferred Inflows of Resources (continued)*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The following items qualify for reporting in this category.

- Property taxes for future periods are reported in both the governmental funds balance sheet and the entity-wide statement of net position. Property tax revenues are not recognized prior to the period which they are intended to finance, even if an enforceable lien is in place prior to the beginning of the intended period. Thus, property taxes received or receivable as of year-end, which are intended to finance the following fiscal year, are recorded as deferred inflows.
  
- Pension related items.

*Pension Related Assets, Liabilities and Deferred Outflows and Inflows of Resources*

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 (the System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Unearned Revenues*

In the government-wide statements and the governmental fund financial statements, unearned revenue is recognized when cash or other assets are received or recognized prior to being earned. The unearned revenues are related to grant proceeds.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

*Long-Term Liabilities*

In the government-wide financial statements long-term debt and obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, and similar items, when material, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are recorded as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

In the governmental fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the period incurred. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. Debt principal and interest payments are reported as expenditures in the period the payments are due.

*Compensated Absences*

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick leave accumulate for all full-time permanent employees dependent upon years of service. Accumulated vacation leave is payable to the employee upon termination of employment. Twenty-five percent of accumulated sick leave is payable to the employee upon voluntary termination of employment and fifty percent of accumulated sick leave is payable to the employee upon retirement. An estimated liability for vacation and sick leave is reported in the government-wide financial statements and the expense is allocated by function based on where the employee is assigned. In the fund financial statements, governmental funds do not report a liability for compensated absences. The expenditure is reported when vacation or sick time is taken. Compensated absences are generally liquidated by the General Fund.

*Interfund Balances and Transactions*

During the course of operations, transactions sometimes occur between individual funds that may result in amounts owed between funds. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Transfers are used to report flows of cash (or other assets) between funds without equivalent flows of assets in return or a requirement for repayment. In the government-wide Statement of Activities, transfers between governmental funds have been eliminated. In the fund financial statements, transfers are reported as other financing sources or uses.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

*Equity Classifications*

Equity in the government-wide financial statements is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of these assets.
- Restricted net position – Consists of net position with constraints placed on their use, whether by 1) external groups such as creditors, grantors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Balance Classifications*

Governmental fund equity is classified as fund balance in the fund financial statements. Fund balance is further classified based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows.

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County has classified inventory and note receivable assets as nonspendable.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

*Fund Balance Classifications* (continued)

- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commissioners. These amounts cannot be used for any purpose unless the County Commissioners removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned* – This classification includes amounts that are constrained by the County’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Commissioners. No other governing body or officials have this authority delegated to them. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- *Unassigned* – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

*Net position flow assumption*

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

*Fund balance flow assumptions*

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

*Estimates*

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

**Property Tax Calendar and Rates**

The County assesses all taxable property other than centrally assessed property, which is assessed by the State of Wyoming, by January 1 of each year. Properties taxes are levied on or about August 1 and are payable in two installments on September 1 and March 1. The County bills and collects its own property taxes as well as property taxes for all municipalities and political subdivisions within the County. Collections and remittances of these taxes for other taxing entities are accounted for in the Treasurer’s Tax Agency Fund. County property tax revenues are recognized when levied to the extent that they result in current receivables which means collected within the current period or expected to be collected within 60 days after the period end to be used to pay liabilities of the current period. State law allows anyone to pay the delinquent taxes on a property and obtain an enforceable lien on that property. Therefore, the County’s delinquent property taxes are insignificant.

The County is permitted by Wyoming Statute to levy taxes up to 12 mills of assessed valuation for all purposes excluding general school tax, 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, 2022, was 12 mills.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 2 – Deposits and Investments

**Primary Government**

Deposits and investments consist of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
<i>Governmental funds</i>				
Pooled cash and cash equivalents	\$ 10,499,042	-	-	10,499,042
Cash and cash equivalents:				
Demand deposits	518,410	-	-	518,410
Certificates of deposit	2,038,371	-	-	2,038,371
WYO-STAR	-	128,435	-	128,435
WGIF	-	3,018,141	-	3,018,141
Wyoming CLASS	-	2,800,377	-	2,800,377
Cash-on-hand	-	-	730	730
Total cash and cash equivalents	<u>2,556,781</u>	<u>5,946,953</u>	<u>730</u>	<u>8,504,464</u>
Investments:				
Government bonds	-	14,021,769	-	14,021,769
Total investments	<u>-</u>	<u>14,021,769</u>	<u>-</u>	<u>14,021,769</u>
<i>Total governmental funds</i>	<u>\$ 13,055,823</u>	<u>19,968,722</u>	<u>730</u>	<u>33,025,275</u>
<i>Fiduciary funds</i>				
Cash and cash equivalents:				
Demand deposits	\$ 5,269,025	-	-	5,269,025
<i>Total fiduciary funds</i>	<u>\$ 5,269,025</u>	<u>-</u>	<u>-</u>	<u>5,269,025</u>

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 2 – Deposits and Investments (continued)

The State of Wyoming has established laws regarding the investment of public funds (Wyoming Statutes, 9-4). Each year, the County adopts a “Statement of Investment Policy” which specifies the County’s policies regarding the investment of County financial assets. The County’s adopted policy refers to State laws and indicates the County will comply with State law.

*Deposits*

State law specifies the types of financial institutions in which the County can deposit monies. In addition, State law requires that all deposits in financial institutions be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of collateral or the furnishing of a surety bond. At June 30, 2022, all deposits of the County were fully collateralized or insured.

*Investments*

The County has investments in WYO-STAR, a government investment pool operated by the State of Wyoming Treasurer’s Office. WYO-STAR is available for investments of funds administered by any local government entity within the State of Wyoming.

WYO-STAR is not registered with the SEC as an investment company. WYO-STAR is authorized and regulated by the laws of the State of Wyoming. Deposits in WYO-STAR are not insured or otherwise guaranteed by the State of Wyoming, and participants share proportionally in any realized gains or losses on investments.

WYO-STAR operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of WYO-STAR are allocated monthly based on the participant’s average balance in relation to the total balance of the pool. As such, amounts held with WYO-STAR of \$128,435 are carried at amortized cost and are considered cash and cash equivalents.

The County has investments with the Wyoming Government Investment Fund (WGIF), an investment pool authorized by the State of Wyoming and managed by a private investment management firm. WGIF is available for investments of funds administered by any local government entity within the State of Wyoming. WGIF offers cash management investments providing daily liquidity as well as fixed-rate, fixed-term investments.

WGIF is not registered with the SEC as an investment company. Deposits in WGIF are not insured or otherwise guaranteed by the State of Wyoming, and participants share proportionally in any realized gains or losses on investments.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 2 – Deposits and Investments (continued)

WGIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of WGIF are allocated monthly based on the participant's average balance in relation to the total balance of the pool. As such, amounts held with WGIF of \$3,018,141 are carried at amortized cost and are considered cash and cash equivalents.

The County has investments with Wyoming CLASS, an investment pool authorized by the State of Wyoming and managed by a private investment management firm. Wyoming CLASS is available for investments of funds administered by any local government entity within the State of Wyoming. The general objective of Wyoming CLASS is to generate a high level of current income for participants while maintaining liquidity and preserving capital by investing only in instruments authorized by Wyoming State Statutes

Wyoming CLASS is not registered with the SEC as an investment company. Deposits in Wyoming CLASS are not insured or otherwise guaranteed by the State of Wyoming, and participants share proportionally in any realized gains or losses on investments.

Wyoming CLASS operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of Wyoming CLASS are allocated monthly based on the participant's average balance in relation to the total balance of the pool. As such, amounts held with Wyoming CLASS of \$2,800,377 are carried at amortized cost and are considered cash and cash equivalents.

At year end, the County also had investments in Federal National Mortgage Association (FNMA) bonds and asset backed securities, Federal Home Loan Mortgage Corporation (FHLMC) bonds and asset backed securities, Government National Mortgage Association (GNMA) bonds and asset backed securities, Small Business Administration (SBA) bonds, and U.S. treasuries. The County uses the specific identification method to assess interest rate risk.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 2 – Deposits and Investments (continued)

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
FNMA bonds/securities	\$ 887,086	-	486,531	267,044	133,511
WGIF	3,018,141	3,018,141	-	-	-
FHLMC bonds/securities	728,198	-	528,803	13,504	185,891
GNMA bonds/securities	438,876	-	-	-	438,876
WYO-STAR	128,435	128,435	-	-	-
Wyoming CLASS	2,800,377	2,800,377	-	-	-
Small Business Admin	95,216	-	-	52,815	42,401
US Treasury	11,872,393	-	11,872,393	-	-
	<u>\$ 19,968,722</u>	<u>5,946,953</u>	<u>12,887,727</u>	<u>333,363</u>	<u>800,679</u>

*Fair Value*

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

The County's governmental activities have the following recurring fair value measurements as of June 30, 2022:

- The fair value of U.S. treasuries, government bonds and mortgage-backed securities of \$14,021,768 is determined by an independent pricing service using recently executed transactions, market price quotations, and pricing models that factor in, where applicable, interest rates, bond spreads, and volatility (Level 2 inputs).
- Investments in WGIF, WYO-Star, and Wyoming CLASS of \$3,018,141, \$128,435, and \$2,800,377, respectively, are unrated.

