

Lincoln County, Wyoming



FINANCIAL STATEMENTS

June 30, 2023

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INDEPENDENT AUDITOR'S 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, 2023, 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, 2023, 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 Auditor's 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

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.

Auditor's 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 auditor's 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 and Government Auditing Standards 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 and *Government Auditing Standards*, 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 is the responsibility of management and, 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, including the accompanying schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for additional analysis and is 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. Such information is the responsibility of management and was 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2023 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 the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Jones Simkins LLC".

JONES SIMKINS LLC

Logan, Utah

December 19, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

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, 2023. 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 \$4,396,036, resulting in total net position of \$63,708,196. 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, right of use assets, 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 \$6,842,542 or 20% over the prior year. Cash and investments now represent 41% of total assets. 2. Net capital assets decreased by \$690,972 or 2% from the prior year. Net capital assets now represent 44% of total assets. This decrease was primarily a result of an increase to accumulated depreciation and amortization, as the result of current year depreciation and amortization expense. 3. Long-term liabilities, including the net pension liability, which account for 82% of total liabilities, increased by \$4,105,843 or 29%. This increase was primarily a result of changes in the County's net pension liability.

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
June 30, 2023

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, 2023

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, 2023

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, 2023, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$63,708,196. The largest portion of the County's assets (44%) 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 56% 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 deferred outflows and deferred inflows and liabilities that create net position for fiscal years 2023 and 2022, respectively, as well as the changes between the two years. The percentage to total assets, deferred outflows of resources, 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
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

	2023	2022	Net Change	Percentage of Total		% Change Between Years
	Governmental Activities	Governmental Activities		2023	2022	
Assets:						
Current and Other						
Assets	\$ 54,176,712	44,897,006	9,279,706	56.32%	51.25%	20.67%
Capital Assets	42,013,465	42,704,437	(690,972)	43.68%	48.75%	-1.62%
Total Assets	96,190,177	87,601,443	8,588,734			
Deferred Outflows of Resources:						
Pensions	4,242,962	4,341,576	(98,614)	100.00%	100.00%	-2.27%
Total Deferred Outflows of Resources	4,242,962	4,341,576	(98,614)			
Liabilities:						
Other Liabilities	5,243,450	4,379,636	863,814	22.18%	23.45%	19.72%
Long-term Liabilities	18,401,556	14,295,713	4,105,843	77.82%	76.55%	28.72%
Total Liabilities	23,645,006	18,675,349	4,969,657			
Deferred Inflows of Resources:						
Property Taxes	11,593,597	9,386,977	2,206,620	88.64%	67.26%	23.51%
Pensions	1,486,340	4,568,533	(3,082,193)	11.36%	32.74%	-67.47%
Total Deferred Inflows of Resources	13,079,937	13,955,510	(875,573)			
Net Position:						
Net investment						
in capital assets	35,324,489	35,864,378	(539,889)	55.45%	60.47%	-1.51%
Restricted	1,670,065	3,340,991	(1,670,926)	2.62%	5.63%	-50.01%
Unrestricted	26,713,642	20,106,791	6,606,851	41.93%	33.90%	32.86%
Total Net Position \$	63,708,196	59,312,160	4,396,036			
Assets and Deferred Outflows of Resources to Liabilities and Deferred Inflows of Resources	2.7	2.8				

LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

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 2023 and 2022, the changes between fiscal years 2023 and 2022, and the percentages of revenue to total revenues and expenses to total expenses.

Summary of Changes in Net Position

	<u>2023</u>	<u>% of Total Revenues</u>	<u>2022</u>	<u>% of Total Revenues</u>	<u>\$ Change Between Years</u>	<u>% Change Between Years</u>
Revenues:						
Program revenues						
Charges for services	\$ 1,447,294	4.53%	1,611,393	6.91%	(164,099)	-10.18%
Operating grants	5,341,449	16.72%	2,226,171	9.54%	3,115,278	139.94%
Capital grants	1,119,462	3.50%	956,538	4.10%	162,924	17.03%
General Revenues:						
Property taxes	9,870,245	30.90%	9,296,488	39.84%	573,757	6.17%
Sales and use tax	7,914,035	24.78%	6,771,017	29.02%	1,143,018	16.88%
Other taxes	5,506,775	17.24%	2,386,463	10.23%	3,120,312	130.75%
Interest and investment income (loss)	567,074	1.78%	(212,964)	-0.91%	780,038	-366.28%
Gain (loss) on disposal of assets	(8,773)	-0.03%	56,799	0.24%	(65,572)	-115.45%
Miscellaneous	184,136	0.58%	242,560	1.04%	(58,424)	-24.09%
Total Revenues	<u>31,941,697</u>		<u>23,334,465</u>		<u>8,607,232</u>	<u>36.89%</u>
		<u>% of Total Expenses</u>		<u>% of Total Expenses</u>		
Expenses:						
General Government	11,496,326	41.74%	9,640,773	41.55%	1,855,553	19.25%
Public Safety	6,917,574	25.11%	6,837,453	29.47%	80,121	1.17%
Public Works	7,102,203	25.78%	4,559,760	19.65%	2,542,443	55.76%
Health & Welfare	1,836,001	6.67%	1,940,374	8.36%	(104,373)	-5.38%
Interest & fiscal charges	193,557	0.70%	222,664	0.96%	(29,107)	0.00%
Total expenses	<u>27,545,661</u>		<u>23,201,024</u>		<u>4,344,637</u>	<u>18.73%</u>
Change in net position	<u>4,396,036</u>		<u>133,441</u>			
Net position-beginning, as restated	<u>59,312,160</u>		<u>59,178,719</u>			
Net position-ending	<u>\$ 63,708,196</u>		<u>59,312,160</u>			

LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

For fiscal year 2023, the County experienced an increase in net position of \$4,396,036 compared to an increase of \$133,441 in fiscal year 2022. This change is due to the following factors: 1) revenues from operating grants and contributions and other taxes and shared revenues increased by \$3,115,278 and \$3,120,312, respectively; 2) expenses increased by \$4,344,637 due primarily to increases in general and public works expenses; and 3) property taxes increased by \$573,757 due to increases 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 31% of total revenues, followed by sales and use taxes which constitute 25% of total revenues. Charges for services, operating grants, and other taxes represent 5%, 17%, and 17% of total revenues, respectively, while capital grants represent 4% 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 19% or \$1,855,553 from 2022 and was 42% of total expenses. Public Safety and Public Works increased by \$80,121 and \$2,542,443, respectively, and were 25% and 26% of total expenses, respectively. Health and Welfare decreased by \$104,373 and was 7% 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, 2023, the fund balance of the County's governmental funds was \$37,030,465, which increased \$6,295,272 compared to the prior year. Of the \$37,030,465 in fund balance, \$28,896,289 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, \$1,670,065 which is restricted by enabling legislation and/or for specific road projects, state and federal contracts, and state and federal grant programs, \$2,110,254 which is committed for future debt service and \$4,170,857 which is assigned for special projects and other purposes.

LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

General Fund Budgetary Highlights

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

Year Ending June 30, 2023 - Final Budget to Actual

	Final Budget	Actual	Favorable (Unfavorable)	% of Change Budget to Actual
<u>Revenues:</u>				
Taxes	\$ 19,272,381	23,106,062	3,833,681	19.89%
Intergovernmental	761,234	564,956	(196,278)	-25.78%
Charges for services	1,254,500	1,191,004	(63,496)	-5.06%
Licenses and permits	3,500	3,570	70	2.00%
Interest and investment income	115,000	471,368	356,368	100.00%
Miscellaneous	115,351	126,412	11,061	9.59%
Total revenues	<u>21,521,966</u>	<u>25,463,372</u>	<u>3,941,406</u>	<u>18.31%</u>
<u>Expenditures:</u>				
General government	12,330,191	9,770,219	2,559,972	20.76%
Public safety	6,093,321	5,104,152	989,169	16.23%
Public works	4,022,714	4,741,224	(718,510)	-17.86%
Health and welfare	1,517,052	999,230	517,822	34.13%
Total expenditures	<u>\$ 23,963,278</u>	<u>20,614,825</u>	<u>3,348,453</u>	<u>13.97%</u>

The original revenues budget was \$21,521,966 with no modifications made during the year. Actual revenues compared to the final budget had a favorable variance of \$3,941,406 or 18%.

Original budgeted expenditures were \$23,963,278 with no modifications made during the year. Actual expenditures amounted to \$20,614,825, resulting in a favorable variance of \$3,348,453 or 14%. At the department level, General Government expenditures were \$9,770,219, or 21% less than budgeted expenditures; Public Safety expenditures were \$5,104,152, or 16% less than budgeted expenditures; Public Works expenditures were \$4,741,224 or 18% more than budgeted expenditures; and, Health and Welfare expenditures were \$999,230 or 34% less than budgeted expenditures.

