

SHERIDAN COUNTY,
WYOMING

Financial and Compliance Report

June 30, 2023





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WYOMING**

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Sheridan County, Wyoming

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sheridan County, Wyoming, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Sheridan County, Wyoming's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sheridan County, Wyoming, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Memorial Hospital of Sheridan County, which represents 89 percent, 88 percent, and 96 percent, respectively of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Memorial Hospital of Sheridan County, is based solely on the report of the other auditors.

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 (*Government Auditing Standards*). 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 Sheridan County, Wyoming 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.



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Emphasis of Matter - Change in Accounting Principle

As discussed in Note 1 to the financial statements, Sheridan County, Wyoming adopted new accounting guidance with the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. Sheridan County, Wyoming reported subscriptions, right-to-use asset, SBITA liability, and deferred inflow, along with a restatement of beginning net position and fund balance for the change in accounting principle. Our opinion is not modified with respect to that matter.

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 Sheridan County, Wyoming'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 judgement 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 Sheridan County, Wyoming'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheridan County, Wyoming'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, infrastructure assets reported using the modified approach, budgetary comparison information, pension schedules, and the schedule of changes in the County's total OPEB liability and related ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 Sheridan County, Wyoming's basic financial statements. The other supplementary information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of passenger facility charges collected and expended is also presented for purpose of additional analysis, as specified in the Passenger Facility Charge Audit Guide for Public Entities, by the Federal Aviation Administration and is not a required part of the basic financial statements of the Sheridan County, Wyoming. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS by us and other auditors. In our opinion, based on our audit, procedures performed as described above, and the report of the other auditors, the other supplementary information as listed in the table of contents, the schedule of expenditures of federal awards, and the schedule of passenger facility charges collected and expended are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2024 on our consideration of the Sheridan County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheridan County, Wyoming's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sheridan County, Wyoming's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
January 22, 2024

Management's Discussion and Analysis
(Unaudited)

This section of the Sheridan County, Wyoming's (the County) annual financial report presents our discussion and analysis of financial performance during the fiscal year ended June 30, 2023. The selected financial data presented was derived from the financial statements of the County, which were audited by Porter, Muirhead, Cornia & Howard, Certified Public Accountants. The Independent Auditor's Report, financial statements and accompanying notes and supplementary information should be read in conjunction with the following discussion.

Financial Highlights

The County's total assets and deferred outflows exceeded liabilities and deferred inflows of resources, as of June 30, 2023, by \$97,527,073 (net position). Of this amount \$16,660,306 (unrestricted net position) may be used to meet ongoing obligations, and \$72,839,534 is invested in capital assets, net of related debt.

As of June 30, 2023, the County's governmental funds reported combined fund balances of \$29,116,190. Unassigned fund balance of the combined fund balance was \$2,605,541.

The fund balance for the general fund was \$20,762,249 as of June 30, 2023, with an unassigned fund balance of \$2,605,541.

The County participates in the Public Employees' Pension Plan and Law Enforcement Pension Plan, statewide cost-sharing multiple-employer public employee retirement plans administered by the State of Wyoming Retirement System. Implementation of GASB 68 and 71 in fiscal year 2015 required the County to record its proportional share of the overall plan's net unfunded liability. This resulted in reporting a net pension liability of \$12,145,964 and \$7,656,334 as of June 30, 2023 and 2022, respectively. All plan components, including major components of participation, eligibility, investment strategy, benefits structure, contribution rates and plan administration are overseen by the Wyoming Retirement System. The County has no control of the plan elements that affect the net pension liability.

Overview of the Financial Statements

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

Management's Discussion and Analysis
(Unaudited)

Government-Wide Financial Statements

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

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

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

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

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

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

Management's Discussion and Analysis
(Unaudited)

Fund Financial Statements

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

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

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

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

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

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

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

**Management's Discussion and Analysis
(Unaudited)**

Fund Financial Statements (Continued)

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

Additionally, we have included fund financial statements and information about budgetary compliance for the discretely presented financial component units which do not issue separate financial statements. This information is presented as other supplementary information immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. The County's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$97,527,073. By far the largest portion of the County's net position (75%) reflects its investment in capital assets. The vast majority of these capital assets are the County's roads, bridges and facilities. These assets are not available for future spending. The County, including the Airport, had \$3,126,934 in outstanding long-term debt related to its capital assets. The unrestricted net position of \$16,660,306 (17%) may be used to meet the County's ongoing obligations.

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**Management's Discussion and Analysis
(Unaudited)**

The County's net position for the governmental activities as of June 30, 2023 was as follows:

	2023	Variance	2022
ASSETS			
Current assets	\$ 43,251,705	\$ 2,666,483	\$ 40,585,222
Capital assets, net of accumulated depreciation	58,196,403	3,164,658	55,031,745
Total assets	<u>101,448,108</u>	<u>5,831,141</u>	<u>95,616,967</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>6,540,617</u>	<u>2,211,858</u>	<u>4,328,759</u>
LIABILITIES			
Current liabilities	5,002,506	(1,840,198)	6,842,704
Due in more than one year	1,779,957	(88,194)	1,868,151
Net pension liability	11,216,392	3,788,904	7,427,488
OPEB liability	572,985	51,929	521,056
Total liabilities	<u>18,571,840</u>	<u>1,912,441</u>	<u>16,659,399</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>12,389,192</u>	<u>228,147</u>	<u>12,161,045</u>
NET POSITION			
Net investments in capital assets	55,299,413	2,223,717	53,075,696
Restricted	8,026,161	1,586,254	6,439,907
Unrestricted	13,702,119	2,092,440	11,609,679
Total net position	<u>\$ 77,027,693</u>	<u>\$ 5,902,411</u>	<u>\$ 71,125,282</u>

The County's net position for the business-type activities as of June 30, 2023 was as follows:

	2023	Variance	2022
ASSETS			
Current assets	\$ 7,319,585	\$ (14,620)	\$ 7,334,205
Capital assets, net of accumulated depreciation	19,038,494	3,028,300	16,010,194
Total assets	<u>26,358,079</u>	<u>3,013,680</u>	<u>23,344,399</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>456,904</u>	<u>376,764</u>	<u>80,140</u>
LIABILITIES			
Current liabilities	513,504	8,584	504,920
Due in more than one year	1,139,993	(206,917)	1,346,910
Net pension liability	929,572	700,726	228,846
OPEB liability	35,559	(1,659)	37,218
Total liabilities	<u>2,618,628</u>	<u>500,734</u>	<u>2,117,894</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>3,696,975</u>	<u>(588,043)</u>	<u>4,285,018</u>
NET POSITION			
Net investments in capital assets	17,540,121	3,004,927	14,535,194
Restricted	1,072	(28,693)	29,765
Unrestricted	2,958,187	501,519	2,456,668
Total net position	<u>\$ 20,499,380</u>	<u>\$ 3,477,753</u>	<u>\$ 17,021,627</u>