*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 policy for managing its exposure to fair value loss arising from increasing interest rates is to invest no more than 75% of the portfolio of securities with maturities exceeding 1 year and no more than 25% of the portfolio of securities with maturities exceeding 5 years.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 2 – Deposits and Investments (continued)

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's policy for reducing exposure to credit risk is to invest no more than 50% of the County's total investment portfolio in a single security type, with the exception of U.S. Treasury securities. In addition, collateralization is required for all repurchase agreements. The collateralization level must be 102% of the market value of principal and accrued interest. Investments in WGIF, WYO-STAR, and Wyoming CLASS are unrated. Other investments are guaranteed by the federal government.

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's policy for reducing exposure to credit risk is to comply with State laws.

*Custodial Credit Risk*

For an investment, custodial credit risk 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 the possession of an outside party. The County's policy for custodial risk is that all securities purchased by the County shall be properly designated as assets of the County and held in safekeeping by a third-party custodial bank or third-party custodial institution chartered by the United States Government or the State of Wyoming and no withdrawal of such securities shall be made from the safekeeping except by the Treasurer or Deputy Treasurer. All security transactions, including collateral for repurchase agreements, entered into by the County shall be conducted on a delivery-versus-payment basis. Securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts. Government bonds are held in the name of the County by the investment broker.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 2 – Deposits and Investments (continued)

**Component Units**

The component units' deposits and investments consist of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
Cash and cash equivalents:				
Demand deposits	\$ 2,601,024	-	-	2,601,024
Certificates of deposit	325,282	-	-	325,282
WGIF	-	574,849	-	574,849
	<u>\$ 2,926,306</u>	<u>574,849</u>	<u>-</u>	<u>3,501,155</u>

*Deposits*

State law specifies the types of financial institutions in which the component units can deposit monies. In addition, State law requires that all deposits in financial institutions be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of collateral or the furnishing of a surety bond. At June 30, 2022, all deposits of component units were fully collateralized or insured.

*Investments*

The component units have investments with WGIF, an investment pool authorized by the State of Wyoming and managed by a private investment management firm. WGIF is available for investments of funds administered by any local government entity within the State of Wyoming. WGIF offers cash management investments providing daily liquidity as well as fixed-rate, fixed-term investments and operates as described above for the primary government.

WGIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of WGIF are allocated monthly based on the participant's average balance in relation to the total balance of the pool. As such, amounts held with WGIF of \$574,849 are carried at amortized cost and are considered cash and cash equivalents.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 2 – Deposits and Investments (continued)

Component units manage their investment risk as follows:

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The component units have no formal policies other than to follow the Wyoming State Statutes, as previously discussed.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The component units' policies for reducing exposure to credit risk are to comply with the Wyoming State Statutes. At June 30, 2022, all investments held by the component units are in WGIF, which is unrated.

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The component units' policies for reducing exposure to credit risk are to comply with State laws.

*Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the component units will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. The component units have no formal policies with respect to custodial credit risk. As of June 30, 2022, all of the component units' investments are in WGIF.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 3 – Beneficial Interest

The Lincoln County Library Foundation (Foundation) has transferred assets to the Wyoming Community Foundation (Community Foundation) which is holding the assets as an endowed component fund (Fund) for the benefit of the Foundation. The assets held by the Community Foundation are non-refundable to the Foundation. The Foundation has granted the Community Foundation variance power which gives the Community Foundation’s Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Community Foundation’s investment and spending policies which currently result in an annual distribution to the Foundation of 4 percent of the average quarterly value over the previous 12 quarters. The Foundation reports the fair value of the Fund as a Beneficial Interest in the statement of net position and reports distributions received as investment income in the statement of activities. Changes in the value of the Fund are also reported as investment income in the statement of activities. Changes in the Fund are as follows:

Balance at June 30, 2021	\$ 1,567,861
Additional amounts invested in Fund	-
Share of depreciation of Fund	<u>(223,900)</u>
Balance at June 30, 2022	\$ <u>1,343,961</u>

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 4 – Receivables and Due from Other Governments

**Primary Government**

The County's receivables and due from other governments balances consist of the following:

Accounts receivable:		
Emergency management – 911 fees	\$	36,487
Other receivables		21,640
Other fees and permits		<u>10,085</u>
Total accounts receivable	\$	<u>68,212</u>
Taxes receivable:		
Property taxes – deferred to future periods	\$	<u>9,386,977</u>
Total taxes receivable	\$	<u>9,386,977</u>
Due from other governments:		
Sales, use, and other taxes	\$	1,616,150
Grants reimbursements		99,859
Contracts reimbursements		<u>44,533</u>
Total due from other governments	\$	<u>1,760,542</u>
Notes receivable	\$	<u>473,000</u>

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 4 – Receivables and Due from Other Governments (continued)

**Component Units**

The component units' receivables and due from other governments balances consist of the following:

*Weed and Pest:*

Trade receivables	\$ <u>63,139</u>
Taxes receivable	
Property taxes – deferred to future periods	\$ 840,000
Property taxes – current	<u>70,601</u>
Total taxes receivable	\$ <u>910,601</u>

*County Fair:*

Taxes receivable	
Property taxes – deferred to future periods	\$ <u>450,000</u>
Total taxes receivable	\$ <u>450,000</u>

*County Library:*

Taxes receivable	
Property taxes – deferred to future periods	\$ <u>1,260,947</u>
Total taxes receivable	\$ <u>1,260,947</u>

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 5 – Capital Assets

**Primary Government**

Capital asset activity is as follows:

	Balance 7/1/21	Additions	Retirements	Transfers	Balance 6/30/22
<u>Governmental activities:</u>					
Capital assets not being depreciated:					
Land	\$ 2,559,755	-	-	-	2,559,755
Rights of way	1,056,600	-	-	-	1,056,600
Construction in progress	-	35,265	-	-	35,265
	<u>3,616,355</u>	<u>35,265</u>	<u>-</u>	<u>-</u>	<u>3,651,620</u>
Capital assets being depreciated:					
Buildings and improvements	32,719,467	-	-	-	32,719,467
Right to use asset	7,487,395	-	-	-	7,487,395
Infrastructure	28,056,034	-	-	-	28,056,034
Equipment and vehicles	17,742,103	419,779	(125,554)	-	18,036,328
	<u>86,004,999</u>	<u>419,779</u>	<u>(125,554)</u>	<u>-</u>	<u>86,299,224</u>
Accumulated depreciation for:					
Buildings and improvements	(14,889,243)	(690,576)	-	-	(15,579,819)
Right to use asset amortization	-	(467,962)	-	-	(467,962)
Infrastructure	(17,741,437)	(659,812)	-	-	(18,401,249)
Equipment and vehicles	(12,053,174)	(823,556)	79,353	-	(12,797,377)
	<u>(44,683,854)</u>	<u>(2,641,906)</u>	<u>79,353</u>	<u>-</u>	<u>(47,246,407)</u>
Total capital assets being depreciated, net	<u>41,321,145</u>	<u>(2,222,127)</u>	<u>(46,201)</u>	<u>-</u>	<u>39,052,817</u>
Total governmental activities capital assets, net, as restated	<u>\$ 44,937,500</u>	<u>(2,186,862)</u>	<u>(46,201)</u>	<u>-</u>	<u>42,704,437</u>

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 5 – Capital Assets (continued)

Depreciation expense was charged to functions of the County as follows:

Public works	\$	1,007,833
Public safety		671,185
Right of use asset		467,962
Health and welfare		248,418
General government		246,508
	\$	2,641,906

**Component Units**

Capital asset activity of component units is as follows:

		Balance 7/1/21	Additions	Retirements	Balance 6/30/22
<b>Weed and Pest:</b>					
Land	\$	10,103	-	-	10,103
Buildings and improvements		725,732	-	-	725,732
Equipment		663,426	30,837	-	694,263
Accumulated depreciation		(786,696)	(70,071)	-	(856,767)
	\$	612,565	(39,234)	-	573,331
<b>County Fair:</b>					
Buildings and improvements	\$	559,833	-	-	559,833
Equipment		382,988	-	-	382,988
Accumulated depreciation		(542,773)	(34,519)	-	(577,292)
	\$	400,048	(34,519)	-	365,529
<b>County Library:</b>					
Buildings and improvements	\$	75,335	-	-	75,335
Equipment		165,481	-	-	165,481
Accumulated depreciation		(195,144)	(7,241)	-	(202,385)
	\$	45,672	(7,241)	-	38,431

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 5 – Capital Assets (continued)

Depreciation expense was charged to the component units as follows:

Weed and Pest	\$	70,071
County Fair		34,519
County Library		<u>7,241</u>
	\$	<u><u>111,831</u></u>

Note 6 – Accounts Payable and Accrued Liabilities

**Primary Government**

The County's accounts payable and accrued liabilities consist of the following:

Payables to vendors	\$	595,806
Payables to contractors including retainage		77,984
Accrued interest		77,800
Other		68,615
Payables to other governmental units		<u>51,663</u>
	\$	<u><u>871,868</u></u>

**Component Units**

The component units' accounts payable and accrued liabilities consist of the following:

Payables to vendors	\$	<u>86,383</u>
	\$	<u><u>86,383</u></u>

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 7 – Long-Term Liabilities

**Primary Government**

Long-term liability activity is as follows:

	Balance 7/1/21	Additions	Reductions	Balance 6/30/22	Due Within One Year
<i>Governmental Activities:</i>					
Lease liability	\$ 7,487,395	-	(647,336)	6,840,059	192,000
Compensated absences	423,000	300,000	(300,000)	423,000	423,000
	<u>\$ 7,910,395</u>	<u>300,000</u>	<u>(947,336)</u>	<u>7,263,059</u>	<u>615,000</u>

At the beginning of fiscal year 2022, the County implemented GASB Statement No. 87, Leases. The County has one lease in effect during fiscal year 2022 for certain property and equipment which expires during 2037, with semi-annual payments of \$290,000. The incremental borrowing rate is 2.87%, with lease interest of approximately \$223,000 paid in fiscal year 2022.