LINCOLN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

Capital Asset and Long-Term Debt Administration

Capital Assets: The County's investment in capital assets for its governmental activities, net of accumulated depreciation and amortization, came to a total of \$42,013,465 as of June 30, 2023. This investment in capital assets includes land, rights of way, infrastructure, buildings, vehicles, equipment, right of use assets, and construction in process. Major capital additions this year include vehicles, building construction and improvements, right of use assets, and other tools and equipment.

Long-Term Liabilities: Total long-term liabilities, including net pension liability, as of June 30, 2023 were \$18,401,556 of which \$926,000 is due within one year and \$17,475,556 is due in more than one year. There is no general obligation indebtedness as of June 30, 2023.

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 2023 increased by 28% or approximately \$201 million from the prior year, which resulted in an increase of approximately \$574,000 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, 2023

	<u>Primary Government</u>		<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Total</u>	
<u>Assets</u>			
Pooled cash and cash equivalents	\$ 10,037,698	10,037,698	-
Cash and cash equivalents	8,564,276	8,564,276	3,983,832
Investments	21,265,843	21,265,843	-
Beneficial interest	-	-	1,481,111
Accounts receivable	48,969	48,969	79,887
Taxes receivable	11,593,597	11,593,597	2,912,576
Due from other governments	2,096,329	2,096,329	-
Prepaid expenses	-	-	38,142
Inventory	183,000	183,000	233,968
Note receivable	387,000	387,000	-
Capital assets	91,730,945	91,730,945	2,624,217
Accumulated depreciation and amortization	(49,717,480)	(49,717,480)	(1,612,404)
Total assets	<u>96,190,177</u>	<u>96,190,177</u>	<u>9,741,329</u>
<u>Deferred outflows of resources</u>			
Pensions	4,242,962	4,242,962	408,031
Total deferred outflows of resources	<u>4,242,962</u>	<u>4,242,962</u>	<u>408,031</u>
<u>Liabilities</u>			
Interfund payable	1,124,478	1,124,478	-
Accounts payable	649,925	649,925	48,627
Accrued liabilities	93,264	93,264	24,145
Unearned revenue	3,151,126	3,151,126	-
Other liabilities	224,657	224,657	-
Long-term liabilities:			
Due within one year	926,000	926,000	140,000
Due in more than one year	6,922,289	6,922,289	-
Net pension liability	10,553,267	10,553,267	1,747,881
Total liabilities	<u>23,645,006</u>	<u>23,645,006</u>	<u>1,960,653</u>
<u>Deferred inflows of resources</u>			
Property taxes	11,593,597	11,593,597	2,859,137
Pensions	1,486,340	1,486,340	35,085
Total deferred inflows of resources	<u>13,079,937</u>	<u>13,079,937</u>	<u>2,894,222</u>
<u>Net position</u>			
Net investment in capital assets	35,324,489	35,324,489	1,011,813
Restricted – expendable	1,670,065	1,670,065	-
Restricted – nonexpendable	-	-	1,481,111
Unrestricted	26,713,642	26,713,642	2,801,561
Total net position	<u>\$ 63,708,196</u>	<u>63,708,196</u>	<u>5,294,485</u>

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

LINCOLN COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	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	\$ 11,496,326	566,360	870,837	-	(10,059,129)	(10,059,129)	-
Public safety	6,917,574	667,679	537,642	-	(5,712,253)	(5,712,253)	-
Public works	7,102,203	-	2,790,209	1,119,462	(3,192,532)	(3,192,532)	-
Health and welfare	1,836,001	213,255	1,142,761	-	(479,985)	(479,985)	-
Interest and fiscal charges	193,557	-	-	-	(193,557)	(193,557)	-
Total governmental activities	<u>27,545,661</u>	<u>1,447,294</u>	<u>5,341,449</u>	<u>1,119,462</u>	<u>(19,637,456)</u>	<u>(19,637,456)</u>	<u>-</u>
Total primary government	<u>\$ 27,545,661</u>	<u>1,447,294</u>	<u>5,341,449</u>	<u>1,119,462</u>	<u>(19,637,456)</u>	<u>(19,637,456)</u>	<u>-</u>
Component units:							
Weed and pest control district	\$ 2,022,009	379,123	-	687,528	-	-	(955,358)
County fair	796,458	326,736	-	-	-	-	(469,722)
County library	1,446,909	13,456	22,672	-	-	-	(1,410,781)
Total component units	<u>\$ 4,265,376</u>	<u>719,315</u>	<u>22,672</u>	<u>687,528</u>	<u>-</u>	<u>-</u>	<u>(2,835,861)</u>
General revenues:							
Taxes:							
Property taxes					\$ 9,870,244	9,870,244	3,261,281
Sales and use taxes					7,914,035	7,914,035	-
Other taxes and shared revenues					5,506,775	5,506,775	-
Total taxes					<u>23,291,054</u>	<u>23,291,054</u>	<u>3,261,281</u>
Interest and investment loss					567,074	567,074	171,487
Loss on disposal of assets					(8,773)	(8,773)	67,357
Miscellaneous					184,137	184,137	739
Total general revenues					<u>24,033,492</u>	<u>24,033,492</u>	<u>3,500,864</u>
Change in net position					4,396,036	4,396,036	665,003
Net position - beginning, as restated					<u>59,312,160</u>	<u>59,312,160</u>	<u>4,629,482</u>
Net position - ending					<u>\$ 63,708,196</u>	<u>63,708,196</u>	<u>5,294,485</u>

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

LINCOLN COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	<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	\$ -	3,862,935	6,174,763	10,037,698
Cash and cash equivalents	7,604,007	-	960,269	8,564,276
Investments	21,265,843	-	-	21,265,843
Accounts receivable	9,340	-	39,629	48,969
Taxes receivable	11,593,597	-	-	11,593,597
Due from other governments	1,888,502	69,564	138,263	2,096,329
Note receivable	387,000	-	-	387,000
Inventory	183,000	-	-	183,000
Total assets	<u>\$ 42,931,289</u>	<u>3,932,499</u>	<u>7,312,924</u>	<u>54,176,712</u>
<u>Liabilities</u>				
Interfund payable	\$ 1,124,478	-	-	1,124,478
Accounts payable	485,804	117,848	46,273	649,925
Accrued liabilities	15,464	-	-	15,464
Unearned revenue	-	2,175,589	975,537	3,151,126
Other liabilities	224,657	-	-	224,657
Total liabilities	<u>1,850,403</u>	<u>2,293,437</u>	<u>1,021,810</u>	<u>5,165,650</u>
<u>Deferred inflows of resources</u>				
Property taxes	11,593,597	-	-	11,593,597
Unavailable revenues	387,000	-	-	387,000
Total deferred inflows of resources	<u>11,980,597</u>	<u>-</u>	<u>-</u>	<u>11,980,597</u>
<u>Fund balances</u>				
Nonspendable	183,000	-	-	183,000
Restricted	21,000	-	1,649,065	1,670,065
Committed	-	-	2,110,254	2,110,254
Assigned	-	1,639,062	2,531,795	4,170,857
Unassigned	28,896,289	-	-	28,896,289
Total fund balances	<u>29,100,289</u>	<u>1,639,062</u>	<u>6,291,114</u>	<u>37,030,465</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,931,289</u>	<u>3,932,499</u>	<u>7,312,924</u>	<u>54,176,712</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, 2023

Total fund balances for governmental funds \$ 37,030,465

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	\$ 4,242,962	
Deferred inflows of resources - pensions	(1,486,340)	
Net pension liability	<u>(10,553,267)</u>	(7,796,645)

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	19,269,406	
Right to use assets	7,744,011	
Land	2,559,755	
Rights of way	1,056,600	
Construction in process	325,672	
Accumulated depreciation and amortization	<u>(49,717,480)</u>	42,013,465

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>387,000</u>	387,000
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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 liabilities	\$ (6,688,976)	
Direct borrowings	(736,313)	
Accrued interest	(77,800)	
Compensated absences	<u>(423,000)</u>	(7,926,089)