Management's Discussion and Analysis
(Unaudited)

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

Revenues	2023	Percentage	2022	Percentage	Variance
General					
Taxes	\$ 21,367,442	66.76%	\$ 19,728,188	71.98%	\$ 1,639,254
Payments in lieu of taxes	1,190,933	3.72%	1,145,656	4.18%	45,277
Investment income	668,677	2.09%	172,593	0.63%	496,084
Sale of general capital assets	95,734	0.30%	147,000	0.54%	(51,266)
Miscellaneous revenue	29,207	0.09%	111,368	0.41%	(82,161)
Other grants and contributions	777,107	2.43%	803,936	2.93%	(26,829)
Program Revenues					
Charges for services	2,511,132	7.85%	2,468,541	9.01%	42,591
Operating grants and contributions	5,032,151	15.72%	2,798,804	10.21%	2,233,347
Capital grants contributions	332,431	1.04%	29,829	0.11%	302,602
Total revenues	32,004,814	100.00%	27,405,915	100.00%	4,598,899
Expenses					
General government	13,036,435	50.07%	11,334,898	46.20%	1,701,537
Public safety	6,570,810	25.21%	6,291,853	25.64%	278,957
Public works	2,686,925	10.31%	2,249,927	9.17%	436,998
Health, welfare, and recreation	1,174,869	4.51%	1,401,998	5.71%	(227,129)
Conservation of natural resources	563,724	2.16%	462,834	1.89%	100,890
Capital outlay	1,986,156	7.62%	2,782,151	11.34%	(795,995)
Interest on long-term debt	30,645	0.12%	15,261	0.06%	15,384
Total expenses	26,049,564	100.00%	24,538,922	100.00%	1,510,642
Excess of revenue over expenses before transfers	5,955,250		2,866,993		3,088,257
Transfers out	(52,839)		(200,000)		147,161
Changes in net position	5,902,411		2,666,993		\$ 3,235,418
Net position, beginning of year	71,125,282		68,458,289		
Net position, end of year	\$ 77,027,693		\$ 71,125,282		

The main elements of the change in net position relate to an increase in tax and grant revenue and related expenditures.

**Management’s Discussion and Analysis
(Unaudited)**

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

	2023	Percentage	2022	Percentage	Variance
Revenues					
General					
Taxes	\$ 129,792	1.99%	\$ 143,490	3.96%	\$ (13,698)
Investment income	89,506	1.38%	56,596	1.56%	32,910
Program Revenues					
Charges for services	812,218	12.48%	810,194	22.38%	2,024
Operating grants and contributions	1,590,524	24.45%	1,641,416	45.33%	(50,892)
Capital grants and contributions	3,885,187	59.71%	969,167	26.77%	2,916,020
Total revenues	<u>6,507,227</u>	<u>100.00%</u>	<u>3,620,863</u>	<u>100.00%</u>	<u>2,886,364</u>
Expenses					
County Airport	3,082,313	100.00%	2,943,841	100.00%	138,472
Total expenses	<u>3,082,313</u>	<u>100.00%</u>	<u>2,943,841</u>	<u>100.00%</u>	<u>138,472</u>
Excess of revenue over expenses before transfers	3,424,914		677,022		2,747,892
Transfer in	52,839		200,000		(147,161)
Changes in net position	3,477,753		877,022		<u>\$ 2,600,731</u>
Net position, beginning of year	<u>17,021,627</u>		<u>16,144,605</u>		
Net position, end of year	<u>\$ 20,499,380</u>		<u>\$ 17,021,627</u>		

Financial Analysis of the County’s Funds

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

At June 30, 2023, the County’s governmental funds reported combined fund balances of \$29,116,190.

The General Fund is the main operating fund of the County. As of June 30, 2023, the total fund balance was \$20,762,249 while the unassigned General Fund balance was \$2,605,541.

The Capital Facilities Tax Fund is used to account for the acquisition, construction and maintenance of major capital facilities and roads other than those financed by the general fund. As of June 30, 2023, the Capital Facilities Tax Fund shows a fund balance of \$5,123,388.

The County Road Construction Fund is used to account for the acquisition, construction and maintenance of the County’s roads and bridges. As of June 30, 2023, the County’s Road Construction Fund shows a fund balance of \$3,230,553.

**Management's Discussion and Analysis
(Unaudited)**

Revenues for governmental funds were approximately \$32.1 million for the fiscal year ended June 30, 2023. The following schedule presents revenues by source.

Revenues	2023	Percentage	2022	Percentage	Variance
Taxes	\$ 12,829,894	39.91%	\$ 11,071,632	41.21%	\$ 1,758,262
Licenses and permits	436,628	1.36%	474,189	1.77%	(37,561)
Intergovernmental revenues	16,115,387	50.12%	13,637,744	50.76%	2,477,643
Charges for services	2,074,503	6.45%	1,493,311	5.56%	581,192
Investment income	665,068	2.07%	156,817	0.58%	508,251
Miscellaneous revenues	29,207	0.09%	35,745	0.13%	(6,538)
Total revenues	<u>\$ 32,150,687</u>	<u>100.00%</u>	<u>\$ 26,869,438</u>	<u>100.00%</u>	<u>\$ 5,281,249</u>

Expenditures for governmental funds were approximately \$29 million for fiscal year 2023.

The following schedule presents expenditures by activities.

	2023	Percentage	2022	Percentage	Variance
Current					
General government	\$ 11,917,009	41.02%	\$ 10,453,749	44.54%	\$ 1,463,260
Public safety	6,041,298	20.80%	5,247,208	22.35%	794,090
Public works	2,315,836	7.97%	2,047,017	8.72%	268,819
Health, welfare and recreation	1,175,125	4.05%	1,434,163	6.11%	(259,038)
Conservation of natural resources	564,419	1.94%	467,067	1.99%	97,352
Debt Service					
Principal	563,932	1.94%	600,603	2.56%	(36,671)
Interest	30,645	0.11%	15,261	0.07%	15,384
Capital outlay	6,441,913	22.18%	3,207,330	13.66%	3,234,583
Total expenditures	<u>\$ 29,050,177</u>	<u>100.00%</u>	<u>\$ 23,472,398</u>	<u>100.00%</u>	<u>\$ 5,577,779</u>

Funds were transferred from the General Fund to the Capital Facilities Tax Fund to reimburse the Capital Facilities Tax Fund for grant related revenues attributed to construction expenses paid by the Capital Facilities Tax Fund. Funds were also transferred from the Capital Facilities Fund to reimburse the General Fund for road and bridge labor and equipment expenditures utilized on capital projects.