Future lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 191,845	98,155	290,000
2024	391,989	188,011	580,000
2025	403,319	176,681	580,000
2026	414,978	165,022	580,000
2027	426,973	153,027	580,000
Thereafter	<u>5,010,955</u>	<u>789,045</u>	<u>5,800,000</u>
Totals	<u>\$ 6,840,059</u>	<u>1,569,941</u>	<u>8,410,000</u>

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 7 – Long-Term Liabilities (continued)

*Conduit Debt:*

The County has issued the following bonds that have been authorized under the Wyoming Industrial Development Projects Act, W.S. 15-1-701. The bonds are not general obligations of the County nor are any of the bonds, including interest thereon, debt or indebtedness of the County. As such, no liability has been reported in the statement of net position.

- \$15,060,000 Pollution Control Revenue Bonds Series 1994, interest only payments at 8.63%, until final payment on June 1, 2024. The bonds were issued for PacifiCorp.
- \$22,000,000 Environmental Improvement Revenue Bonds Series 1995, interest only payments at 8.63%, until final payment on November 1, 2025. The bonds were issued for PacifiCorp.

In connection with the issuance of conduit debt, the County has entered into fee arrangements requiring the payment of financing fees. During the year ended June 30, 2022, the County collected \$45,399 in financing fees.

**Component Units**

Long-term liability activity is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 128,000	172,825	(172,825)	128,000	128,000

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 8 – Net Position and Fund Equities

The following schedule details fund equity balances:

*Governmental Activities:*

Nonspendable:	
Inventory	\$ <u>183,000</u>
	<u>183,000</u>
Restricted:	
Roads	3,092,767
Emergency services	65,579
Tourism	54,330
Contracts	107,315
Abandoned vehicles	<u>21,000</u>
	<u>3,340,991</u>
Committed:	
Landfill	320,629
Debt service	<u>1,663,133</u>
	<u>1,983,762</u>
Assigned:	
Roads and special projects	475,453
Other purposes	<u>1,195,865</u>
	<u>1,671,318</u>
Unassigned	<u>23,556,122</u>
	<u>\$ 30,735,193</u>

Restricted fund balance/net position represent monies required to be maintained to satisfy third party agreements, legal requirements, or enabling legislation. Committed and assigned fund balances represent the commitment or assignment of monies by the County Commissioners. Net position restricted by enabling legislation includes net position restricted for road projects, emergency services, tourism, and abandoned vehicles.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 9 – Retirement Plans

The County participates in the Wyoming Retirement System (the "System"), a statewide cost-sharing multiple-employer public employee retirement system. The System is established and governed by the respective sections of Wyoming state statute. The statute provides for the administration of the System under the direction of the Wyoming State Retirement Board whose members are appointed by the Governor. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. Reports can be obtained on the Wyoming Retirement System website ([retirement.state.wy.us/](http://retirement.state.wy.us/)).

Substantially all County employees are eligible to participate in the following retirement plans offered by the System based upon eligibility and hiring status: 1) Public Employees Pension Plan (PEPP); 2) Law Enforcement Pension Plan (LEPP); and 3) Wyoming Deferred Compensation Plan.

*Public Employees Pension Plan*

PEPP is a cost sharing multiple-employer defined benefit, contributory retirement plan covering substantially all non-law enforcement and paid firemen full-time employees of the County.

PEPP statutorily requires 18.62% of the participant's salary to be contributed to PEPP, consisting of 9% of the participant's salary as employee contributions and 9.25% as employer contributions. The amount of contributions designated as employee contributions represent the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. Employers can elect to cover all or a portion of the employee's contribution at their discretion.

Through legislation passed during the 2014 legislative session, two tiers of benefits were established for participants of this plan.

- Tier 1, PEPP 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.
- Tier 2, PEPP 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 bases that the sum of the member's age and service is at least 85.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 9 – Retirement Plans (continued)

PEPP provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of 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 PEPP 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 PEPP and be eligible for retirement benefits at age 60 (Tier 1 employees) or 65 (Tier 2 employees).

Contributions by the County to PEPP for the year ended June 30, 2022 were \$582,195, and contributions by the County's Weed and Pest Control District, Fair Board, and Library Board component units were \$54,396, \$17,345, and \$135,099, respectively.

*Law Enforcement Pension Plan*

LEPP is a cost-sharing multiple-employer defined benefit, contributory retirement plan covering all law enforcement employees of the County.

LEPP statutorily requires participants to contribute 8.6% of their salary to LEPP and the employer is required to contribute 8.6% of each participant's salary.

LEPP statutorily provides retirement, disability and death benefits according to predetermined amounts determined by salary, age and years of service of the participant. 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 LEPP is 100% funded after the COLA is awarded. Participants may withdraw from LEPP at any time and receive refunds of participant contributions plus accumulated interest.

Contributions by the County to LEPP for the year ended June 30, 2022 were \$492,111.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 9 – Retirement Plans (continued)

*Wyoming Deferred Compensation Plan*

WDCP is administered by the System is an IRS Section 457 Deferred Compensation Plan. WDCP is available as a supplemental plan to the defined benefit retirement plans. Contributions may be made into WCDP (subject to plan and Internal Revenue Code limitations) by employees and employer contributions may be made into WDCP at rates determined by the County. Upon qualifying for distributions, benefits are paid out in lump sums, or as periodic benefit payments, at the option of the participant based on individual account balances and WDCP provisions. WDCP's account balances are fully vested to the participants at the time of deposit.

Investments in WDCP are individually directed by WDCP participants among WRS approved investment options of varying degrees of risk and earnings potential. Participants may transfer their funds between these options daily. Investments of WDCP are valued daily. In addition to employee contributions, WDCP also accepts employer contributions on behalf of the employees, provided such contribution when added to the employees' deferred contribution does not exceed the maximum deferral permitted by the IRS.

During 2022, the County's involvement is limited to withholding the amounts elected by employees and remitting those amounts to the Wyoming Deferred Compensation Plan.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 9 – Retirement Plans (continued)

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

*Governmental Activities:*

At June 30, 2022, the County reported an entity-wide net pension liability of \$7,032,654 related to governmental activities which was calculated as follows:

	Measured at: December 31, 2021		December 31, 2020	
	Net Pension Liability	Proportionate Share	Proportionate Share	Change
PEPP	\$ 2,753,447	0.1805869%	0.2170134%	-0.0364%
LEPP	4,279,207	1.5039111%	1.4979978%	0.0059%
Total net pension liability	<u>\$ 7,032,654</u>			

*Component Units*

Each of the County's component units only participated in PEPP. At June 30, 2022, the aggregate net pension liability for component units is \$937,877 and was calculated as follows:

	Measured at: December 31, 2021		December 31, 2020	
	Net Pension Liability	Proportionate Share	Proportionate Share	Change
<u>PEPP</u>				
Weed and Pest	\$ 252,727	0.0165753%	0.0150886%	0.0015%
County Fair	84,526	0.0055437%	0.0065301%	-0.0010%
County Library	<u>600,624</u>	0.0393924%	0.0383719%	0.0010%
Total net pension liability	<u>\$ 937,877</u>			

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 9 – Retirement Plans (continued)

The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2021.

*Governmental Activities*

For the year ended June 30, 2022, the County recognized entity-wide pension expense related to governmental activities of \$1,048,948. At June 30, 2022, the County reported entity-wide deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 296,364	17,682
Net difference between projected and actual earnings on pension plan investments	-	3,243,884
Changes of assumptions	3,499,441	530,313
Contributions subsequent to the measurement date	539,676	-
Change in proportionate share	6,095	776,654
	\$ 4,341,576	4,568,533

Deferred outflows of resources related to pensions resulting from County contributions of \$539,676 made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 9 – Retirement Plans (continued)

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

Fiscal Year Ending <u>June 30,</u>	Net Deferred Outflows (Inflows) of Resources
2023	\$ (72,468)
2024	(506,766)
2025	202,088
2026	<u>(389,487)</u>
	<u>\$ (766,633)</u>

*Component Units*

For the year ended June 30, 2022, component units of the County recognized combined pension expense of \$130,842. At June 30, 2022, component units of the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Weed & Pest Deferred Outflows (Inflows) of Resources	County Fair Deferred Outflows (Inflows) of Resources	County Library Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 4,352	1,455	10,342
Net difference between projected and actual earnings on pension plan investments	(167,996)	(56,187)	(399,256)
Change in assumptions	20,451	6,840	48,603
Contributions subsequent to the measurement date	28,502	9,029	67,915
Change in proportionate share	<u>21,223</u>	<u>(12,308)</u>	<u>12,120</u>
	<u>\$ (93,468)</u>	<u>(51,171)</u>	<u>(260,276)</u>