Net position of governmental activities \$ 63,708,196

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, 2023

	<u>General</u>	<u>Grants</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 23,106,062	-	184,992	23,291,054
Intergovernmental	564,956	2,037,103	3,858,852	6,460,911
Charges for services	1,191,004	-	252,720	1,443,724
Licenses and permits	3,570	-	-	3,570
Interest and investment income	471,368	-	95,706	567,074
Miscellaneous	126,412	-	-	126,412
	<u>25,463,372</u>	<u>2,037,103</u>	<u>4,392,270</u>	<u>31,892,745</u>
Expenditures:				
General government	9,770,219	1,119,464	585,937	11,475,620
Public safety	5,104,152	281,377	189,474	5,575,003
Public works	4,741,224	137,031	2,668,026	7,546,281
Health and welfare	999,230	528,285	78,294	1,605,809
Debt service	-	-	580,000	580,000
	<u>20,614,825</u>	<u>2,066,157</u>	<u>4,101,731</u>	<u>26,782,713</u>
Excess (deficiency) of revenues over expenditures	<u>4,848,547</u>	<u>(29,054)</u>	<u>290,539</u>	<u>5,110,032</u>
Other financing sources (uses):				
Proceeds from payments on notes receivable	86,000	-	-	86,000
Proceeds from issuance of long-term debt	842,624	-	-	842,624
Proceeds from issuance of lease liabilities	256,616	-	-	256,616
Transfers in	-	291,936	583,803	875,739
Transfers out	(693,620)	-	(182,119)	(875,739)
	<u>491,620</u>	<u>291,936</u>	<u>401,684</u>	<u>1,185,240</u>
Net change in fund balance	5,340,167	262,882	692,223	6,295,272
Fund balance – beginning	<u>23,760,122</u>	<u>1,376,180</u>	<u>5,598,891</u>	<u>30,735,193</u>
Fund balance – ending	<u>\$ 29,100,289</u>	<u>1,639,062</u>	<u>6,291,114</u>	<u>37,030,465</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, 2023

Net change in fund balance – total governmental funds \$ 6,295,272

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 (\$1,924,277) were exceeded by depreciation and amortization (\$2,578,201). (653,924)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales of capital assets) is to decrease net position. (37,048)

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. (623,034)

Long-term debt 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 long-term debt 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.

Proceeds from issuance of long-term liabilities	\$	(842,624)	
Proceeds from issuance of lease liabilities		(256,616)	
Payment of principal on long-term liabilities		514,010	
			(585,230)

Change in net position of governmental activities \$ 4,396,036

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

LINCOLN COUNTY
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

	<u>Custodial Funds</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 4,586,091
Accounts receivable	<u>554</u>
Total assets	<u>4,586,645</u>
<u>Liabilities</u>	
Claims payable	260,914
Due to other taxing units	<u>3,895,062</u>
Total liabilities	<u>4,155,976</u>
<u>Net Position</u>	
Restricted for participants	<u>430,669</u>
Total net position	<u>\$ 430,669</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, 2023

	<u>Custodial Funds</u>
Additions:	
Contributions - County	\$ 3,536,534
Contributions - component units	79,706
Contributions - participants	148,954
Insurance reimbursements	670,737
Tax collections for other governments	148,653,808
Interest and other income	<u>232,431</u>
Total additions	<u>153,322,170</u>
Deductions:	
Claim benefit expense	3,443,307
Trust operating expense	772,631
Tax distributions to other governments	<u>148,882,529</u>
Total deductions	<u>153,098,467</u>
Change in net position	223,703
Net position – beginning	<u>206,966</u>
Net position – ending	<u>\$ 430,669</u>

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

LINCOLN COUNTY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2023

	<u>Weed and Pest Control</u>	<u>County Fair</u>	<u>County Library</u>	<u>Total</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 1,247,225	1,086,571	1,650,036	3,983,832
Beneficial interest	-	-	1,481,111	1,481,111
Accounts receivable	79,850	-	37	79,887
Taxes receivable	1,098,439	499,000	1,315,137	2,912,576
Prepaid expenses	982	37,160	-	38,142
Inventory	233,968	-	-	233,968
Capital assets	1,440,580	942,821	240,816	2,624,217
Accumulated depreciation	<u>(793,824)</u>	<u>(609,668)</u>	<u>(208,912)</u>	<u>(1,612,404)</u>
 Total assets	 <u>3,307,220</u>	 <u>1,955,884</u>	 <u>4,478,225</u>	 <u>9,741,329</u>
<u>Deferred outflows of resources</u>				
Pensions	<u>164,318</u>	<u>33,094</u>	<u>210,619</u>	<u>408,031</u>
 Total deferred outflows of resources	 <u>164,318</u>	 <u>33,094</u>	 <u>210,619</u>	 <u>408,031</u>
<u>Liabilities</u>				
Accounts payable	18,824	11,158	18,645	48,627
Accrued payroll	24,145	-	-	24,145
Compensated absences	76,000	18,000	46,000	140,000
Net pension liability	<u>531,360</u>	<u>155,041</u>	<u>1,061,480</u>	<u>1,747,881</u>
 Total liabilities	 <u>650,329</u>	 <u>184,199</u>	 <u>1,126,125</u>	 <u>1,960,653</u>
<u>Deferred inflows of resources</u>				
Property taxes	1,045,000	499,000	1,315,137	2,859,137
Pensions	<u>7,259</u>	<u>11,887</u>	<u>15,939</u>	<u>35,085</u>
 Total deferred inflows of resources	 <u>1,052,259</u>	 <u>510,887</u>	 <u>1,331,076</u>	 <u>2,894,222</u>
<u>Net position</u>				
Net investment in capital assets	646,756	333,153	31,904	1,011,813
Restricted – nonexpendable	-	-	1,481,111	1,481,111
Unrestricted	<u>1,122,194</u>	<u>960,739</u>	<u>718,628</u>	<u>2,801,561</u>
 Total net position	 <u>\$ 1,768,950</u>	 <u>1,293,892</u>	 <u>2,231,643</u>	 <u>5,294,485</u>

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

LINCOLN COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
Year Ended June 30, 2023

	<u>Weed and Pest Control</u>	<u>County Fair</u>	<u>County Library</u>	<u>Total</u>
Expenses	\$ 2,022,009	796,458	1,446,909	4,265,376
Program revenues:				
Charges for services	379,123	326,736	13,456	719,315
Operating grants and contributions	-	-	22,672	22,672
Capital grants and contributions	687,528	-	-	687,528
Total program revenues	1,066,651	326,736	36,128	1,429,515
Net expenses	(955,358)	(469,722)	(1,410,781)	(2,835,861)
General revenues:				
Taxes	1,025,687	626,461	1,609,133	3,261,281
Interest and investment income	9,405	134	161,948	171,487
Gain on disposal of assets	67,357	-	-	67,357
Miscellaneous	-	-	739	739
Total general revenues	1,102,449	626,595	1,771,820	3,500,864
Change in net position	147,091	156,873	361,039	665,003
Net position – beginning	1,621,859	1,137,019	1,870,604	4,629,482
Net position – ending	\$ 1,768,950	1,293,892	2,231,643	5,294,485

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

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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 and other long-term liabilities 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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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/expenditures 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, 2023, was 12 mills.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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	\$ 10,037,698	-	-	10,037,698
Cash and cash equivalents:				
Demand deposits	485,308	-	-	485,308
Certificates of deposit	-	4,072,053	-	4,072,053
WYO-STAR	-	132,308	-	132,308
WGIF	-	965,553	-	965,553
Wyoming CLASS	-	2,908,104	-	2,908,104
Cash-on-hand	-	-	950	950
Total cash and cash equivalents	485,308	8,078,018	950	8,564,276
Investments:				
Government bonds	-	21,265,843	-	21,265,843
Total investments	-	21,265,843	-	21,265,843
<i>Total governmental funds</i>	\$ 10,523,006	29,343,861	950	39,867,817
<i>Fiduciary funds</i>				
Cash and cash equivalents:				
Demand deposits	\$ 4,586,091	-	-	4,586,091
<i>Total fiduciary funds</i>	\$ 4,586,091	-	-	4,586,091

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023, 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 \$132,308 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, 2023

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 \$965,553 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 \$2,908,104 are carried at amortized cost and are considered cash and cash equivalents.

At year end, the County also had investments in Federal Home Loan Bank (FHLB) bonds and asset backed securities, 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, 2023

Note 2 – Deposits and Investments (continued)

Investment Type	Fair Value	Credit Rating	Investment Maturities (in years)			
			Less than 1	1 to 5	6 to 10	More than 10
FNMA bonds/securities	\$ 1,328,233	AA+	-	630,582	533,252	164,399
WGIF	965,553	Not Rated	965,553	-	-	-
FHLMC bonds/securities	4,758,513	AA+	-	3,719,734	-	1,038,779
FHLB bonds/securities	3,349,875	AA+	-	2,395,475	954,400	-
Certificate of deposit	7,039,736	Not Rated	6,459,680	580,056	-	-
GNMA bonds/securities	359,758	AAA	11,613	-	-	348,145
WYO-STAR	132,308	Not Rated	132,308	-	-	-
Wyoming CLASS	2,908,104	Not Rated	2,908,104	-	-	-
Small Business Admin	77,989	AA+	-	-	-	77,989
US Treasury	8,423,792	AA+	4,547,082	989,810	1,899,060	987,840
	<u>\$ 29,343,861</u>		<u>15,024,340</u>	<u>8,315,657</u>	<u>3,386,712</u>	<u>2,617,152</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, 2023:

- The fair value of U.S. treasuries, government bonds and mortgage-backed securities of \$18,298,160 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, certificates of deposit, and Wyoming CLASS of \$965,553, \$132,308, 7,039,736, and \$2,908,104, respectively, are unrated.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 2 – Deposits and Investments (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's 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.