Capital Assets and Debt Administration

The County's capital assets for its governmental activities as of June 30, 2023 were approximately \$58.2 million (net of accumulated depreciation). This investment in capital assets includes infrastructure (consisting of land, roadways and bridges), land, site improvements, buildings and equipment. The total increase in the County's investment in capital assets for the current fiscal year was approximately 5.7 percent.

Management's Discussion and Analysis
(Unaudited)

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

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 963,317	\$ -	\$ -	\$ 963,317
Infrastructure	39,058,877	69,622	-	39,128,499
Construction in progress	595,427	3,808,720	506,218	3,897,929
Total capital assets not being depreciated	<u>40,617,621</u>	<u>3,878,342</u>	<u>506,218</u>	<u>43,989,745</u>
Capital assets being depreciated				
Land improvements	815,568	117,347	-	932,915
Buildings and building improvements	27,788,882	349,579	-	28,138,461
Equipment	6,568,351	431,625	386,767	6,613,209
Furnishings, computer equipment and software	2,759,432	75,813	-	2,835,245
Vehicles	1,594,126	255,751	86,761	1,763,116
Right-to-use lease asset	422,533	133,592	185,000	371,125
Total capital assets being depreciated	<u>39,948,892</u>	<u>1,363,707</u>	<u>658,528</u>	<u>40,654,071</u>
Less accumulated depreciation for				
Land improvements	712,578	13,204	-	725,782
Buildings and building improvements	15,452,353	835,677	-	16,288,030
Equipment	5,268,972	462,787	386,767	5,344,992
Furnishings, computer equipment and software	2,616,879	40,109	-	2,656,988
Vehicles	1,248,565	139,304	86,761	1,301,108
Right-to-use lease asset	235,422	80,091	185,000	130,513
Total accumulated depreciation	<u>25,534,769</u>	<u>1,571,172</u>	<u>658,528</u>	<u>26,447,413</u>
Total capital assets being depreciated, net	<u>14,414,123</u>	<u>(207,465)</u>	<u>-</u>	<u>14,206,658</u>
Governmental activities, capital assets, net	<u>\$ 55,031,744</u>	<u>\$ 3,670,877</u>	<u>\$ 506,218</u>	<u>\$ 58,196,403</u>

Management’s Discussion and Analysis

(Unaudited)

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

- Courthouse renovation and upgrade to 1st floor entry doors and windows
- Historic archive of remaining Clerk and Commissioner’s records through ArcaSearch
- Installed a back-up generator for the Attorney’s office
- Mechanical membrane roof replacement project for Public Health and Sheriff’s buildings
- County Clerk and Elections had paint and new carpet installed in their vaults

Construction in progress as of the end of the current fiscal year was \$3,897,929 and included:

- Courthouse back-up generator project and Brooks Street Greenspace project
- Justice Office (old jail) continued work on the exterior building preservation, back-up generator project, and exterior paving project.
- Public Health continued work on the back-up generator
- New Coroner’s Office and morgue building construction

This amount included \$3,651,577 for Courthouse improvements, Coroner/Morgue Building Construction, Sheriff Office Renovations, and the Brook Street Greenspace Project, and \$246,352 in costs related to the County Road and Bridges.

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

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

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

2023 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard	19.50	75%	321	75%	-	0%
Sub-standard	6.30	25%	120	25%	-	0%
Unimproved	-	0%	-	0%	74	100%
	<u>25.80</u>	<u>100%</u>	<u>441</u>	<u>100%</u>	<u>74</u>	<u>100%</u>

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

**Management’s Discussion and Analysis
(Unaudited)**

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

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,125,806	\$ -	\$ -	\$ 1,125,806
Construction in progress	364,859	4,374,895	-	4,739,754
Total capital assets not being depreciated	<u>1,490,665</u>	<u>4,374,895</u>	<u>-</u>	<u>5,865,560</u>
Capital assets being depreciated				
Buildings, building improvements and runways	48,652,708	34,559	-	48,687,267
Equipment	3,535,260	27,982	-	3,563,242
Total capital assets being depreciated	<u>52,187,968</u>	<u>62,541</u>	<u>-</u>	<u>52,250,509</u>
Less accumulated depreciation for				
Buildings, building improvements and runways	35,373,994	1,253,077	-	36,627,071
Equipment	2,294,444	156,060	-	2,450,504
Total accumulated depreciation	<u>37,668,438</u>	<u>1,409,137</u>	<u>-</u>	<u>39,077,575</u>
Total capital assets, being depreciated, net	<u>14,519,530</u>	<u>(1,346,596)</u>	<u>-</u>	<u>13,172,934</u>
Capital assets, net	<u>\$ 16,010,195</u>	<u>\$ 3,028,299</u>	<u>\$ -</u>	<u>\$ 19,038,494</u>

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

Budget Information

The Board of County Commissioners developed the FY23 Budget with the following assumptions: there would be an expectation of FY23 PILT and SRS funding; state revenues would be the same as the prior fiscal year; local revenues would increase slightly from the prior fiscal year; Wyoming Retirement contributions would remain the same on the Public Employee plan, health insurance benefit costs would increase, other benefit costs would remain the same; employee compensation would increase, staff levels would remain the same, carryover cash would be utilized to increase reserves; and County services would continue to be provided at a high level of quality. These assumptions are addressed in the budget as proposed.

The board approved two amendments to the fiscal year budget. Amendment #1 included adjustments in revenues and expenditures in the grant department, emergency management department, IT department, administration department, WIC, fixed costs, 1% optional fund, and the employee health benefit plan fund. Amendment #1 included transfers in the general fund grant department for unanticipated grant expenses in the amount of \$710,161 and unanticipated grant revenue in the amount of \$1,410,631. In addition, Amendment #1 included adjustments in general fund revenues of \$1,813,500; operating expenses of \$24,500 for the emergency management department, \$30,000 for the information technology department, \$21,000 for the administration department, \$76,124 for the WIC department, and \$82,500 for the fixed cost budget. Adjustments were made in the 1% optional tax budget to appropriate \$529,000 in revenue and \$902,000 in expenses. Unanticipated expenses in the employee health benefit plan fund were adjusted \$202,000.