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 9 – Retirement Plans (continued)

Deferred outflows of resources related to pensions resulting from Weed & Pest, County Fair, and County Library contributions of \$28,502, \$9,029, and \$67,915, respectively, made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	Weed & Pest Net Deferred Outflows of Resources	County Fair Net Deferred Outflows of Resources	County Library Net Deferred Outflows of Resources
2023	\$ (19,323)	(13,534)	(70,090)
2024	(45,674)	(22,400)	(113,877)
2025	(28,411)	(14,713)	(76,345)
2026	(28,562)	(9,553)	(67,879)
	<u>\$ (121,970)</u>	<u>(60,200)</u>	<u>(328,191)</u>

*Actuarial Assumptions*

The total pension liability based on the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PEPP</u>	<u>LEPP</u>
Projected salary increases, includes inflation	2.50% to 6.50%	4.75% to 8.75%
Assumed inflation rate	2.25%	2.25%
Investment Rate of Return	6.80%	6.80%

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table, fully generational, projected with Scale MP-2017 for males and females with no set back with a multiplier of 100%. Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale MP-2017 for males with no set back with a multiplier of 100% and for females with not set back with a multiplier of 88%.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 9 – Retirement Plans (continued)

*Discount Rate*

The discount rate used to measure the total pension liability for all plans, with the exception of the LEPP, was 6.80%. The discount rate for the LEPP was 5.17%. The long-term expected rate of return used to measure the total pension liability for all plans was 6.80%. The projection of cash flows used to determine the discount rate assumed contributions from participating employers will be made based on the actuarially determined rates based on the Board’s funding policy, which establishes the contractually required rates under Wyoming State Statutes. Based on those assumptions, the Systems’ fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability. The assumed asset allocation of the plans’ portfolios, the long-term expected rate of return for each asset class, and the expected rate of return is presented arithmetically and geometrically below over a 20-year period.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate arithmetic expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plans target asset allocation as of January 1, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Arithmetic Real Return	Arithmetic Nominal Return	Geometric Real Return	Geometric Nominal Return
Tactical Cash	2.0%	-0.5%	1.7%	-0.5%	1.7%
Fixed Income	21.0%	1.6%	3.8%	1.3%	3.5%
Equity	48.5%	7.5%	9.7%	5.6%	7.8%
Marketable Alternatives	19.0%	4.6%	6.8%	3.7%	5.9%
Private Markets	9.5%	6.0%	8.2%	4.8%	7.0%
Total	100%	5.44%	7.64%	4.17%	6.37%

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 9 – Retirement Plans (continued)

*Sensitivity of the proportionate share of the net pension liability to changes in the discount rate:*

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.8 percent for PEPP and 5.17% for LEPP, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8 percent and 4.17 percent, respectively) or 1-percentage-point higher (7.8 percent and 6.17%, respectively) than the current rate:

*Governmental Activities:*

	1% Decrease 5.80%	Rate 6.80%	1% Increase 7.80%
<i>PEPP</i>			
Proportionate share of net pension liability	\$ 5,080,076	\$ 2,753,447	\$ 824,804
	1% Decrease 4.17%	Discount Rate 5.17%	1% Increase 6.17%
<i>LEPP</i>			
Proportionate share of net pension liability (asset)	\$ 7,021,533	\$ 4,279,207	\$ 2,082,719

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 9 – Retirement Plans (continued)

*Component Units:*

	1% Decrease 5.80%	Discount Rate 6.80%	1% Increase 7.80%
	<hr/>	<hr/>	<hr/>
<i>Weed &amp; Pest Control - PEPP</i>			
Proportionate share of net pension liability	\$ 466,279	\$ 252,727	\$ 75,705
<i>County Fair - PEPP</i>			
Proportionate share of net pension liability	\$ 155,949	\$ 84,526	\$ 25,320
<i>County Library - PEPP</i>			
Proportionate share of net pension liability	\$ 1,108,145	\$ 600,624	\$ 179,919

*Pension plan fiduciary net position*

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

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 10 – Interfund Transfers

Interfund transfers consist of the following:

<u>Purpose</u>	<u>Amount</u>	<u>Transfer from</u>	<u>Transfer to</u>
Operations/Match	\$ 139,317	General Fund	Grants Fund
Operations/Match	\$ 872,000	Roads Fund	Grants Fund
Operations/Match	\$ -	Grants Fund	Roads Fund
Operations/Match	\$ -	Grants Fund	General Fund
Operations/Match	\$ -	Contracts Fund	General Fund
Debt Service	\$ 583,623	General Fund	Debt Service Fund

Note 11 – Risk Management

*Health Plan*

The County operates a self-insured employee health and dental benefit plan. The plan provides benefits to eligible employees and their dependents. The County pays the entire premium for the employee and pays all claims below the threshold of the reinsurance contracts the County has entered into. The County has entered into (stop-loss) reinsurance contracts for this plan at \$85,000 per individual and \$1,000,000 for the overall plan. At June 30, 2022, the plan had incurred claims payable and estimated claims incurred but not reported (IBNR) of \$427,363.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 11 – Risk Management (continued)

Changes to aggregate claims liabilities for the years ended June 30, 2022 and 2021, respectively, are as follows:

Claims Liabilities 7/1/21	Claims Incurred and Changes in Estimates	Claims Paid	Claims Liabilities 6/30/22
\$ 587,590	3,410,496	(3,570,723)	427,363
\$ 413,434	3,704,445	(3,530,289)	587,590

*General Liability*

The nature of the County’s operations makes it susceptible to lawsuits, legal actions, and other judgments. The County mitigates its risk of material loss from these events through the purchase of commercial liability insurance. The County had no claim settlements over the past three years that exceeded its insurance coverage.

Note 12 – Land Leases

The County leases approximately 370 acres of land from the Bureau of Land Management upon which the County maintains and operates a ski area. The County has a significant investment in improvements upon this property. The lease agreement was entered into June 16, 2000, and the term is for 25 years with no annual fee. The ski area is operated by an independent contractor who pays a percentage of gross revenue to the County.

LINCOLN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022

Note 13 – Commitments and Contingencies

*Governmental activities:*

Beginning in fiscal year 2022 and pursuant to Idaho Code 31-4908, any costs of IDAWY shall be allocated to each participating county. It is the duty of each participating county to remit its apportioned amount not later than September 30 of each year to IDAWY as specified in the annual budget approved by the IDAWY board. The allocation of costs to each participating county will be determined by allocating the costs incurred for the previous fiscal year within each individual participating county to that participating county, along with a proportional share of the cost of the regional landfill for the previous fiscal year as determined by the weight of the solid waste generated within each participating county, together with a proportional share of the debt service and all other IDAWY costs. Accordingly, the payment from each participating county at the beginning of each fiscal year will reimburse IDAWY for the costs incurred by that participating county for the previous fiscal year. In the event that a participating county does not pay its allocated share, that participating county's unpaid share shall be reallocated amongst the remaining participating counties and remitted to IDAWY. IDAWY covenants to pursue all remedies permitted by law to collect the unpaid share from the defaulting participating county. As set forth in Idaho Code 31-4918, each participating county is liable for the payment of its allocated costs from all legally available and unrestricted revenue.

In July 2020, IDAWY issued \$15,095,000 revenue bonds, series 2020A, and \$7,265,000 revenue bonds, series 2020B, maturing in January 2050 and January 2035, respectively, and bearing interest at rates ranging from 1.697% to 4%. The Bonds were issued to finance certain capital improvements to IDAWY's regional solid waste disposal system, consisting generally of, but not limited to the construction of four solid waste transfer stations, the construction of a regional landfill, the purchase of equipment, and the closure of existing waste facilities. These bonds require principal and interest payments be made on January 1 and July 1 of each year. These payments are included in each participating county's apportioned amount of the aforementioned annual participation payment.

Note 14 - Change in Accounting Principle

On July 1, 2021, the County implemented GASB Statement No. 87, *Leases*, which establishes a single model for lease accounting and requires recognition of certain lease assets and liabilities. The adoption of this standard resulted in an increase to beginning net position in the amount of \$421,844.