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, 2023

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	\$ 2,535,847	-	-	2,535,847
Certificates of deposit	851,471	-	-	851,471
WGIF	-	596,514	-	596,514
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total cash and cash equivalents	\$ <u>3,387,318</u>	<u>596,514</u>	<u>-</u>	<u>3,983,832</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, 2023, 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 \$596,514 are carried at amortized cost and are considered cash and cash equivalents.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023, 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, 2023, all of the component units' investments are in WGIF.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2022	\$ 1,343,961
Additional amounts invested in Fund	-
Share of depreciation of Fund	<u>137,150</u>
Balance at June 30, 2023	\$ <u>1,481,111</u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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	\$ 39,629
Other fees and permits	<u>9,340</u>
Total accounts receivable	\$ <u>48,969</u>
Taxes receivable:	
Property taxes – deferred to future periods	\$ <u>11,593,597</u>
Total taxes receivable	\$ <u>11,593,597</u>
Due from other governments:	
Sales, use, and other taxes	\$ 1,973,669
Grants reimbursements	69,564
Contracts reimbursements	<u>53,096</u>
Total due from other governments	\$ <u>2,096,329</u>
Notes receivable	\$ <u>387,000</u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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>79,850</u>
Taxes receivable	
Property taxes – deferred to future periods	\$ 1,045,000
Property taxes – current	<u>53,439</u>
Total taxes receivable	\$ <u>1,098,439</u>

County Fair:

Taxes receivable	
Property taxes – deferred to future periods	\$ <u>499,000</u>
Total taxes receivable	\$ <u>499,000</u>

County Library:

Other receivables	\$ <u>37</u>
Taxes receivable	
Property taxes – deferred to future periods	\$ <u>1,315,137</u>
Total taxes receivable	\$ <u>1,315,137</u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 5 – Capital Assets

Primary Government

Capital asset activity is as follows:

	Balance 7/1/22	Additions	Retirements	Transfers	Balance 6/30/23
<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	290,407	-	-	325,672
	<u>3,651,620</u>	<u>290,407</u>	<u>-</u>	<u>-</u>	<u>3,942,027</u>
Capital assets being depreciated:					
Buildings and improvements	32,719,467	-	-	-	32,719,467
Right to use assets	7,487,395	256,616	-	-	7,744,011
Infrastructure	28,056,034	-	-	-	28,056,034
Equipment and vehicles	18,036,328	1,377,254	(144,176)	-	19,269,406
	<u>86,299,224</u>	<u>1,633,870</u>	<u>(144,176)</u>	<u>-</u>	<u>87,788,918</u>
Accumulated depreciation for:					
Buildings and improvements	(15,579,819)	(675,013)	-	-	(16,254,832)
Right to use asset amortization	(467,962)	(471,358)	-	-	(939,320)
Infrastructure	(18,401,249)	(596,469)	-	-	(18,997,718)
Equipment and vehicles	(12,797,377)	(835,361)	107,128	-	(13,525,610)
	<u>(47,246,407)</u>	<u>(2,578,201)</u>	<u>107,128</u>	<u>-</u>	<u>(49,717,480)</u>
Total capital assets being depreciated, net	<u>39,052,817</u>	<u>(944,331)</u>	<u>(37,048)</u>	<u>-</u>	<u>38,071,438</u>
Total governmental activities capital assets, net, as restated	<u>\$ 42,704,437</u>	<u>(653,924)</u>	<u>(37,048)</u>	<u>-</u>	<u>42,013,465</u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 5 – Capital Assets (continued)

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

Public works	\$	967,473
Public safety		681,413
Right of use asset		471,358
Health and welfare		230,193
General government		<u>227,764</u>
	\$	<u><u>2,578,201</u></u>

Component Units

Capital asset activity of component units is as follows:

	Balance 7/1/22	Additions	Retirements	Balance 6/30/23
Weed and Pest:				
Land	\$ 10,103	-	-	10,103
Buildings and improvements	725,732	-	-	725,732
Equipment	694,263	140,882	(130,400)	704,745
Accumulated depreciation	<u>(856,767)</u>	<u>(67,457)</u>	<u>130,400</u>	<u>(793,824)</u>
	<u>\$ 573,331</u>	<u>73,425</u>	<u>-</u>	<u>646,756</u>
County Fair:				
Buildings and improvements	\$ 559,833	-	-	559,833
Equipment	382,988	-	-	382,988
Accumulated depreciation	<u>(577,292)</u>	<u>(32,376)</u>	<u>-</u>	<u>(609,668)</u>
	<u>\$ 365,529</u>	<u>(32,376)</u>	<u>-</u>	<u>333,153</u>
County Library:				
Buildings and improvements	\$ 75,335	-	-	75,335
Equipment	165,481	-	-	165,481
Accumulated depreciation	<u>(202,385)</u>	<u>(6,527)</u>	<u>-</u>	<u>(208,912)</u>
	<u>\$ 38,431</u>	<u>(6,527)</u>	<u>-</u>	<u>31,904</u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 5 – Capital Assets (continued)

Depreciation expense was charged to the component units as follows:

Weed and Pest	\$	67,457
County Fair		32,376
County Library		<u>6,527</u>
	\$	<u><u>106,360</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	\$	631,108
Accrued interest		77,800
Payables to contractors including retainage		16,283
Other		15,464
Payables to other governmental units		<u>2,534</u>
	\$	<u><u>743,189</u></u>

Component Units

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

Payables to vendors	\$	<u>72,772</u>
	\$	<u><u>72,772</u></u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 7 – Long-Term Liabilities

Primary Government

Long-term liability activity is as follows:

	Balance 7/1/22	Additions	Reductions	Balance 6/30/23	Due Within One Year
<i>Governmental Activities:</i>					
Lease liability	\$ 6,840,059	256,616	(407,699)	6,688,976	444,000
Direct borrowings	-	842,624	(106,311)	736,313	59,000
Compensated absences	423,000	339,000	(339,000)	423,000	423,000
	<u>\$ 7,263,059</u>	<u>1,438,240</u>	<u>(853,010)</u>	<u>7,848,289</u>	<u>926,000</u>

The County has three leases in effect during fiscal year 2023 for certain property and equipment which expire between 2027 and 2037, with monthly payments on certain leases of \$5,305 and annual payments on certain leases of \$290,000. The incremental borrowing rates are between 2.87% and 6.5%, with lease interest of approximately \$194,000 paid in fiscal year 2023.

Future lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 444,108	112,085	556,193
2025	458,715	198,826	657,541
2026	473,863	184,175	658,038
2027	489,575	171,971	661,546
2028	474,807	153,694	628,501
Thereafter	<u>4,347,908</u>	<u>749,194</u>	<u>5,097,102</u>
Totals	<u>\$ 6,688,976</u>	<u>1,569,945</u>	<u>8,258,921</u>

As of June 30, 2023, the County has no unused lines of credit.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 7 – Long-Term Liabilities (continued)

Direct borrowings related to governmental activities is comprised of the following:

\$450,179 financing agreement, payable to Caterpillar Financial Services Corporation, due in annual installments of \$59,117, beginning June 2023, including interest of 6.45%, maturing June 2033. Secured by equipment. In an event of default, provisions include, but are not limited to, the following remedies: remove the equipment at the County's expense and require immediate payment of all amounts due, plus interest and any applicable taxes. \$ 391,063

\$392,445 financing agreement, payable to Caterpillar Financial Services Corporation, due in annual installments of \$47,259, beginning April 2023, including interest of 5.99%, maturing April 2033. Secured by equipment. 345,250
\$ 736,313

The requirements to service all direct borrowings are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 59,135	47,241	106,376
2025	62,938	43,438	106,376
2026	66,985	39,390	106,375
2027	71,293	35,083	106,376
2028	74,878	30,498	105,376
Thereafter	<u>401,084</u>	<u>72,743</u>	<u>473,827</u>
Totals	<u>\$ 736,313</u>	<u>268,393</u>	<u>1,004,706</u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023, the County collected \$45,545 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	186,051	(174,051)	140,000	140,000

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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	1,017,622
Emergency services	121,448
Tourism	357,203
Contracts	152,792
Abandoned vehicles	<u>21,000</u>
	<u>1,670,065</u>
Committed:	
Landfill	443,318
Debt service	<u>1,666,936</u>
	<u>2,110,254</u>
Assigned:	
Roads and special projects	1,303,007
Other purposes	<u>2,867,850</u>
	<u>4,170,857</u>
Unassigned	<u>28,896,289</u>
	<u>\$ 37,030,465</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, 2023

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.wyo.gov).