**Management's Discussion and Analysis
(Unaudited)**

Amendment #2 included unanticipated expenses in the employee benefit fund of \$8,000, \$3,807 in the WIC department. Unanticipated 1% optional tax revenues of \$829,000 and \$573,000 expenses were adjusted to reflect corrected amounts from Amendment #1. Grants Revenues included additional unanticipated revenues of \$297,627.

Economic Factors and Next Year's Budget and Rates

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

Long-Term Debt

At the end of the current fiscal year, Sheridan County had debt of \$1,031,149 from a note payable and \$1,300,000 from Airport Revenue Bonds. These funds have been used to finance the Sheridan County Library HVAC, Roof and Back-up Generator Project and improvements at the Airport. As of June 30, 2023, Sheridan County had outstanding finance and other lease obligations of \$795,785 which represent the remaining amounts due on equipment purchases and right-to-use assets. The County also has long-term debt related to the incurred but not reported health claims, reclamation liabilities, OPEB, and amounts due to employees for accrued compensated absences.

In the fiscal year 2015, the County implemented GASB 68 and 71 and recorded its proportional share of the State of Wyoming Retirement System plan's net position, the statewide cost-sharing multiple-employer public employee retirement plan. This resulted in recording a net pension liability \$12,145,964 and \$7,656,334 as of June 30, 2023 and 2022, respectively.

Conclusion

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



**FINANCIAL
STATEMENTS**

Statement of Net Position

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities	Total	Total
ASSETS				
Cash and cash equivalents	\$ 23,360,017	\$ 390,131	\$ 23,750,148	\$ 6,280,059
Investments	8,237,686	2,856,569	11,094,255	878,544
Property taxes receivable, net	8,575,620	-	8,575,620	92,756
Accounts receivable, net	269,107	27,489	296,596	21,564,713
Pledges receivable	-	-	-	553,186
Lease receivable - current portion	-	407,251	407,251	429,166
Other accounts receivables	-	-	-	1,176,151
Estimated third-party payor settlement	-	-	-	2,168,000
Due from other governments	2,035,935	360,021	2,395,956	-
Due from custodial fund	-	-	-	54,201
Prepaid expenses	-	-	-	-
and other current assets	-	-	-	1,628,913
Inventory	494,488	-	494,488	3,789,885
Investments, long-term	-	-	-	13,197,566
Restricted cash and cash equivalents	278,852	1,072	279,924	238,748
Restricted investments, long-term	-	260,957	260,957	14,723,775
Capital assets not being depreciated	43,989,745	5,865,560	49,855,305	3,141,168
Capital assets, net of accumulated depreciation	14,206,658	13,172,934	27,379,592	71,729,996
Lease and other assets, long-term	-	3,016,095	3,016,095	3,879,687
Total assets	101,448,108	26,358,079	127,806,187	145,526,514
DEFERRED OUTFLOWS OF RESOURCES				
Pension items	6,443,010	448,045	6,891,055	772,162
OPEB items	97,607	8,859	106,466	54,381
Total deferred outflows of resources	6,540,617	456,904	6,997,521	826,543

(Continued)

Sheridan County, Wyoming
June 30, 2023
Statement of Net Position (Continued)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Total
LIABILITIES				
Accounts payable and other liabilities	\$ 1,800,476	\$ 313,504	\$ 2,113,980	\$ 10,862,647
Due to other governments	64,075	-	64,075	-
Due to custodial fund	10,000	-	10,000	-
Unearned revenue	2,285,104	-	2,285,104	162,947
Noncurrent liabilities				
Due within one year:				
Bonds, notes, leases, compensated absences, and other	842,851	200,000	1,042,851	5,925,686
Due in more than one year:				
Bonds, notes, leases, compensated absences, and other	1,779,957	1,139,993	2,919,950	15,293,784
Net pension liability	11,216,392	929,572	12,145,964	1,668,560
OPEB liability	572,985	35,559	608,544	129,305
Total liabilities	18,571,840	2,618,628	21,190,468	34,042,929
DEFERRED INFLOWS OF RESOURCES				
Pension items	3,618,618	255,514	3,874,132	509,604
OPEB items	278,451	18,115	296,566	70,841
Unavailable revenue - property taxes	8,492,123	-	8,492,123	-
Leases	-	3,423,346	3,423,346	1,602,343
Total deferred inflows of resources	12,389,192	3,696,975	16,086,167	2,182,788
NET POSITION				
Net investment in capital assets	55,299,413	17,540,121	72,839,534	53,536,253
Restricted by				
Voters resolution	4,628,900	-	4,628,900	-
State statutes	3,240,553	-	3,240,553	-
E-911	156,708	-	156,708	-
Passenger facility charges	-	1,072	1,072	-
Donors	-	-	-	12,447,241
Nonexpendable	-	-	-	3,165,223
Unrestricted	13,702,119	2,958,187	16,660,306	40,978,623
Total net position	\$ 77,027,693	\$ 20,499,380	\$ 97,527,073	\$ 110,127,340

Sheridan County, Wyoming
Year Ended June 30, 2023
Statement of Activities

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 13,036,435	\$ 1,518,440	\$ 3,308,100	\$ -
Public safety	6,570,810	340,970	260,438	-
Public works	2,686,925	487,463	800	332,431
Health, welfare, and recreation	1,174,869	164,259	1,026,519	-
Conservation of natural resources	563,724	-	436,294	-
Capital outlay	1,986,156	-	-	-
Interest on long-term debt	30,645	-	-	-
Total governmental activities	<u>26,049,564</u>	<u>2,511,132</u>	<u>5,032,151</u>	<u>332,431</u>
Business-type activities				
Airport	<u>3,082,313</u>	<u>812,218</u>	<u>1,590,524</u>	<u>3,885,187</u>
Total primary government	<u>\$ 29,131,877</u>	<u>\$ 3,323,350</u>	<u>\$ 6,622,675</u>	<u>\$ 4,217,618</u>
Component units	<u>\$ 141,418,479</u>	<u>\$ 130,543,715</u>	<u>\$ 8,268,984</u>	<u>\$ 170,000</u>
		General revenues		
		Property taxes		
		Sales taxes		
		Other taxes		
		Grants and contributions not restricted to specific programs		
		Payments in lieu of taxes		
		Unrestricted investment income		
		Contributions to an endowment		
		Gain on investment in joint venture		
		Gain on sale of capital assets		
		Miscellaneous revenue		
		Transfers		
		Total general revenues and transfers		
		Change in net position		
		Net position, beginning of year, as restated (see note 1)		
		Net position, end of year		