## **Required Supplementary Information**

LINCOLN COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes				
Property taxes	\$ 7,158,314	7,158,314	6,650,660	(507,654)
Payments in lieu of property taxes	1,011,879	1,011,879	1,689,280	677,401
Sales and use taxes	4,235,855	4,235,855	6,771,017	2,535,162
State gasoline tax	1,114,302	1,114,302	1,234,577	120,275
Vehicle fees	875,000	875,000	956,549	81,549
Severance tax	544,053	544,053	552,514	8,461
Other taxes	55,764	55,764	439,091	383,327
Total taxes	<u>14,995,167</u>	<u>14,995,167</u>	<u>18,293,688</u>	<u>3,298,521</u>
Other revenues				
Intergovernmental	339,312	339,312	753,940	414,628
Charges for services	1,150,500	1,150,500	1,331,790	181,290
Licenses and permits	3,500	3,500	3,540	40
Interest and investment income	85,000	85,000	(218,864)	(303,864)
Miscellaneous	1,585,551	1,585,551	156,560	(1,428,991)
Total other revenues	<u>3,163,863</u>	<u>3,163,863</u>	<u>2,026,966</u>	<u>(1,136,897)</u>
Total revenues	<u>18,159,030</u>	<u>18,159,030</u>	<u>20,320,654</u>	<u>2,161,624</u>
Expenditures:				
General government				
County commissioners	369,685	369,685	320,877	48,808
County clerk	447,146	447,146	438,213	8,933
County treasurer	435,712	435,712	431,823	3,889
County assessor	537,966	537,966	496,584	41,382
County attorney	490,880	490,880	513,602	(22,722)
Clerk of district court	333,380	333,380	304,997	28,383
County court	600	600	590	10
Courthouse	621,844	621,844	705,252	(83,408)
Elections	29,385	29,385	25,313	4,072
Health insurance and benefits	5,500,000	5,500,000	3,494,640	2,005,360
General accounts	469,650	469,650	717,442	(247,792)
Computer support	502,109	502,109	514,297	(12,188)
Contributions to other governments	1,670,000	1,670,000	1,501,700	168,300
Capital outlay and other	2,000	2,000	-	2,000
Total general government	<u>11,410,357</u>	<u>11,410,357</u>	<u>9,465,330</u>	<u>1,945,027</u>

(continued)

LINCOLN COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Public safety				
County sheriff	2,756,792	2,756,792	2,673,751	83,041
County jail	1,390,624	1,390,624	1,350,528	40,096
County coroner	97,195	97,195	101,766	(4,571)
Emergency management	149,777	149,777	132,618	17,159
Juvenile services	5,000	5,000	-	5,000
Contributions to other entities	67,500	67,500	66,995	505
Capital outlay and other	627,224	627,224	70,828	556,396
Total public safety	<u>5,094,112</u>	<u>5,094,112</u>	<u>4,396,486</u>	<u>697,626</u>
Public works				
Road and bridge	2,492,839	2,492,839	2,211,225	281,614
County planner	397,550	397,550	405,527	(7,977)
Contributions to other entities	121,872	121,872	121,872	-
Total public works	<u>3,012,261</u>	<u>3,012,261</u>	<u>2,738,624</u>	<u>273,637</u>
Health and welfare				
Public health	291,677	291,677	252,787	38,890
Human services	373,201	373,201	271,760	101,441
Extension services	159,185	159,185	127,799	31,386
Contributions to other entities	134,000	134,000	124,000	10,000
Total health and welfare	<u>958,063</u>	<u>958,063</u>	<u>776,346</u>	<u>181,717</u>
Total expenditures	<u>20,474,793</u>	<u>20,474,793</u>	<u>17,376,786</u>	<u>3,098,007</u>
Excess (deficiency) of revenues over expenditures	<u>(2,315,763)</u>	<u>(2,315,763)</u>	<u>2,943,868</u>	<u>5,259,631</u>
Other financing sources (uses):				
Proceeds from payments on notes receivable	-	-	4,230,321	4,230,321
Transfers out	(103,317)	(103,317)	(722,940)	(619,623)
Total other financing sources (uses)	<u>(103,317)</u>	<u>(103,317)</u>	<u>3,507,381</u>	<u>3,610,698</u>
Net change in fund balance	<u>\$ (2,419,080)</u>	<u>(2,419,080)</u>	6,451,249	<u>8,870,329</u>
Fund balance – beginning			<u>17,308,873</u>	
Fund balance – ending	\$		<u>23,760,122</u>	

LINCOLN COUNTY  
BUDGETARY COMPARISON SCHEDULE  
GRANTS FUND  
Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 1,709,360	1,709,360	1,602,659	(106,701)
Total revenues	<u>1,709,360</u>	<u>1,709,360</u>	<u>1,602,659</u>	<u>(106,701)</u>
Expenditures:				
General government	-	-	552,714	(552,714)
Public safety	1,527,571	1,527,571	377,806	1,149,765
Public works	621,363	621,363	592,290	29,073
Health and welfare	351,066	351,066	390,700	(39,634)
Total expenditures	<u>2,500,000</u>	<u>2,500,000</u>	<u>1,913,510</u>	<u>586,490</u>
Excess (deficiency) of revenues over expenditures	<u>(790,640)</u>	<u>(790,640)</u>	<u>(310,851)</u>	<u>479,789</u>
Other financing sources (uses):				
Transfers in	<u>1,014,818</u>	<u>1,014,818</u>	<u>975,317</u>	<u>(39,501)</u>
Total other financing sources (uses)	<u>1,014,818</u>	<u>1,014,818</u>	<u>975,317</u>	<u>(39,501)</u>
Net change in fund balance	<u>\$ 224,178</u>	<u>224,178</u>	664,466	<u>440,288</u>
Fund balance – beginning			<u>675,714</u>	
Fund balance – ending	\$		<u>1,340,180</u>	

LINCOLN COUNTY  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u>
<b><u>Public Employee Pension Plan:</u></b>								
Proportion of the net pension liability	0.1805869%	0.2170134%	0.2227485%	0.2243047%	0.2193146%	0.2190515%	0.2144930%	0.2122400%
Proportionate share of the net pension liability	\$ 2,753,447	4,716,482	5,234,426	6,830,731	\$ 4,998,927	\$ 5,295,570	\$ 4,996,288	\$ 3,745,385
Covered employee payroll	\$ 3,286,551	3,863,853	3,871,843	3,905,940	\$ 3,895,855	\$ 3,905,481	\$ 3,828,062	\$ 3,545,016
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	83.78%	122.07%	135.19%	174.88%	128.31%	130.52%	105.65%	105.65%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%
<b><u>Law Enforcement Pension Plan:</u></b>								
Proportion of the net pension liability	1.5039111%	1.4979978%	1.5444485%	1.5136413%	1.4669819%	1.4978957%	1.5028282%	1.4723500%
Proportionate share of the net pension liability	\$ 4,279,207	1,020,469	3,664,106	\$ 1,262,256	\$ 1,130,790	\$ 1,128,924	\$ 433,808	\$ 433,808
Covered employee payroll	\$ 2,498,466	2,407,873	2,407,046	2,299,201	\$ 2,252,508	\$ 2,318,431	\$ 2,362,320	\$ 2,278,924
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	171.27%	42.38%	152.22%	54.90%	50.20%	47.79%	19.04%	19.04%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	91.82%	89.05%	71.22%	87.99%	88.11%	87.49%	94.76%

LINCOLN COUNTY  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
COMPONENT UNITS

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>	<u>December 31,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>	<u>December 31,</u> <u>2014</u>
<b><u>Public Employee Pension Plan - Weed &amp; Pest Control:</u></b>								
Proportion of the net pension liability	0.01657530%	0.01508860%	0.01572350%	0.01539810%	0.01598310%	0.01615200%	0.01765182%	0.01844400%
Proportionate share of the net pension liability	\$ 252,727	327,930	369,491	468,917	\$ 364,309	\$ 390,475	\$ 411,172	\$ 325,482
Covered employee payroll	\$ 301,659	268,648	273,308	268,136	\$ 283,920	\$ 287,975	\$ 314,094	\$ 308,072
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	83.78%	122.07%	135.19%	174.88%	128.31%	135.59%	130.91%	105.65%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%
<b><u>Public Employee Pension Plan - County Fair:</u></b>								
Proportion of the net pension liability	0.00554370%	0.00653010%	0.00607910%	0.00606670%	0.00568370%	0.00546040%	0.00525264%	0.00541200%
Proportionate share of the net pension liability	\$ 84,526	141,923	142,854	184,749	\$ 129,551	\$ 132,005	\$ 122,352	\$ 95,506
Covered employee payroll	\$ 100,891	116,266	105,668	105,643	\$ 100,964	\$ 97,354	\$ 93,723	\$ 90,397
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	83.78%	122.07%	135.19%	174.88%	128.31%	135.59%	130.55%	105.65%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%
<b><u>Public Employee Pension Plan - County Library:</u></b>								
Proportion of the net pension liability	0.03939240%	0.03837190%	0.03765800%	0.04035330%	0.03947470%	0.03864610%	0.03868520%	0.03878700%
Proportionate share of the net pension liability	\$ 600,624	833,959	884,935	1,228,875	\$ 899,763	\$ 934,270	\$ 901,113	\$ 684,477
Covered employee payroll	\$ 716,913	683,199	654,576	702,694	\$ 701,220	\$ 689,023	\$ 691,627	\$ 647,858
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	83.78%	122.07%	135.19%	174.88%	128.31%	135.59%	130.29%	105.65%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%

LINCOLN COUNTY  
SCHEDULE OF CONTRIBUTIONS

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
<b><u>Public Employee Pension Plan:</u></b>								
Contractually required contribution	\$ 582,195	680,462	713,112	686,057	\$ 649,342	\$ 702,829	\$ 647,626	\$ 637,833
Contributions in relation to the contractually required contribution	<u>582,195</u>	<u>680,462</u>	<u>713,112</u>	<u>686,057</u>	<u>649,342</u>	<u>702,829</u>	<u>647,626</u>	<u>637,833</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,126,719	3,755,309	4,047,174	\$ 4,026,156	\$ 3,906,992	\$ 4,228,813	\$ 3,896,667	\$ 4,019,112
Contributions as a percentage of covered employee payroll	18.62%	18.12%	17.62%	17.04%	16.62%	16.62%	16.62%	15.87%
<b><u>Law Enforcement Pension Plan:</u></b>								
Contractually required contribution	\$ 492,111	416,624	436,082	424,924	\$ 395,441	\$ 408,405	\$ 409,068	\$ 427,934
Contributions in relation to the contractually required contribution	<u>492,111</u>	<u>416,624</u>	<u>436,082</u>	<u>424,924</u>	<u>408,405</u>	<u>409,068</u>	<u>427,934</u>	<u>427,934</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (12,963.94)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 2,861,110	2,422,233	2,535,360	\$ 2,470,488	\$ 2,374,447	\$ 2,378,302	\$ 2,487,988	\$ 2,487,988
Contributions as a percentage of covered employee payroll	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%