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 required 18.62% of the participant's salary to be contributed to PEPP, consisting of 9.25% of the participant's salary as employee contributions and 9.37% 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, or upon meeting the requirements of the Rule of 85 (participant's age plus years of service equal or exceed 85). 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 normal retirement.
- Tier 2, PEPP allows for normal retirement after four years of service and attainment of age 65, or upon meeting the requirements of the Rule of 85. Early retirement is allowed provided the employee has completed four years of service and attained age 55 or 25 years of service, but will result in a reduction of benefits based on the length of time remaining to normal retirement.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023 were \$745,371, and contributions by the County's Weed and Pest Control District, Fair Board, and Library Board component units were \$63,478, \$20,653, and \$126,434, 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. The State Legislature must grant any cost-of-living adjustment provided to retirees. In addition, a cost-of-living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded. Participants may withdraw from the Plan at any time and receive refunds of participant contributions and accumulated interest.

Contributions by the County to LEPP for the year ended June 30, 2023 were \$506,079.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

Wyoming Deferred Compensation Plan

WDCP 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 WDCP (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 2023, 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, 2023

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, 2023, the County reported an entity-wide net pension liability of \$10,553,267 related to governmental activities which was calculated as follows:

	Measured at: December 31, 2022		December 31, 2021	
	Net Pension Liability	Proportionate Share	Proportionate Share	Change
PEPP	\$ 5,167,864	0.1891041%	0.1805869%	0.0085%
LEPP	<u>5,385,403</u>	1.5808981%	1.5039111%	0.0770%
Total net pension liability	<u>\$ 10,553,267</u>			

Component Units

Each of the County's component units only participated in PEPP. At June 30, 2023, the aggregate net pension liability for component units is \$1,747,881 and was calculated as follows:

	Measured at: December 31, 2022		December 31, 2021	
	Net Pension Liability	Proportionate Share	Proportionate Share	Change
<u>PEPP</u>				
Weed and Pest	\$ 531,360	0.0194437%	0.0165753%	0.0029%
County Fair	155,041	0.0056733%	0.0055437%	0.0001%
County Library	<u>1,061,480</u>	0.0388420%	0.0393924%	-0.0006%
Total net pension liability	<u>\$ 1,747,881</u>			

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 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 2022.

Governmental Activities

For the year ended June 30, 2023, the County recognized entity-wide pension expense related to governmental activities of \$1,446,776. At June 30, 2023, 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	\$ 153,077	202,590
Net difference between projected and actual earnings on pension plan investments	822,818	-
Changes of assumptions	2,369,000	832,862
Contributions subsequent to the measurement date	649,112	-
Changes in proportion and differences between contributions and proportionate share of contributions	248,955	450,888
	\$ 4,242,962	1,486,340

Deferred outflows of resources related to pensions resulting from County contributions of \$649,112 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, 2023

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>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ 138,214
2025	872,817
2026	235,781
2027	<u>860,698</u>
	<u>\$ 2,107,510</u>

Component Units

For the year ended June 30, 2023, component units of the County recognized combined pension expense of \$139,114. At June 30, 2023, 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	\$ (703)	(205)	(1,406)
Net difference between projected and actual earnings on pension plan investments	45,740	13,346	91,373
Change in assumptions	14,260	4,161	28,488
Contributions subsequent to the measurement date	37,221	9,875	69,777
Changes in proportionate and differences between contributions and proportionate share of contributions	<u>60,541</u>	<u>(5,970)</u>	<u>6,448</u>
	<u>\$ 157,059</u>	<u>21,207</u>	<u>194,680</u>

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

Deferred outflows of resources related to pensions resulting from Weed & Pest, County Fair, and County Library contributions of \$37,221, \$9,875, and \$69,777, 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
2024	\$ (6,838)	(7,880)	(20,154)
2025	13,777	(41)	16,737
2026	15,455	4,825	29,541
2027	97,444	14,428	98,779
	<u>\$ 119,838</u>	<u>11,332</u>	<u>124,903</u>

Actuarial Assumptions

The total pension liability in the 2022 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%	5.25% to 9.25%
Assumed inflation rate	2.25%	2.25%
Investment Rate of Return	6.80%	6.80%

Pre-retirement mortality rates were based on the Pub-2010 General Employee Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale for males and females with no set back with a multiplier of 100%. Post-retirement mortality rates were based on the Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with MP-2020 Ultimate Scale for males with no set back with a multiplier of 100% and for females with no set back with a multiplier of 103%. Disabled mortality rates were based on the Pub-2010 General Disabled Retiree Mortality Table, amount weighted, fully generational, projected with MP-2020 Ultimate Scale for males and females with no set back with a multiplier of 100%.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 5.53%. 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 Wyoming State Retirement Board’s funding policy, which establishes the contractually required rates under Wyoming State statutes. Based on those assumptions, the System’s 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 each plan’s portfolio, 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 each plan’s target asset allocation as amended and effective on July 1, 2022 and return estimates as of January 1, 2022, 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	0.5%	0.3%	2.9%	0.3%	2.9%
Gold	1.5%	0.7%	3.3%	2.3%	4.9%
Fixed Income	20.0%	4.1%	6.6%	3.6%	6.2%
Equity	51.5%	9.0%	11.6%	7.1%	9.7%
Marketable Alternatives	16.0%	6.0%	8.6%	5.1%	7.7%
Private Markets	10.5%	7.7%	10.3%	6.1%	8.6%
Total	100%	7.23%	9.81%	5.86%	8.45%

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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 5.53% 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 4.53 percent, respectively) or 1-percentage-point higher (7.8 percent and 6.53%, respectively) than the current rate:

Governmental Activities:

	<u>1% Decrease</u> 5.80%	<u>Rate</u> 6.80%	<u>1% Increase</u> 7.80%
<i>PEPP</i>			
Proportionate share of net pension liability	\$ 7,631,080	\$ 5,167,864	\$ 3,126,526
	<u>1% Decrease</u> 4.53%	<u>Discount Rate</u> 5.53%	<u>1% Increase</u> 6.53%
<i>LEPP</i>			
Proportionate share of net pension liability	\$ 8,105,338	\$ 5,385,403	\$ 3,199,140

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

Component Units:

	1% Decrease 5.80%	Discount Rate 6.80%	1% Increase 7.80%
<i>Weed & Pest Control - PEPP</i>			
Proportionate share of net pension liability	\$ 784,628	\$ 531,360	\$ 321,470
<i>County Fair - PEPP</i>			
Proportionate share of net pension liability	\$ 228,940	\$ 155,041	\$ 93,799
<i>County Library - PEPP</i>			
Proportionate share of net pension liability	\$ 1,567,424	\$ 1,061,480	\$ 642,189

Pension plan fiduciary net position

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

Note 10 – Interfund Transfers

Interfund transfers consist of the following:

Purpose	Amount	Transfer from	Transfer to
Operations/Match	\$ 109,816	General Fund	Grants Fund
Operations/Match	\$ 182,119	Roads Fund	Grants Fund
Debt Service	\$ 583,804	General Fund	Debt Service Fund

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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, 2023, the plan had incurred claims payable and estimated claims incurred but not reported (IBNR) of \$260,914.

Changes to aggregate claims liabilities for the years ended June 30, 2023 and 2022, respectively, are as follows:

<u>Claims Liabilities 7/1/22</u>	<u>Claims Incurred and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Liabilities 6/30/23</u>
\$ <u>427,363</u>	<u>3,276,858</u>	<u>(3,443,307)</u>	<u>260,914</u>
<u>Claims Liabilities 7/1/21</u>	<u>Claims Incurred and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Liabilities 6/30/22</u>
\$ <u>587,590</u>	<u>3,410,496</u>	<u>(3,570,723)</u>	<u>427,363</u>

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.

LINCOLN COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

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.

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.

The County is currently waiting for IDAWY to furnish certain financial information required by the County's contract with IDAWY. The County's financial commitments under the IDAWY contract cannot be accurately quantified or disclosed without certain financial information provided by IDAWY.