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business Type Activity	Total	Component Units Total
\$ (8,209,895)	\$ -	\$ (8,209,895)	\$ -
(5,969,402)	-	(5,969,402)	-
(1,866,231)	-	(1,866,231)	-
15,909	-	15,909	-
(127,430)	-	(127,430)	-
(1,986,156)	-	(1,986,156)	-
(30,645)	-	(30,645)	-
(18,173,850)	-	(18,173,850)	-
-	3,205,616	3,205,616	-
(18,173,850)	3,205,616	(14,968,234)	-
-	-	-	(2,435,780)
7,262,889	-	7,262,889	1,074,012
6,777,519	-	6,777,519	-
7,327,034	129,792	7,456,826	279,103
777,107	-	777,107	-
1,190,933	-	1,190,933	-
668,677	89,506	758,183	1,643,236
-	-	-	298,570
-	-	-	332,549
95,734	-	95,734	9,249
29,207	-	29,207	722,848
(52,839)	52,839	-	-
24,076,261	272,137	24,348,398	4,359,567
5,902,411	3,477,753	9,380,164	1,923,787
71,125,282	17,021,627	88,146,909	108,203,553
\$ 77,027,693	\$ 20,499,380	\$ 97,527,073	\$ 110,127,340

Balance Sheet - Governmental Funds

	General Fund	Capital Facilities Tax Fund	Road Construction Fund	Total
ASSETS				
Cash and cash equivalents	\$ 14,524,103	\$ 4,323,408	\$ 3,196,659	\$ 22,044,170
Investments	8,237,686	-	-	8,237,686
Property taxes receivable, net	8,575,620	-	-	8,575,620
Accounts receivable, net	243,732	-	-	243,732
Due from other governments	1,523,401	478,640	33,894	2,035,935
Due from other funds	40,497	-	-	40,497
Inventory	-	494,488	-	494,488
Restricted cash and cash equivalents	278,852	-	-	278,852
Total assets	<u>\$ 33,423,891</u>	<u>\$ 5,296,536</u>	<u>\$ 3,230,553</u>	<u>\$ 41,950,980</u>
LIABILITIES				
Accounts payable and other liabilities	\$ 1,661,822	\$ 132,651	\$ -	\$ 1,794,473
Due to other governments	64,075	-	-	64,075
Due to other funds	-	40,497	-	40,497
Due to custodial fund	10,000	-	-	10,000
Unearned revenue	2,285,104	-	-	2,285,104
Total liabilities	<u>4,021,001</u>	<u>173,148</u>	<u>-</u>	<u>4,194,149</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - intergovernmental	136,634	-	-	136,634
Unavailable revenue - property taxes	8,504,007	-	-	8,504,007
Total deferred inflows of resources	<u>8,640,641</u>	<u>-</u>	<u>-</u>	<u>8,640,641</u>
FUND BALANCES				
Nonspendable				
Inventory	-	494,488	-	494,488
Restricted by				
Voters resolution	-	4,628,900	-	4,628,900
State statutes	10,000	-	3,230,553	3,240,553
E911	156,708	-	-	156,708
Assigned	17,990,000	-	-	17,990,000
Unassigned	2,605,541	-	-	2,605,541
Total fund balances	<u>20,762,249</u>	<u>5,123,388</u>	<u>3,230,553</u>	<u>29,116,190</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,423,891</u>	<u>\$ 5,296,536</u>	<u>\$ 3,230,553</u>	<u>\$ 41,950,980</u>

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		\$ 29,116,190
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund statements. As capital assets used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in the governmental funds. This is the total of capital assets reported in the government-wide statements.		58,196,403
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	\$ 6,443,010	
Deferred outflows - OPEB related	97,607	
Deferred inflows - pension related	(3,618,618)	
Deferred inflows - OPEB related	<u>(278,451)</u>	2,643,548
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.		
Difference in unavailable revenue - property taxes	11,884	
Difference in unavailable revenue - intergovernmental	<u>136,634</u>	148,518
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.		
Finance lease obligations	(544,809)	
Note payable to a bank	(1,031,149)	
Reclamation liability and royalty payments	(41,000)	
OPEB liability	(572,985)	
Compensated absences	(464,874)	
Leases	(250,976)	
Net pension liability	<u>(11,216,392)</u>	<u>(14,122,185)</u>
An internal service fund is used by the County's management to charge cost of medical insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.		<u>1,045,219</u>
Net position of governmental activities		<u><u>\$ 77,027,693</u></u>

Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds

	General Fund	Capital Facilities Tax Fund	Road Construction Fund	Total
Revenues				
Taxes	\$ 10,126,051	\$ 2,703,843	\$ -	\$ 12,829,894
Licenses and permits	436,628	-	-	436,628
Intergovernmental revenues	15,510,558	-	604,829	16,115,387
Charges for services	1,981,566	92,937	-	2,074,503
Investment income	444,072	115,902	105,094	665,068
Miscellaneous revenues	29,207	-	-	29,207
Total revenues	<u>28,528,082</u>	<u>2,912,682</u>	<u>709,923</u>	<u>32,150,687</u>
Expenditures				
Current				
General government	11,917,009	-	-	11,917,009
Public safety	6,041,298	-	-	6,041,298
Public works	2,315,836	-	-	2,315,836
Health, welfare, and recreation	1,175,125	-	-	1,175,125
Conservation of natural resources	564,419	-	-	564,419
Debt Service				
Principal	563,932	-	-	563,932
Interest	30,645	-	-	30,645
Capital outlay	4,457,503	1,982,110	2,300	6,441,913
Total expenditures	<u>27,065,767</u>	<u>1,982,110</u>	<u>2,300</u>	<u>29,050,177</u>
Excess of revenues over expenditures	<u>1,462,315</u>	<u>930,572</u>	<u>707,623</u>	<u>3,100,510</u>
Other financing sources (uses)				
Lease proceeds	425,413	-	-	425,413
Proceeds from sale of assets	22,735	-	-	22,735
Transfers in	40,497	1,124,800	-	1,165,297
Transfers out	(324,800)	(40,497)	(800,000)	(1,165,297)
Total other financing sources	<u>163,845</u>	<u>1,084,303</u>	<u>(800,000)</u>	<u>448,148</u>
Net change in fund balances	1,626,160	2,014,875	(92,377)	3,548,658
Fund balances, beginning of year	<u>19,136,089</u>	<u>3,108,513</u>	<u>3,322,930</u>	<u>25,567,532</u>
Fund balances, end of year	<u>\$ 20,762,249</u>	<u>\$ 5,123,388</u>	<u>\$ 3,230,553</u>	<u>\$ 29,116,190</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 3,548,658
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These changes are detailed as follows:</p>		
Fixed asset acquisitions expensed in governmental funds	\$ 4,735,831	
Depreciation expense for the year	<u>(1,571,172)</u>	3,164,659
<p>Pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:</p>		
Pension plan items - deferred outflows - current year	6,443,010	
Pension plan items - deferred outflows - prior year	(4,263,305)	
OPEB items - deferred outflows - current year	97,607	
OPEB items - deferred outflows - prior year	(65,454)	
Pension plan items - deferred inflows - current year	(3,618,618)	
Pension plan items - deferred inflows - prior year	4,601,326	
OPEB items - deferred inflows - current year	(278,451)	
OPEB items - deferred inflows - prior year	<u>339,062</u>	3,255,177
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the government-wide changes in net position. This is the net effect of these differences in the treatment of long-term debt, including compensated absences:</p>		
Proceeds from financing lease obligation	(291,821)	
Principal payments on financing lease obligation	217,126	
Proceeds from note payable	(9,404)	
Principal payment on a note payable	267,279	
Lease proceeds	(133,592)	
Principal payments on leases	79,527	
Compensated absences - prior year	386,665	
Compensated absences - current year	(464,874)	
OPEB liability - prior year	521,056	
OPEB liability - current year	(572,985)	
Net pension liability - prior year	7,427,488	
Net pension liability - current year	<u>(11,216,392)</u>	(3,789,927)
<p>An internal service fund is used by management to charge the costs of medical insurance to individual funds. The net income (loss) of certain activities of the internal service fund is reported with governmental activities</p>		
		(40,342)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:</p>		
Difference in unavailable revenue - intergovernmental - prior year	(324,000)	
Difference in unavailable revenue - intergovernmental - current year	136,634	
Difference in unavailable revenue - property taxes - prior year	(60,332)	
Difference in unavailable revenue - property taxes - current year	<u>11,884</u>	(235,814)
Change in net position of governmental activities		<u><u>\$ 5,902,411</u></u>

Statement of Net Position - Proprietary Funds

	Business-Type Activity	Governmental Activity
	Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Internal Service Fund Sheridan County Health Benefit Plan Fund
ASSETS		
Cash and cash equivalents	\$ 390,131	\$ 1,315,847
Investments	2,856,569	-
Accounts receivable, net	27,489	25,375
Due from other governments	360,021	-
Lease receivable - current portion	407,251	-
Lease receivable	3,016,095	-
Restricted cash, passenger facility charges	1,072	-
Restricted investments, long term	260,957	-
Capital assets not being depreciated	5,865,560	-
Capital assets being depreciated, net of accumulated depreciation	13,172,934	-
Total assets	26,358,079	1,341,222
DEFERRED OUTFLOW OF RESOURCES		
Pension items	448,045	-
OPEB items	8,859	-
Total deferred outflow of resources	456,904	-
LIABILITIES		
Current Liabilities		
Accounts payable and other liabilities	313,504	6,003
Incurred but not reported claims	-	290,000
Current maturity of bonds payable	200,000	-
Total current liabilities	513,504	296,003
Noncurrent Liabilities		
Bonds payable, net of current maturity	1,100,000	-
Compensated absences	39,993	-
Net pension liability	929,572	-
OPEB liability	35,559	-
Total long-term liabilities	2,105,124	-
DEFERRED INFLOW OF RESOURCES		
Pension items	255,514	-
OPEB items	18,115	-
Leases	3,423,346	-
Total deferred inflows of resources	3,696,975	-
NET POSITION		
Net investment in capital assets	17,540,121	-
Restricted, passenger facility charges	1,072	-
Unrestricted	2,958,187	1,045,219
Total net position	\$ 20,499,380	\$ 1,045,219

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds

	Business-Type Activity	Governmental Activity
	Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Internal Service Fund Sheridan County Health Benefit Plan Fund
Operating revenues		
Charges for services	\$ 865,057	\$ 2,628,866
Operating expenses		
Salaries and benefits	974,203	-
Operating expenses	660,158	419,273
Claims expenses, net of reinsurance reimbursements	-	2,253,542
Depreciation	1,409,137	-
Total operating expenses	<u>3,043,498</u>	<u>2,672,815</u>
Operating loss	<u>(2,178,441)</u>	<u>(43,949)</u>
Nonoperating revenues (expense)		
Gas tax	24,320	-
Federal and state assistance	1,590,524	-
Interest income	89,506	3,607
Interest expense	(38,815)	-
Passenger facility charges pledged as security for revenue bonds	105,472	-
Total nonoperating revenue	<u>1,771,007</u>	<u>3,607</u>
Loss before capital contributions and transfers	(407,434)	(40,342)
Capital contributions - grants	<u>3,885,187</u>	<u>-</u>
Change in net position	<u>3,477,753</u>	<u>(40,342)</u>
Net position, beginning of year	<u>17,021,627</u>	<u>1,085,561</u>
Net position, end of year	<u>\$ 20,499,380</u>	<u>\$ 1,045,219</u>

Statement of Cash Flows - Proprietary Funds

	Business-Type Activity	Governmental Activity
	Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Internal Service Fund Sheridan County Health Benefit Plan Fund
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 859,057	\$ -
Payments to suppliers for goods and service	(675,203)	(2,721,514)
Payments to employees for services	(696,373)	-
Receipts from interfund services provided	-	2,628,866
Payments for interfund services used	(125,472)	-
Net cash used in operating activities	<u>(637,991)</u>	<u>(92,648)</u>
Cash Flows from Noncapital Financing Activities		
Federal and state assistance	1,590,524	-
Gas tax revenue	24,320	-
Net cash provided by noncapital financing activities	<u>1,614,844</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
Passenger facility charges	105,472	-
State and federal capital grants	4,056,452	-
Principal payment on bonds payable	(175,000)	-
Interest paid on bonds and note payable	(40,186)	-
Interest received	89,506	-
Purchases of property and equipment	(4,437,437)	-
Net cash used in capital and related financing activities	<u>(401,193)</u>	<u>-</u>
Cash Flows from Investing Activities		
Interest received	5,595	3,607
Purchase of investments	(557,867)	-
Net cash provided by (used in) investing activities	<u>(552,272)</u>	<u>3,607</u>
Net increase (decrease) in cash and cash equivalents	<u>23,388</u>	<u>(89,041)</u>
Cash and cash equivalents, beginning of year	<u>367,815</u>	<u>1,404,888</u>
Cash and cash equivalents, end of year	<u>\$ 391,203</u>	<u>\$ 1,315,847</u>
Statement of net position		
Cash and cash equivalents	\$ 390,131	\$ 1,315,847
Restricted cash, passenger facility charges	1,072	-
Total cash and cash equivalents	<u>\$ 391,203</u>	<u>\$ 1,315,847</u>