LINCOLN COUNTY  
SCHEDULE OF CONTRIBUTIONS  
COMPONENT UNITS

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
<b><u>Public Employee Pension Plan - Weed &amp; Pest Control:</u></b>								
Contractually required contribution	\$ 54,396	50,241	49,906	45,625	\$ 44,865	\$ 47,491	\$ 51,972	\$ 51,943
Contributions in relation to the contractually required contribution	<u>54,396</u>	<u>50,241</u>	<u>49,906</u>	<u>45,625</u>	<u>47,491</u>	<u>51,972</u>	<u>51,943</u>	<u>51,943</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>(2,626)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Covered employee payroll	\$ 292,137	277,268	283,235	\$ 267,752	\$ 285,744	\$ 312,708	\$ 327,303	\$ 327,303
Contributions as a percentage of covered employee payroll	18.62%	18.12%	17.62%	17.04%	16.62%	16.62%	16.62%	15.87%
<b><u>Public Employee Pension Plan - County Fair:</u></b>								
Contractually required contribution	\$ 17,345	18,959	18,999	18,270	\$ 16,712	16,691	15,577	17,167
Contributions in relation to the contractually required contribution	<u>17,345</u>	<u>18,959</u>	<u>18,999</u>	<u>18,270</u>	<u>16,691</u>	<u>15,577</u>	<u>17,167</u>	<u>17,167</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered employee payroll	\$ 93,153	104,630	107,826	\$ 107,218	100,427	93,724	108,173	108,173
Contributions as a percentage of covered employee payroll	18.62%	18.12%	17.62%	17.04%	16.62%	16.62%	16.62%	15.87%
<b><u>Public Employee Pension Plan - County Library:</u></b>								
Contractually required contribution	\$ 135,099	127,448	121,885	116,449	\$ 115,807	116,046	114,936	107,375
Contributions in relation to the contractually required contribution	<u>135,099</u>	<u>127,448</u>	<u>121,885</u>	<u>116,449</u>	<u>116,046</u>	<u>114,936</u>	<u>107,375</u>	<u>107,375</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>(239)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered employee payroll	\$ 725,559	703,355	691,742	\$ 683,386	698,228	691,552	676,591	676,591
Contributions as a percentage of covered employee payroll	18.62%	18.12%	17.62%	17.04%	16.62%	16.62%	16.62%	15.87%

LINCOLN COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2022

Note 1 – Budget Presentation

A Budgetary Comparison Schedule is presented for the General Fund and each major special revenue fund as required by generally accepted accounting principles (GAAP). Budgets for governmental funds are adopted on a GAAP basis except for instances in which capital assets are purchased through issuance of debt. Annual appropriated budgets are adopted for all governmental funds as required by state law. All annual appropriations lapse at fiscal year-end. The Board of County Commissioners may authorize increases to or uses of committed, assigned, or unassigned fund balances. In the budget presentation, authorized increases to fund balance are shown as positive changes in fund balance and authorized decreases are shown as negative changes in fund balance.

Note 2 – Budget Adoption and Monitoring and Compliance Related Matters

The budget is required to be prepared in a format acceptable to the Wyoming Department of Audit, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. Prior to May 15, the County Clerk submits to the Board of County Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted prior to the third Monday in July to obtain public comments. The budget is adopted within 24 hours of the public hearing, or by the third Tuesday of July. The County expends funds only as authorized by the approved budget unless a departure from the budget is authorized by the Board of County Commissioners. State statute requires that County boards or officials shall not incur expenditures or encumbrances in excess of total appropriations of the County's general fund budget as adopted or subsequently amended. Only the Board of County Commissioners at a properly advertised public hearing can make increases in total fund appropriations. The final budget information presented is after all approved amendments.

Note 3 – Compliance Related Matters

The following funds exceeded budgeted expenditures: Enhanced 911, Landfill Fund and Debt Service Fund.

Note 4 – Schedules of the Proportionate Share of the Net Pension Liability and Contributions

Generally accepted accounting standards require the presentation of 10 years of the County's proportionate share of the net pension liability and the County's annual contributions. Transition provisions in the accounting standard indicate that information should be presented for as many years as are available. The County determined that it is not practicable to provide information prior to December 31, 2014.

LINCOLN COUNTY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2022

Note 5 – Changes in Actuarial Assumptions and Methods

The assumptions used in the actuarial valuation used to calculate the net pension liability reflect an update to the mortality tables, adjustments to the demographic and salary scale, as well as a lower long-term investment return.

## **Supplementary Information**

LINCOLN COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2022

	<u>Contracts</u>	<u>Enhanced 911</u>	<u>State Roads</u>	<u>Landfill</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>						
Pooled cash and cash equivalents	\$ 453,372	33,973	-	298,989	1,662,953	2,449,287
Cash and cash equivalents	-	-	3,012,887	-	-	3,012,887
Accounts receivable	-	36,487	-	21,640	-	58,127
Due from other governments	44,353	-	80,971	-	180	125,504
Total assets	<u>\$ 497,725</u>	<u>70,460</u>	<u>3,093,858</u>	<u>320,629</u>	<u>1,663,133</u>	<u>5,645,805</u>
<u>Liabilities</u>						
Accounts payable	\$ 4,942	4,881	1,091	-	-	10,914
Total liabilities	<u>4,942</u>	<u>4,881</u>	<u>1,091</u>	<u>-</u>	<u>-</u>	<u>10,914</u>
<u>Fund Balance</u>						
Restricted	161,645	65,579	3,092,767	-	-	3,319,991
Committed	-	-	-	320,629	1,663,133	1,983,762
Assigned	331,138	-	-	-	-	331,138
Total fund balance	<u>492,783</u>	<u>65,579</u>	<u>3,092,767</u>	<u>320,629</u>	<u>1,663,133</u>	<u>5,634,891</u>
Total liabilities and fund balances	<u>\$ 497,725</u>	<u>70,460</u>	<u>3,093,858</u>	<u>320,629</u>	<u>1,663,133</u>	<u>5,645,805</u>

LINCOLN COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2022

	Contracts	Enhanced 911	State Roads	Landfill	Debt Service	Total Nonmajor Governmental Funds
<b>Revenues:</b>						
Intergovernmental	\$ 187,647	-	638,463	-	-	826,110
Charges for services	-	166,068	-	109,995	-	276,063
Taxes	137,942	22,338	-	-	-	160,280
Investment and interest income	-	-	5,900	-	-	5,900
<b>Total revenues</b>	<b>325,589</b>	<b>188,406</b>	<b>644,363</b>	<b>109,995</b>	<b>-</b>	<b>1,268,353</b>
<b>Expenditures:</b>						
Public safety	95,751	204,933	-	-	-	300,684
Public works	33,869	-	247,877	-	-	281,746
Health and welfare	17,735	-	-	507,175	-	524,910
Debt service	-	-	-	-	870,000	870,000
<b>Total expenditures</b>	<b>147,355</b>	<b>204,933</b>	<b>247,877</b>	<b>507,175</b>	<b>870,000</b>	<b>1,977,340</b>
Excess (deficiency) of revenues over expenditures	178,234	(16,527)	396,486	(397,180)	(870,000)	(708,987)
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	36,000	583,623	619,623
Transfers out	-	-	(872,000)	-	-	(872,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(872,000)</b>	<b>36,000</b>	<b>583,623</b>	<b>(252,377)</b>
Net change in fund balance	\$ 178,234	(16,527)	(475,514)	(361,180)	(286,377)	(961,364)
Fund balance – beginning	314,549	82,106	3,568,281	681,809	1,949,510	6,596,255
Fund balance – ending	\$ 492,783	65,579	3,092,767	320,629	1,663,133	5,634,891

LINCOLN COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
CONTRACTS FUND  
Year Ended June 30, 2022  
(With Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues:				
Intergovernmental	\$ 41,174	187,647	146,473	618,320
Lodging tax	-	137,942	137,942	54,330
Total revenues	<u>41,174</u>	<u>325,589</u>	<u>284,415</u>	<u>672,650</u>
Expenditures:				
Public safety	1,000,000	95,751	904,249	486,835
Public works	-	33,869	(33,869)	13,303
Health and welfare	-	17,735	(17,735)	17,646
Total expenditures	<u>1,000,000</u>	<u>147,355</u>	<u>852,645</u>	<u>517,784</u>
Excess of revenues over expenditures	<u>(958,826)</u>	<u>178,234</u>	<u>1,137,060</u>	<u>154,866</u>
Other financing sources (uses):				
Transfers out	-	-	-	(148,484)
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148,484)</u>
Net change in fund balance	<u>\$ (958,826)</u>	178,234	<u>1,137,060</u>	6,382
Fund balance – beginning		<u>314,549</u>		<u>308,167</u>
Fund balance – ending		<u>\$ 492,783</u>		<u>314,549</u>