Required Supplementary Information

LINCOLN COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes				
Property taxes	\$ 9,584,977	9,584,977	7,069,057	(2,515,920)
Payments in lieu of property taxes	1,116,725	1,116,725	1,754,994	638,269
Sales and use taxes	5,656,383	5,656,383	7,914,035	2,257,652
State gasoline tax	1,232,360	1,232,360	1,255,701	23,341
Vehicle fees	1,036,000	1,036,000	1,046,192	10,192
Severance tax	573,776	573,776	588,022	14,246
Other taxes	72,160	72,160	3,478,061	3,405,901
Total taxes	<u>19,272,381</u>	<u>19,272,381</u>	<u>23,106,062</u>	<u>3,833,681</u>
Other revenues				
Intergovernmental	761,234	761,234	564,956	(196,278)
Charges for services	1,254,500	1,254,500	1,191,004	(63,496)
Licenses and permits	3,500	3,500	3,570	70
Interest and investment income	115,000	115,000	471,368	356,368
Miscellaneous	115,351	115,351	126,412	11,061
Total other revenues	<u>2,249,585</u>	<u>2,249,585</u>	<u>2,357,310</u>	<u>107,725</u>
Total revenues	<u>21,521,966</u>	<u>21,521,966</u>	<u>25,463,372</u>	<u>3,941,406</u>
Expenditures:				
General government				
County commissioners	343,589	343,589	362,647	(19,058)
County clerk	502,991	502,991	492,560	10,431
County treasurer	557,478	557,478	541,756	15,722
County assessor	596,445	596,445	629,671	(33,226)
County attorney	535,888	535,888	570,300	(34,412)
Clerk of district court	379,941	379,941	406,019	(26,078)
County court	600	600	269	331
Courthouse	778,313	778,313	917,867	(139,554)
Elections	73,885	73,885	69,946	3,939
Health insurance and benefits	5,500,000	5,500,000	3,623,530	1,876,470
General accounts	1,048,650	1,048,650	304,395	744,255
Computer support	540,411	540,411	574,352	(33,941)
Contributions to other governments	1,470,000	1,470,000	1,020,291	449,709
Capital outlay and other	2,000	2,000	256,616	(254,616)
Total general government	<u>12,330,191</u>	<u>12,330,191</u>	<u>9,770,219</u>	<u>2,559,972</u>

(continued)

LINCOLN COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Public safety				
County sheriff	3,615,719	3,615,719	3,290,554	325,165
County jail	1,494,783	1,494,783	1,467,439	27,344
County coroner	106,826	106,826	122,698	(15,872)
Emergency management	166,769	166,769	125,185	41,584
Juvenile services	5,000	5,000	-	5,000
Contributions to other entities	68,000	68,000	74,591	(6,591)
Capital outlay and other	636,224	636,224	23,685	612,539
Total public safety	<u>6,093,321</u>	<u>6,093,321</u>	<u>5,104,152</u>	<u>989,169</u>
Public works				
Road and bridge	3,239,830	3,239,830	3,120,811	119,019
County planner	455,435	455,435	477,966	(22,531)
County engineer	190,135	190,135	162,509	27,626
Contributions to other entities	137,314	137,314	137,314	-
Capital outlay and other	-	-	842,624	(842,624)
Total public works	<u>4,022,714</u>	<u>4,022,714</u>	<u>4,741,224</u>	<u>(718,510)</u>
Health and welfare				
Public health	337,503	337,503	247,214	90,289
Human services	859,000	859,000	446,795	412,205
Extension services	169,549	169,549	152,221	17,328
Contributions to other entities	141,000	141,000	143,000	(2,000)
Total health and welfare	<u>1,517,052</u>	<u>1,517,052</u>	<u>999,230</u>	<u>517,822</u>
Total expenditures	<u>23,963,278</u>	<u>23,963,278</u>	<u>20,614,825</u>	<u>3,348,453</u>
Excess (deficiency) of revenues over expenditures	<u>(2,441,312)</u>	<u>(2,441,312)</u>	<u>4,848,547</u>	<u>7,289,859</u>
Other financing sources (uses):				
Proceeds from payments on notes receivable	-	-	86,000	86,000
Proceeds from issuance of long-term debt	-	-	842,624	842,624
Proceeds from issuance of lease liabilities	-	-	256,616	256,616
Transfers out	(109,817)	(109,817)	(693,620)	(583,803)
Total other financing sources (uses)	<u>(109,817)</u>	<u>(109,817)</u>	<u>491,620</u>	<u>601,437</u>
Net change in fund balance	<u>\$ (2,551,129)</u>	<u>(2,551,129)</u>	5,340,167	<u>7,891,296</u>
Fund balance – beginning			<u>23,760,122</u>	
Fund balance – ending	\$		<u>29,100,289</u>	

LINCOLN COUNTY
BUDGETARY COMPARISON SCHEDULE
GRANTS FUND
Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 2,349,683	423,810	2,037,103	1,613,293
Total revenues	<u>2,349,683</u>	<u>423,810</u>	<u>2,037,103</u>	<u>1,613,293</u>
Expenditures:				
General government	1,866,678	1,866,678	1,119,464	747,214
Public safety	16,725	16,725	281,377	(264,652)
Public works	559,288	559,288	137,031	422,257
Health and welfare	237,309	237,309	528,285	(290,976)
Total expenditures	<u>2,680,000</u>	<u>2,680,000</u>	<u>2,066,157</u>	<u>613,843</u>
Excess (deficiency) of revenues over expenditures	<u>(330,317)</u>	<u>(2,256,190)</u>	<u>(29,054)</u>	<u>2,227,136</u>
Other financing sources:				
Transfers in	<u>349,533</u>	<u>349,533</u>	<u>291,936</u>	<u>(57,597)</u>
Total other financing sources	<u>349,533</u>	<u>349,533</u>	<u>291,936</u>	<u>(57,597)</u>
Net change in fund balance	\$ <u>19,216</u>	<u>(1,906,657)</u>	262,882	<u>2,169,539</u>
Fund balance – beginning			<u>1,376,180</u>	
Fund balance – ending	\$		<u><u>1,639,062</u></u>	

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

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
<u>Public Employee Pension Plan:</u>									
Proportion of the net pension liability	0.1891041%	0.1805869%	0.2170134%	0.2227485%	0.2243047%	0.2193146%	0.2190515%	0.2144930%	0.2122400%
Proportionate share of the net pension liability	\$ 5,167,864	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	\$ 3,414,336	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	151.36%	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	75.47%	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%
<u>Law Enforcement Pension Plan:</u>									
Proportion of the net pension liability	1.5808981%	1.5039111%	1.4979978%	1.5444485%	1.5136413%	1.4669819%	1.4978957%	1.5028282%	1.4723500%
Proportionate share of the net pension liability	\$ 5,385,403	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	\$ 2,551,654	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	211.06%	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	70.30%	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

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
<u>Public Employee Pension Plan - Weed & Pest Control:</u>									
Proportion of the net pension liability	0.01944370%	0.01657530%	0.01508860%	0.01572350%	0.01539810%	0.01598310%	0.01615200%	0.01765182%	0.01844400%
Proportionate share of the net pension liability	\$ 531,360	252,727	327,930	369,491	468,917	\$ 364,309	\$ 390,475	\$ 411,172	\$ 325,482
Covered employee payroll	\$ 351,062	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	151.36%	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	75.47%	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%
<u>Public Employee Pension Plan - County Fair:</u>									
Proportion of the net pension liability	0.00567330%	0.00554370%	0.00653010%	0.00607910%	0.00606670%	0.00568370%	0.00546040%	0.00525264%	0.00541200%
Proportionate share of the net pension liability	\$ 155,041	84,526	141,923	142,854	184,749	\$ 129,551	\$ 132,005	\$ 122,352	\$ 95,506
Covered employee payroll	\$ 102,433	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	151.36%	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	75.47%	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%
<u>Public Employee Pension Plan - County Library:</u>									
Proportion of the net pension liability	0.03884200%	0.03939240%	0.03837190%	0.03765800%	0.04035330%	0.03947470%	0.03864610%	0.03868520%	0.03878700%
Proportionate share of the net pension liability	\$ 1,061,480	600,624	833,959	884,935	1,228,875	\$ 899,763	\$ 934,270	\$ 901,113	\$ 684,477
Covered employee payroll	\$ 701,305	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	151.36%	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	75.47%	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%

LINCOLN COUNTY
SCHEDULE OF CONTRIBUTIONS

	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
<u>Public Employee Pension Plan:</u>									
Contractually required contribution	\$ 745,371	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>745,371</u>	<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>	<u>\$ -</u>
Covered employee payroll	\$ 4,003,067	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%	18.62%	18.12%	17.62%	17.04%	16.62%	16.62%	16.62%	15.87%
<u>Law Enforcement Pension Plan:</u>									
Contractually required contribution	\$ 506,079	492,111	416,624	436,082	424,924	\$ 395,441	\$ 408,405	\$ 409,068	\$ 427,937
Contributions in relation to the contractually required contribution	<u>506,079</u>	<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>\$ -</u>	<u>\$ (12,963.94)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 2,942,320	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%	17.20%

LINCOLN COUNTY
SCHEDULE OF CONTRIBUTIONS
COMPONENT UNITS

	Year Ended June 30, 2023	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
<u>Public Employee Pension Plan - Weed & Pest Control:</u>									
Contractually required contribution	\$ 63,478	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>63,478</u>	<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>-</u>	\$ <u>(2,626)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered employee payroll	\$ 340,913	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%	18.62%	18.12%	17.62%	17.04%	16.62%	16.62%	16.62%	15.87%
<u>Public Employee Pension Plan - County Fair:</u>									
Contractually required contribution	\$ 20,653	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>20,653</u>	<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>-</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered employee payroll	\$ 110,918	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%	18.62%	18.12%	17.62%	17.04%	16.62%	16.62%	16.62%	15.87%
<u>Public Employee Pension Plan - County Library:</u>									
Contractually required contribution	\$ 126,434	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>126,434</u>	<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>-</u>	<u>(239)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered employee payroll	\$ 679,023	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%	18.62%	18.12%	17.62%	17.04%	16.62%	16.62%	16.62%	15.87%

LINCOLN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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: Debt Service Fund.