(Continued)

Sheridan County, Wyoming

Year Ended June 30, 2023

Statement of Cash Flows - Proprietary Funds (Continued)

	Business-Type Activity	Governmental Activity
	Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Internal Service Fund Sheridan County Health Benefit Plan Fund
Reconciliation of operating loss to net cash and cash equivalents used in operating activities		
Operating loss	\$ (2,178,441)	\$ (43,949)
Adjustments to reconcile operating loss to cash and cash equivalents used in operating activities		
Depreciation	1,409,137	-
Amortization - pension items	(541,247)	-
Amortization - OPEB items	1,491	-
Increase (decrease) in cash resulting from changes in operating assets and liabilities		
Accounts receivable	(6,000)	(3,840)
Deferred outflows - pension items	(36)	-
Accounts payable and other liabilities	(15,045)	(73,449)
Incurred but not reported claims	-	28,590
Compensated absences	(6,917)	-
Net pension liability	700,726	-
OPEB liability	(1,659)	-
Net cash and cash equivalents used in operating activities	<u>\$ (637,991)</u>	<u>\$ (92,648)</u>
Cash paid for interest	\$ 40,186	\$ -

Statement of Fiduciary Net Position - Fiduciary Fund

	<u>County Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ 2,966,956
Investments	2,997,006
Property taxes receivable, net	1,580,755
Due from other governments	1,233,128
Due from primary government	10,000
Total assets	<u>8,787,845</u>
LIABILITIES	
Due to other governments	<u>3,477,193</u>
Total liabilities	<u>3,477,193</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - property taxes	<u>1,580,755</u>
Total deferred inflows of resources	<u>1,580,755</u>
NET POSITION	
Restricted by:	
Individuals, organizations, and other governments	<u>3,729,897</u>
	<u>\$ 3,729,897</u>

Sheridan County, Wyoming

June 30, 2023

Statement of Changes in Fiduciary Net Position - Fiduciary Fund

	<u>County Custodial Fund</u>
Additions	
Amounts received from inmates	\$ 351,058
Bond and judgement collections	597,628
Child support collections	1,322,450
Interest and dividends	29,649
Collection of taxes and fees for other governments	42,072,301
Contribution from other governments	3,000,000
Total additions	<u>47,373,086</u>
Deductions	
Inmate payments for goods, services, and distributions	365,715
Child support distributions	1,322,450
Bond and judgement disbursements	649,802
Payments of taxes and fees to other governments and organizations	42,171,399
Total deductions	<u>44,509,366</u>
Net increase in fiduciary net position	2,863,720
Net position, beginning of the year	<u>866,177</u>
Net position, end of the year	<u>\$ 3,729,897</u>

Combining Statement of Net Position - Discretely Presented Component Units

	Weed and Pest Control District	Sheridan County Fair	Sheridan County Public Library
ASSETS			
Cash and cash equivalents	\$ 2,170,780	\$ 487,451	\$ 1,611,242
Investments	-	-	878,544
Property taxes receivable, net	92,756	-	-
Accounts receivable, net	117,006	21,266	-
Pledge receivables	-	-	-
Lease receivable - current portion	-	-	-
Other accounts receivables	-	-	-
Estimated third party payor settlement	-	-	-
Due from primary government	54,201	-	-
Prepaid expenses	-	-	-
Inventory	403,160	-	-
Investments, long-term	-	-	-
Restricted cash - permanent endowment	-	-	238,748
Investments, restricted by donors	-	-	1,921,297
Capital assets not being depreciated	-	-	1,351,776
Capital assets being depreciated, net of accumulated depreciation	1,149,573	1,246,577	4,245,821
Lease and other assets, long-term	-	181,992	-
Total assets	<u>3,987,476</u>	<u>1,937,286</u>	<u>10,247,428</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	106,128	125,343	540,691
OPEB items	-	10,942	43,439
Total deferred outflows of resources	<u>106,128</u>	<u>136,285</u>	<u>584,130</u>
LIABILITIES			
Accounts payable and accrued liabilities	413,781	13,105	140,534
Unearned revenue	-	-	-
Noncurrent liabilities			
Due within one year			
Bonds, notes, leases, compensated absences, and other	6,943	-	-
Due in more than one year			
Bonds, notes, leases, compensated absences, and other	314,412	7,138	43,574
Net pension liability	243,942	272,932	1,151,686
OPEB Liability	-	21,820	107,485
Total liabilities	<u>979,078</u>	<u>314,995</u>	<u>1,443,279</u>
DEFERRED INFLOWS OF RESOURCES			
Pension items	83,840	99,551	326,213
OPEB items	-	33,404	37,437
Leases	-	181,992	-
Total deferred inflows of resources	<u>83,840</u>	<u>314,947</u>	<u>363,650</u>
NET POSITION			
Net investment in capital assets	835,161	1,246,577	5,458,199
Restricted expendable for operations and and capital acquisitions	-	-	-
Restricted, nonexpendable permanent endowments	-	-	2,089,171
Unrestricted	2,195,525	197,052	1,477,259
Total net position	<u>\$ 3,030,686</u>	<u>\$ 1,443,629</u>	<u>\$ 9,024,629</u>

Memorial Hospital of Sheridan County	Total
\$ 2,010,586	\$ 6,280,059
-	878,544
-	92,756
21,426,441	21,564,713
553,186	553,186
429,166	429,166
1,176,151	1,176,151
2,168,000	2,168,000
-	54,201
1,628,913	1,628,913
3,386,725	3,789,885
13,197,566	13,197,566
-	238,748
12,802,478	14,723,775
1,789,392	3,141,168
65,088,025	71,729,996
3,697,695	3,879,687
<u>129,354,324</u>	<u>145,526,514</u>
-	772,162
-	54,381
<u>-</u>	<u>826,543</u>
10,295,227	10,862,647
162,947	162,947
5,918,743	5,925,686
14,928,660	15,293,784
-	1,668,560
-	129,305
<u>31,305,577</u>	<u>34,042,929</u>
-	509,604
-	70,841
1,420,351	1,602,343
<u>1,420,351</u>	<u>2,182,788</u>
45,996,316	53,536,253
12,447,241	12,447,241
1,076,052	3,165,223
37,108,787	40,978,623
<u>\$ 96,628,396</u>	<u>\$ 110,127,340</u>