LINCOLN COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
ENHANCED 911 FUND  
Year Ended June 30, 2022  
(With Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>			2021
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues:				
Charges for services	\$ -	166,068	166,068	169,713
Taxes	-	22,338	22,338	22,033
Total revenues	<u>-</u>	<u>188,406</u>	<u>188,406</u>	<u>191,746</u>
Expenditures:				
Public safety	141,500	204,933	(63,433)	130,209
Total expenditures	<u>141,500</u>	<u>204,933</u>	<u>(63,433)</u>	<u>130,209</u>
Excess of revenues over expenditures	<u>\$ (141,500)</u>	(16,527)	<u>124,973</u>	61,537
Fund balance – beginning		<u>82,106</u>		<u>20,569</u>
Fund balance – ending		<u>\$ 65,579</u>		<u>82,106</u>

LINCOLN COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
STATE ROADS FUND  
Year Ended June 30, 2022  
(With Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>			2021
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues:				
Intergovernmental	\$ -	638,463	638,463	618,670
Interest and investment income	-	5,900	5,900	2,137
Total revenues	<u>-</u>	<u>644,363</u>	<u>644,363</u>	<u>620,807</u>
Expenditures:				
Public works	<u>3,490,750</u>	<u>247,877</u>	<u>3,242,873</u>	<u>93,993</u>
Total expenditures	<u>3,490,750</u>	<u>247,877</u>	<u>3,242,873</u>	<u>93,993</u>
Excess of revenues over expenditures	<u>(3,490,750)</u>	<u>396,486</u>	<u>3,887,236</u>	<u>526,814</u>
Other financing sources (uses):				
Transfers in	-	-	-	157,188
Transfers out	<u>(350,000)</u>	<u>(872,000)</u>	<u>(522,000)</u>	<u>(135,980)</u>
Total other financing sources (uses)	<u>(350,000)</u>	<u>(872,000)</u>	<u>(522,000)</u>	<u>21,208</u>
Net change in fund balance	<u>\$ (3,840,750)</u>	<u>(475,514)</u>	<u>3,365,236</u>	548,022
Fund balance – beginning		<u>3,568,281</u>		<u>3,020,259</u>
Fund balance – ending		<u>\$ 3,092,767</u>		<u>3,568,281</u>

LINCOLN COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
LANDFILL FUND  
Year Ended June 30, 2022  
(With Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>			2021
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues:				
Intergovernmental	\$ -	-	-	1,292,307
Charges for services	<u>(144,000)</u>	<u>109,995</u>	<u>253,995</u>	<u>507,032</u>
Total revenues	<u>(144,000)</u>	<u>109,995</u>	<u>253,995</u>	<u>1,799,339</u>
Expenditures:				
Health and welfare	<u>-</u>	<u>507,175</u>	<u>(507,175)</u>	<u>1,653,813</u>
Total expenditures	<u>-</u>	<u>507,175</u>	<u>(507,175)</u>	<u>1,653,813</u>
Excess (deficiency) of revenues over expenditures	\$ <u>(144,000)</u>	(397,180)	<u>(253,180)</u>	145,526
Other financing sources:				
Transfers in	<u>36,000</u>	<u>36,000</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>36,000</u>	<u>36,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(108,000)</u></u>	(361,180)	<u><u>(253,180)</u></u>	145,526
Fund balance – beginning		<u>681,809</u>		<u>536,283</u>
Fund balance – ending		\$ <u><u>320,629</u></u>		<u><u>681,809</u></u>

LINCOLN COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
Year Ended June 30, 2022  
 (With Comparative Totals for the Year Ended June 30, 2021)

	<u>2022</u>			<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues:	\$ -	-	-	-
Expenditures:				
Debt service	-	870,000	(870,000)	327,300
Total expenditures	-	870,000	(870,000)	327,300
Deficiency of revenues over expenditures	-	(870,000)	(870,000)	(327,300)
Other financing sources:				
Transfers in	-	583,623	583,623	825,085
Total other financing sources	-	583,623	583,623	825,085
Net change in fund balance	\$ -	(286,377)	(286,377)	497,785
Fund balance – beginning		1,949,510		1,451,725
Fund balance – ending		\$ 1,663,133		1,949,510

LINCOLN COUNTY  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
June 30, 2022

	<u>Treasurer's Tax Fund</u>	<u>School Bond and Interest Fund</u>	<u>Hospital Bond and Interest Fund</u>	<u>Employee Benefit Trust Fund</u>	<u>Totals</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 4,252,685	473,417	1,308	541,615	5,269,025
Accounts receivable	-	-	-	92,714	92,714
Total assets	<u>4,252,685</u>	<u>473,417</u>	<u>1,308</u>	<u>634,329</u>	<u>5,361,739</u>
<u>Liabilities</u>					
Claims payable	-	-	-	427,363	427,363
Due to other taxing units	<u>4,252,685</u>	<u>473,417</u>	<u>1,308</u>	-	<u>4,727,410</u>
Total liabilities	<u>4,252,685</u>	<u>473,417</u>	<u>1,308</u>	<u>427,363</u>	<u>5,154,773</u>
<u>Net Position</u>					
Restricted for participants	-	-	-	206,966	206,966
Total net position	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>206,966</u>	<u>206,966</u>

LINCOLN COUNTY  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
Year Ended June 30, 2022

	Treasurer's Tax Fund	School Bond and Interest Fund	Hospital Bond and Interest Fund	Employee Benefit Trust Fund	Totals
Additions:					
Contributions - County	\$ -	-	-	3,381,200	3,381,200
Contributions - component units	-	-	-	76,300	76,300
Contributions - participants	-	-	-	161,479	161,479
Insurance reimbursements	-	-	-	815,835	815,835
Tax collections for other governments	109,429,175	1,166,498	1,308	-	110,596,981
Interest and other income	523,870	109	-	294	524,273
<b>Total additions</b>	<b>109,953,045</b>	<b>1,166,607</b>	<b>1,308</b>	<b>4,435,108</b>	<b>115,556,068</b>
Deductions:					
Claim benefit expense	-	-	-	3,570,723	3,570,723
Trust operating expense	-	-	-	673,602	673,602
Tax distributions to other governments	109,953,045	1,166,607	1,308	-	111,120,960
<b>Total deductions</b>	<b>109,953,045</b>	<b>1,166,607</b>	<b>1,308</b>	<b>4,244,325</b>	<b>115,365,285</b>
Change in net position	-	-	-	190,783	190,783
Net position (deficit) - beginning	-	-	-	16,183	16,183
Net position - ending	\$ -	-	-	206,966	206,966

LINCOLN COUNTY  
COMBINING STATEMENT OF NET POSITION  
COUNTY LIBRARY AND COUNTY LIBRARY FOUNDATION  
June 30, 2022

	<u>County Library</u>	<u>County Library Foundation</u>	<u>Total County Library</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 1,250,761	151,830	1,402,591
Beneficial interest	-	1,343,961	1,343,961
Taxes receivable	1,260,947	-	1,260,947
Capital assets	240,816	-	240,816
Accumulated depreciation	(202,385)	-	(202,385)
 Total assets	 <u>2,550,139</u>	 <u>1,495,791</u>	 <u>4,045,930</u>
<u>Deferred Outflows of Resources</u>			
Pensions	<u>156,271</u>	<u>-</u>	<u>156,271</u>
 Total deferred outflows of resources	 <u>156,271</u>	 <u>-</u>	 <u>156,271</u>
<u>Liabilities</u>			
Accounts payable	7,479	-	7,479
Compensated absences	46,000	-	46,000
Net pension liability	<u>600,624</u>	<u>-</u>	<u>600,624</u>
 Total liabilities	 <u>654,103</u>	 <u>-</u>	 <u>654,103</u>
<u>Deferred Inflows of Resources</u>			
Property taxes	1,260,947	-	1,260,947
Pensions	<u>416,547</u>	<u>-</u>	<u>416,547</u>
 Total deferred inflows of resources	 <u>1,677,494</u>	 <u>-</u>	 <u>1,677,494</u>
<u>Net position</u>			
Net investment in capital assets	38,431	-	38,431
Restricted – nonexpendable	-	1,343,961	1,343,961
Unrestricted	<u>336,382</u>	<u>151,830</u>	<u>488,212</u>
 Total net position	 <u>\$ 374,813</u>	 <u>1,495,791</u>	 <u>1,870,604</u>

LINCOLN COUNTY  
COMBINING STATEMENT OF ACTIVITIES  
COUNTY LIBRARY AND COUNTY LIBRARY FOUNDATION  
Year Ended June 30, 2022

	<u>County Library</u>	<u>County Library Foundation</u>	<u>Total County Library</u>
Expenses	\$ 1,235,408	76,650	1,312,058
Program revenues:			
Charges for services	13,647	-	13,647
Operating grants and contributions	7,875	85,049	92,924
Total program revenues	21,522	85,049	106,571
Net (expenses) revenues	(1,213,886)	8,399	(1,205,487)
General revenues:			
Taxes	1,418,816	-	1,418,816
Interest and investment income	1,057	(223,900)	(222,843)
Miscellaneous	2,008	-	2,008
Total general revenues	1,421,881	(223,900)	1,197,981
Change in net position	207,995	(215,501)	(7,506)
Net position – beginning	166,818	1,711,292	1,878,110
Net position – ending	\$ 374,813	1,495,791	1,870,604