LINCOLN COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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 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 2014.

Supplementary Information

LINCOLN COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	<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	\$ 3,972,032	92,596	-	443,318	1,666,817	6,174,763
Cash and cash equivalents	-	-	960,269	-	-	960,269
Accounts receivable	-	39,629	-	-	-	39,629
Due from other governments	52,976	-	85,168	-	119	138,263
Total assets	<u>\$ 4,025,008</u>	<u>132,225</u>	<u>1,045,437</u>	<u>443,318</u>	<u>1,666,936</u>	<u>7,312,924</u>
<u>Liabilities</u>						
Accounts payable	\$ 7,681	10,777	27,815	-	-	46,273
Unearned revenue	975,537	-	-	-	-	975,537
Total liabilities	<u>983,218</u>	<u>10,777</u>	<u>27,815</u>	<u>-</u>	<u>-</u>	<u>1,021,810</u>
<u>Fund Balance</u>						
Restricted	509,995	121,448	1,017,622	-	-	1,649,065
Committed	-	-	-	443,318	1,666,936	2,110,254
Assigned	2,531,795	-	-	-	-	2,531,795
Total fund balance	<u>3,041,790</u>	<u>121,448</u>	<u>1,017,622</u>	<u>443,318</u>	<u>1,666,936</u>	<u>6,291,114</u>
Total liabilities and fund balances	<u>\$ 4,025,008</u>	<u>132,225</u>	<u>1,045,437</u>	<u>443,318</u>	<u>1,666,936</u>	<u>7,312,924</u>

LINCOLN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	Contracts	Enhanced 911	State Roads	Landfill	Debt Service	Total Nonmajor Governmental Funds
Revenues:						
Intergovernmental	\$ 3,126,158	-	659,409	73,285	-	3,858,852
Charges for services	-	167,316	-	85,404	-	252,720
Taxes	164,931	20,061	-	-	-	184,992
Investment and interest income	2,199	-	93,507	-	-	95,706
Total revenues	3,293,288	187,377	752,916	158,689	-	4,392,270
Expenditures:						
General Government	585,937	-	-	-	-	585,937
Public safety	57,966	131,508	-	-	-	189,474
Public works	22,084	-	2,645,942	-	-	2,668,026
Health and welfare	78,294	-	-	-	-	78,294
Debt service	-	-	-	-	580,000	580,000
Total expenditures	744,281	131,508	2,645,942	-	580,000	4,101,731
Excess (deficiency) of revenues over expenditures	2,549,007	55,869	(1,893,026)	158,689	(580,000)	290,539
Other financing sources (uses):						
Transfers in	-	-	-	-	583,803	583,803
Transfers out	-	-	(182,119)	-	-	(182,119)
Total other financing sources (uses)	-	-	(182,119)	-	583,803	401,684
Net change in fund balance	2,549,007	55,869	(2,075,145)	158,689	3,803	692,223
Fund balance – beginning	492,783	65,579	3,092,767	284,629	1,663,133	5,598,891
Fund balance – ending	\$ 3,041,790	121,448	1,017,622	443,318	1,666,936	6,291,114

LINCOLN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONTRACTS FUND
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>			2022
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues:				
Intergovernmental	\$ 4,158,857	3,126,158	(1,032,699)	187,647
Lodging tax	-	164,931	164,931	137,942
Miscellaneous	-	2,199	2,199	-
Total revenues	<u>4,158,857</u>	<u>3,293,288</u>	<u>(865,569)</u>	<u>325,589</u>
Expenditures:				
General government	3,429,949	585,937	2,844,012	-
Public safety	41,408	57,966	(16,558)	95,751
Public works	600,000	22,084	577,916	33,869
Health and welfare	87,500	78,294	9,206	17,735
Total expenditures	<u>4,158,857</u>	<u>744,281</u>	<u>570,564</u>	<u>147,355</u>
Excess of revenues over expenditures	<u>-</u>	<u>2,549,007</u>	<u>(295,005)</u>	<u>178,234</u>
Net change in fund balance	<u>\$ -</u>	<u>2,549,007</u>	<u>(295,005)</u>	178,234
Fund balance – beginning		<u>492,783</u>		<u>314,549</u>
Fund balance – ending		<u>\$ 3,041,790</u>		<u>492,783</u>

LINCOLN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ENHANCED 911 FUND
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Variance	Actual
Revenues:				
Charges for services	\$ -	167,316	167,316	166,068
Taxes	-	20,061	20,061	22,338
	-	187,377	187,377	188,406
Expenditures:				
Public safety	144,000	131,508	12,492	204,933
	144,000	131,508	12,492	204,933
Excess (deficiency) of revenues over expenditures	\$ <u>(144,000)</u>	55,869	<u>199,869</u>	(16,527)
Fund balance – beginning		65,579		82,106
Fund balance – ending		\$ <u>121,448</u>		<u>65,579</u>

LINCOLN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
STATE ROADS FUND
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>			2022
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues:				
Intergovernmental	\$ -	659,409	659,409	638,463
Interest and investment income	-	93,507	93,507	5,900
Total revenues	<u>-</u>	<u>752,916</u>	<u>752,916</u>	<u>644,363</u>
Expenditures:				
Public works	3,420,000	2,645,942	774,058	247,877
Total expenditures	<u>3,420,000</u>	<u>2,645,942</u>	<u>774,058</u>	<u>247,877</u>
Excess (deficiency) of revenues over expenditures	<u>(3,420,000)</u>	<u>(1,893,026)</u>	<u>1,526,974</u>	<u>396,486</u>
Other financing (uses):				
Transfers out	<u>(350,000)</u>	<u>(182,119)</u>	<u>167,881</u>	<u>(872,000)</u>
Total other financing (uses)	<u>(350,000)</u>	<u>(182,119)</u>	<u>167,881</u>	<u>(872,000)</u>
Net change in fund balance	<u>\$ (3,770,000)</u>	<u>(2,075,145)</u>	<u>1,694,855</u>	<u>(475,514)</u>
Fund balance – beginning		<u>3,092,767</u>		<u>3,568,281</u>
Fund balance – ending		<u>\$ 1,017,622</u>		<u>3,092,767</u>

LINCOLN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
LANDFILL FUND
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues:				
Intergovernmental	\$ -	73,285	73,285	-
Charges for services	-	85,404	85,404	109,995
Total revenues	<u>-</u>	<u>158,689</u>	<u>158,689</u>	<u>109,995</u>
Expenditures:				
Health and welfare	-	-	-	507,175
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>507,175</u>
Excess (deficiency) of revenues over expenditures	\$ -	158,689	158,689	(397,180)
Net change in fund balance	<u>\$ -</u>	<u>158,689</u>	<u>158,689</u>	<u>(397,180)</u>
Fund balance – beginning		<u>284,629</u>		<u>681,809</u>
Fund balance – ending		<u>\$ 443,318</u>		<u>284,629</u>

LINCOLN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended June 30, 2023
 (With Comparative Totals for the Year Ended June 30, 2022)

	<u>2023</u>			<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues:	\$ -	-	-	-
Expenditures:				
Debt service	-	580,000	(580,000)	870,000
Total expenditures	-	580,000	(580,000)	870,000
Deficiency of revenues over expenditures	-	(580,000)	(580,000)	(870,000)
Other financing sources:				
Transfers in	-	583,803	583,803	583,623
Total other financing sources	-	583,803	583,803	583,623
Net change in fund balance	\$ -	3,803	3,803	(286,377)
Fund balance – beginning		1,663,133		1,949,510
Fund balance – ending		\$ 1,666,936		1,663,133

LINCOLN COUNTY
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2023

	Treasurer's Tax Fund	School Bond and Interest Fund	Hospital Bond and Interest Fund	Employee Benefit Trust Fund	Totals
<u>Assets</u>					
Cash and cash equivalents	\$ 3,415,761	477,993	1,308	691,029	4,586,091
Accounts receivable	-	-	-	554	554
Total assets	<u>3,415,761</u>	<u>477,993</u>	<u>1,308</u>	<u>691,583</u>	<u>4,586,645</u>
<u>Liabilities</u>					
Claims payable	-	-	-	260,914	260,914
Due to other taxing units	<u>3,415,761</u>	<u>477,993</u>	<u>1,308</u>	-	<u>3,895,062</u>
Total liabilities	<u>3,415,761</u>	<u>477,993</u>	<u>1,308</u>	<u>260,914</u>	<u>4,155,976</u>
<u>Net Position</u>					
Restricted for participants	-	-	-	430,669	430,669
Total net position	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>430,669</u>	<u>430,669</u>

LINCOLN COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended June 30, 2023

	Treasurer's Tax Fund	School Bond and Interest Fund	Hospital Bond and Interest Fund	Employee Benefit Trust Fund	Totals
Additions:					
Contributions - County	\$ -	-	-	3,536,534	3,536,534
Contributions - component units	-	-	-	79,706	79,706
Contributions - participants	-	-	-	148,954	148,954
Insurance reimbursements	-	-	-	670,737	670,737
Tax collections for other governments	147,716,481	936,019	1,308	-	148,653,808
Interest and other income	228,660	61	-	3,710	232,431
Total additions	147,945,141	936,080	1,308	4,439,641	153,322,170
Deductions:					
Claim benefit expense	-	-	-	3,443,307	3,443,307
Trust operating expense	-	-	-	772,631	772,631
Tax distributions to other governments	147,945,141	936,080	1,308	-	148,882,529
Total deductions	147,945,141	936,080	1,308	4,215,938	153,098,467
Change in net position	-	-	-	223,703	223,703
Net position - beginning	-	-	-	206,966	206,966
Net position - ending	\$ -	-	-	430,669	430,669

LINCOLN COUNTY
COMBINING STATEMENT OF NET POSITION
COUNTY LIBRARY AND COUNTY LIBRARY FOUNDATION
June 30, 2023

	<u>County Library</u>	<u>County Library Foundation</u>	<u>Total County Library</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 1,524,129	125,907	1,650,036
Beneficial interest	-	1,481,111	1,481,111
Accounts receivable	-	37	37
Taxes receivable	1,315,137	-	1,315,137
Capital assets	240,816	-	240,816
Accumulated depreciation	(208,912)	-	(208,912)
	<u>2,871,170</u>	<u>1,607,055</u>	<u>4,478,225</u>
<u>Deferred Outflows of Resources</u>			
Pensions	<u>210,619</u>	<u>-</u>	<u>210,619</u>
	<u>210,619</u>	<u>-</u>	<u>210,619</u>
<u>Liabilities</u>			
Accounts payable	18,645	-	18,645
Compensated absences	46,000	-	46,000
Net pension liability	<u>1,061,480</u>	<u>-</u>	<u>1,061,480</u>
	<u>1,126,125</u>	<u>-</u>	<u>1,126,125</u>
<u>Deferred Inflows of Resources</u>			
Property taxes	1,315,137	-	1,315,137
Pensions	<u>15,939</u>	<u>-</u>	<u>15,939</u>
	<u>1,331,076</u>	<u>-</u>	<u>1,331,076</u>
<u>Net position</u>			
Net investment in capital assets	31,904	-	31,904
Restricted – nonexpendable	-	1,481,111	1,481,111
Unrestricted	<u>592,684</u>	<u>125,944</u>	<u>718,628</u>
	<u>\$ 624,588</u>	<u>1,607,055</u>	<u>2,231,643</u>

LINCOLN COUNTY
COMBINING STATEMENT OF ACTIVITIES
COUNTY LIBRARY AND COUNTY LIBRARY FOUNDATION
Year Ended June 30, 2023

	<u>County Library</u>	<u>County Library Foundation</u>	<u>Total County Library</u>
Expenses	\$ 1,400,476	46,433	1,446,909
Program revenues:			
Charges for services	13,456	-	13,456
Operating grants and contributions	2,125	20,547	22,672
Total program revenues	15,581	20,547	36,128
Net (expenses) revenues	(1,384,895)	(25,886)	(1,410,781)
General revenues:			
Taxes	1,609,133	-	1,609,133
Interest and investment income	24,798	137,150	161,948
Miscellaneous	739	-	739
Total general revenues	1,634,670	137,150	1,771,820
Change in net position	249,775	111,264	361,039
Net position – beginning	374,813	1,495,791	1,870,604
Net position – ending	\$ 624,588	1,607,055	2,231,643

LINCOLN COUNTY DRUG COURT
SCHEDULE OF FINANCIAL POSITION
June 30, 2023

<u>Assets</u>		
Cash and cash equivalents		\$ <u>8,783</u>
Total assets		\$ <u><u>8,783</u></u>
<u>Liabilities and Fund Balance</u>		
Accounts payable		\$ <u>8,783</u>
Total liabilities		8,783
Fund balance		<u>-</u>
Total liabilities and fund balance		\$ <u><u>8,783</u></u>

LINCOLN COUNTY DRUG COURT
SCHEDULE OF ACTIVITIES AND FUNCTIONAL EXPENSES
Year Ended June 30, 2023

Revenues:	
State grants	\$ 40,147
Contributions from Lincoln County	102,453
Participant fees	<u>2,050</u>
Total revenues	<u>144,650</u>
Expenses:	
Salaries, wages, and benefits	82,323
Consultants and contractors	46,825
Supplies	4,254
Equipment purchases	1,856
Travel	2,657
Training	<u>6,735</u>
Total expenses	<u>144,650</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, 2023

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	\$ 2,536
<i>Passed through State Forestry Division:</i>			
Cooperative Forestry Assistance	10.664	None	2,725
Schools and Roads Cluster	10.666	None	<u>388,913</u>
Total DOA			<u>394,174</u>
<u>Department of Transportation (DOT)</u>			
<i>Passed through Wyoming Department of Transportation:</i>			
Highway Planning and Construction Cluster	20.205	21302	<u>102,999</u>
Total DOT			<u>102,999</u>
<u>Department of the Treasury (DOTT)</u>			
<i>Passed through the Wyoming State Loan and Investment Board:</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	None	1,119,462
Local Assistance and Tribal Consistency Fund	21.032	LATC	<u>585,937</u>
Total DOTT			<u>1,705,399</u>
<u>Health and Human Services (HHS)</u>			
<i>Passed through Wyoming Department of Health:</i>			
Drug Free Communities Support Program	93.276	None	92,921
County Health Nurse	93.069	None	72,550
Public Health Prevention	93.243	None	38,861
Public Health Prevention	93.959	None	33,134
Immunization Cooperative Agreements	93.268	None	31,388
Public Health Emergency Response - COVID	93.354	None	23,765
Maternal and Child Health Services Block Grant	93.994	None	9,881
Public Health Prevention	93.387	None	9,565
<i>Passed through Wyoming Department of Family Services:</i>			
Temporary Assistance for Needy Families Cluster	93.558	None	<u>54,545</u>
Total HHS			<u>366,610</u>

LINCOLN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing No.	Contract Number	<u>Expenditures</u>
<u>Department of Homeland Security (DHS)</u>			
<i>Passed through Wyoming Office of Homeland Security:</i>			
Emergency Management Performance	97.042	None	71,284
Homeland Security Grant Program	97.067	None	<u>6,895</u>
Total DHS			<u>78,179</u>
Total Expenditures of Federal Awards			<u>\$ 2,647,360</u>

LINCOLN COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2023

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. The 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.

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

To the Board of County Commissioners
Lincoln County
Kemmerer, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), 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, 2023, 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 19, 2023.

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) as a basis for designing 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 2023-001 to be a material weakness and the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-002 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 financial statements. 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 19, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT 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, Wyoming'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, 2023. 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, 2023.

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.

Auditor's 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 Auditor's 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 19, 2023

LINCOLN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

A. Summary of Auditor's Results:

Financial Statements

- | | |
|--|------------|
| 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP | 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 auditor's 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 State and Local
Fiscal Recovery Funds
#21.027 |
| 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, 2023

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

Finding 2023-001

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 2023-002

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 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.

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

LINCOLN COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2023

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, 2022

Finding 2022-001

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 2022-002

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, 2023

Lincoln County respectfully submits the following corrective action plan for the year ended June 30, 2023. Inquiries regarding the following corrective action plan should be addressed to April Brunski, County Clerk and Jerry Greenfield, County Treasurer.

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 2023-001

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 2023-002

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.