LINCOLN COUNTY DRUG COURT  
SCHEDULE OF FINANCIAL POSITION  
June 30, 2022

<u>Assets</u>		
Cash and cash equivalents		\$ <u>8,993</u>
Total assets		\$ <u><u>8,993</u></u>
<u>Liabilities and Fund Balance</u>		
Accounts payable		\$ <u>8,993</u>
Total liabilities		8,993
Fund balance		<u>-</u>
Total liabilities and fund balance		\$ <u><u>8,993</u></u>

LINCOLN COUNTY DRUG COURT  
SCHEDULE OF ACTIVITIES AND FUNCTIONAL EXPENSES  
Year Ended June 30, 2022

Revenues:		
State grants	\$	69,888
Contributions from Lincoln County		88,214
Participant fees		<u>1,510</u>
Total revenues		<u>159,612</u>
Expenses:		
Salaries, wages, and benefits		83,303
Consultants and contractors		64,490
Supplies		4,355
Equipment purchases		3,156
Travel		2,755
Training		<u>1,553</u>
Total expenses		<u>159,612</u>
Net change in fund balance	\$	<u><u>-</u></u>

## **Single Audit Reports**

LINCOLN COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing No.	Contract Number	Expenditures
<u>U.S. Department of Agriculture (DOA)</u>			
<i>Passed through State Department of Health:</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	None	\$ 2,590
<i>Passed through State Forestry Division:</i>			
Cooperative Forestry Assistance	10.664	None	21,757
Schools and Roads Cluster	10.665	None	<u>563,635</u>
Total DOA			<u>587,982</u>
<u>Department of Transportation (DOT)</u>			
<i>Passed through Wyoming Department of Transportation:</i>			
Highway Planning and Construction Cluster	20.205	19302, 20303, 20302, 21302, 21303	<u>268,946</u>
Total DOT			<u>268,946</u>
<u>Department of the Treasury (DOTT)</u>			
<i>Passed through State of Wyoming Governor's Office:</i>			
Coronavirus Relief Fund - Charitable Relief Program	21.019	None	39,706
<i>Passed through the Wyoming State Loan and Investment Board:</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	None	<u>556,693</u>
Total DOTT			<u>596,399</u>
<u>Health and Human Services (HHS)</u>			
<i>Passed through Wyoming Department of Health:</i>			
County Health Nurse	93.069	None	64,321
Public Health Emergency Response - COVID	93.354	None	47,384
Public Health Prevention	93.243	185608	43,859
Public Health Prevention	93.959	None	33,058
Drug Free Communities Support Program	93.276	None	32,517
Maternal and Child Health Services Block Grant	93.994	None	5,658
Public Health Prevention	93.387	None	2,916
<i>Passed through Wyoming Department of Family Services:</i>			
Temporary Assistance for Needy Families Cluster	93.558	None	<u>56,454</u>
Total HHS			<u>286,167</u>
<u>Department of Homeland Security (DHS)</u>			
<i>Passed through Wyoming Office of Homeland Security:</i>			
Emergency Management Performance	97.042	None	<u>36,000</u>

LINCOLN COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing No.	Contract Number	<u>Expenditures</u>
Total DHS			<u>36,000</u>
Total Expenditures of Federal Awards			<u>\$ 1,775,494</u>

LINCOLN COUNTY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2022

Note 1 – Purpose of the Schedule

The Schedule of Expenditures of Federal Awards (the Schedule) is a supplementary schedule to the basic financial statements. The Schedule is provided in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 – Significant Accounting Policies

Basis of Accounting

The information in the Schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200. The Schedule is prepared using the same accounting policies and basis of accounting as the basic financial statements.

Assistance Listing Numbers

Title 2 U.S. *Code of Federal Regulations* Part 200 requires the Schedule to show the total expenditures for each of the County's federal financial assistance programs as identified by Assistance Listing number. Assistance Listing is a government-wide compendium of individual federal programs which assigns a five-digit program identification Assistance Listing number to each federal program.

Major Programs

Title 2 U.S. *Code of Federal Regulations* Part 200 establishes the levels of expenditures or expenses and other criteria to be used in defining major programs. Major programs have been noted in the Schedule of Findings and Questioned Costs in accordance with those definitions.

Indirect Costs

The County has not elected to use the 10% de minimis indirect cost rate.



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

To the Board of County Commissioners  
Lincoln County  
Kemmerer, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Wyoming (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 29, 2022.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness and the deficiency described in the accompanying schedule of findings and questioned costs as item 2022-002 to be a significant deficiency.

### ***Report on Compliance and Other Matters***

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

### **The County's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the findings identified in our engagement and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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



JONES SIMKINS LLC  
Logan, Utah  
December 29, 2022



Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of County Commissioners  
Lincoln County  
Kemmerer, Wyoming

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

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

We have audited Lincoln County's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



JONES SIMKINS LLC  
Logan, Utah  
December 29, 2022

LINCOLN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2022

A. Summary of Auditors' Results:

*Financial Statements*

- |                                                                                           |            |
|-------------------------------------------------------------------------------------------|------------|
| 1. Type of auditors' report issued:                                                       | Unmodified |
| 2. Internal control over financial reporting:                                             |            |
| • Material weaknesses identified:                                                         | Yes – One  |
| • Significant deficiencies identified that were not considered to be material weaknesses: | Yes – One  |
| 3. Non-compliance material to financial statements noted:                                 | No         |

*Federal Awards*

- |                                                                                                       |                                                                                            |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| 4. Internal control over major programs:                                                              |                                                                                            |
| • Material weaknesses identified:                                                                     | No                                                                                         |
| • Significant deficiencies identified that were not considered to be material weaknesses:             | None reported                                                                              |
| 5. Type of auditors' report issued on compliance for major programs:                                  | Unmodified                                                                                 |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): | None                                                                                       |
| 7. Federal programs tested as major programs:                                                         | Coronavirus Relief Fund - Assistance Listing #21.019 and #10.665 Schools and Roads Cluster |
| 8. Dollar threshold used to distinguish between Type A and Type B programs:                           | \$750,000                                                                                  |
| 9. Auditee qualification as high or low risk:                                                         | High                                                                                       |

LINCOLN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2022

B. Findings related to the financial statements required to be reported in accordance with *Government Auditing Standards*:

Finding 2022-001

Criteria: Internal control standards adopted by the GAO expect that management or employees, in the normal course of performing their assigned functions, will prevent or detect misstatements in account balances prior to being reported in the financial statements.

Condition: Material auditor-proposed adjustments were required to make the financial statements and associated supplementary information conform to generally accepted accounting principles.

Cause: Reconciliations of certain account balances and a secondary review of these reconciliations are not being performed on a regular basis. As a result, preliminary trial balance amounts did not report and disclose all balances and transactions in accordance with generally accepted accounting principles.

Effect: The County has a material weakness in internal controls with respect to reconciliation of account balances and the accurate recording, reporting, and disclosure of transactions and balances in accordance with Generally Accepted Accounting Principles.

Recommendation: County management should implement procedures to ensure all material accounts are being regularly reconciled.

Finding 2022-002

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

Condition: Budgets were not prepared for all funds of the County. In addition, total expenditures in the Enhanced 911 Fund, Landfill Fund and the Debt Service Fund exceeded budgeted expenditures.

Cause: Controls associated with the preparation of annual budgets in accordance with Wyoming State statutes have not been established.

LINCOLN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2022

Effect: The County has a significant deficiency in internal controls with respect to the preparation of annual budgets.

Recommendation: County management should implement procedures to ensure budgets are prepared for all expenditures of all funds of the County in accordance with Wyoming State statutes.

- C. Findings and questioned costs related to federal awards required to be reported in accordance with the Uniform Guidance

None

LINCOLN COUNTY  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
(Client Submitted Document)  
Year Ended June 30, 2021

Finding 2021-001

Status: Duties related to regular account reconciliations are being separated as much as possible, and County management and those charged with governance continue to consider ways to improve the County's internal control over accurate recording, reporting and disclosure of transactions.

Finding 2021-002

Status: The County management and those charged with governance continue to consider the need to adhere to Wyoming State statues when implementing budgetary procedures and controls.

LINCOLN COUNTY  
CORRECTIVE ACTION PLAN  
(Client Submitted Document)  
Year Ended June 30, 2022

Lincoln County respectfully submits the following corrective action plan for the year ended June 30, 2022:

The findings from the schedule of findings and questioned costs are addressed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

**Findings – Financial Statement Audit**

Response to finding 2022-001

The County has no direct control over component unit reconciliation operations and controls, nor do we perform accounting duties for them. Therefore, it will be a reoccurring finding.

The County recognizes that the inability to record transactions will be a continuous finding related to the tracking of assets and depreciation. An internal asset management division within the Clerk's office would alleviate the issue. Another possible solution may be a separate accounting department to alleviate audit adjustment entries and help improve segregation of duties.

Response to finding 2022-002

The County will review Wyoming State statutes and implement budgetary procedures and controls to ensure that budgets are prepared and approved for all expenditures of all County funds.