Combining Statement of Activities - Discretely Presented Component Units

Component Units	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Weed and Pest Control District	\$ 1,702,944	\$ 363,658	\$ 216,787	\$ -
Sheridan County Fair	700,200	115,542	425,000	-
Sheridan County Public Library	2,235,909	27,608	1,704,205	-
Memorial Hospital of Sheridan County	136,779,426	130,036,907	5,922,992	170,000
	<u>\$ 141,418,479</u>	<u>\$ 130,543,715</u>	<u>\$ 8,268,984</u>	<u>\$ 170,000</u>
		General Revenues		
		Property taxes		
		Other taxes		
		Miscellaneous		
		Gain from investment in joint venture		
		Gain on disposal of capital asset		
		Contributions to an endowment		
		Unrestricted investment income (loss)		
		Total general revenues		
		Change in net position		
		Net position, as restated (see note 1)		
		Net position, end of year		

Net (Expense) Revenue and Changes in Net Position

Weed and Pest Control District	Sheridan County Fair	Sheridan County Public Library	Memorial Hospital of Sheridan County	Totals
\$ (1,122,499)	\$ -	\$ -	\$ -	\$ (1,122,499)
-	(159,658)	-	-	(159,658)
-	-	(504,096)	-	(504,096)
-	-	-	(649,527)	(649,527)
<u>(1,122,499)</u>	<u>(159,658)</u>	<u>(504,096)</u>	<u>(649,527)</u>	<u>(2,435,780)</u>
1,074,012	-	-	-	1,074,012
279,103	-	-	-	279,103
-	-	665	722,183	722,848
-	-	-	332,549	332,549
-	-	-	9,249	9,249
-	-	298,570	-	298,570
56,104	3,997	452,773	1,130,362	1,643,236
<u>1,409,219</u>	<u>3,997</u>	<u>752,008</u>	<u>2,194,343</u>	<u>4,359,567</u>
286,720	(155,661)	247,912	1,544,816	1,923,787
<u>2,743,966</u>	<u>1,599,290</u>	<u>8,776,717</u>	<u>95,083,580</u>	<u>108,203,553</u>
<u>\$ 3,030,686</u>	<u>\$ 1,443,629</u>	<u>\$ 9,024,629</u>	<u>\$ 96,628,396</u>	<u>\$ 110,127,340</u>

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Notes to the Financial Statements

Note 1. Nature of Operations and Significant Accounting Policies

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

Financial Reporting Entity

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

Blended Component Units

The Sheridan County Law Enforcement Center Joint Powers Board is considered a blended component unit of the County. The County owns the assets of the Sheridan County Law Enforcement Center Joint Powers Board and budgets for the expenditures of the Sheridan County Law Enforcement Center Joint Powers Board within its general fund.

Discretely Presented Component Units

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

- The *Weed and Pest Control District* (the District) was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. The District is fiscally dependent upon the County as the Board of Commissioners approves the District's budget and levies taxes (if necessary) on behalf of the District. The Weed and Pest Control District's taxes are levied under the taxing authority of the County and are not included as part of the County's total tax levy. The District does not issue separate external financial statements.
- The *Sheridan County Fair* (the Fair) maintains and manages the operations of the Fair and conducts agricultural, industrial, and other exhibitions within the County. The Fair is fiscally dependent upon the County, and the Board of Commissioners must approve any debt issuances. The Fair receives funding from the County's general fund. Funds allocated to the Fair are part of the County's total tax levy. The Fair does not issue separate external financial statements.

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

Discretely Presented Component Units (Continued)

- The *Sheridan County Public Library* (the Library) maintains and manages the operations of the Library and library system. The Library is fiscally dependent upon the County and the Board of Commissioners must approve any debt issuances. The Library receives funding from the County's general fund. Funds allocated to the Library are part of the County's total tax levy. The Library does not issue separate external financial statements.
- The Sheridan County Library Foundation, which has a significant relationship both operationally and financially with the Library, has been included as a discretely presented component unit of the Sheridan County Public Library.
- The *Memorial Hospital of Sheridan County* (the Hospital) is a public hospital operated as an enterprise fund, and provides health care for the benefit of the Sheridan, Wyoming community and the surrounding area. The Hospital is a component unit of Sheridan County, Wyoming. The Hospital is governed by a board of seven trustees appointed by the Sheridan County Commissioners. The Memorial Hospital of Sheridan County issues separate financial statements.
- The Sheridan County Memorial Hospital Foundation, which has a significant relationship both operationally and financially with the Hospital, has been included as a discretely presented component unit of the Memorial Hospital of Sheridan County.

Other Entities

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

- Sheridan Area Water Supply Joint Powers Board (SAWS). SAWS is included as a discretely presented component unit of the City of Sheridan. SAWS paid the County approximately \$82,130 in the current year.
- Sheridan Juvenile Justice Commission Joint Powers Board. This Board does not qualify as a component unit of any primary government.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues.

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

Government-Wide and Fund Financial Statements (Continued)

Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the County the right-to-use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

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

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

The government reports the following major governmental funds:

- *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- *Capital Facilities Tax Fund* is a special revenue fund and is used to account for major construction and maintenance projects funded by the capital facilities tax approved by the voters.
- *Road Construction Fund* is a capital project fund and is used to account for the acquisition and construction of major capital projects.

The government reports the following major proprietary funds:

- The *Sheridan County Airport Fund* is used to account for the operation of the airport which provides air travel and freight services to all the citizens of the County.
- The *Sheridan County Health Benefit Plan Fund* accounts for the transactions of the County's self-funded health plan.

Additionally, the government reports the following fund types:

- The *County Custodial Fund* is custodial in nature and is used to account for assets that the County holds for others in a fiduciary capacity (e.g. taxes collected by the treasurer for the benefit of other governments).

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

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

Cash and Cash Equivalents

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

The County's cash activity is accounted for in pooled cash accounts. The accounting records for each applicable fund reflect its portion of the pooled cash, and any separate unpooled bank accounts. When a particular fund overdraws its share of the pooled cash, the deficit is recorded as a payable to the general fund and a corresponding entry is made in the general fund to reflect the receivable from the other fund.

For the purposes of the statement of cash flows, the County's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

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

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

Restricted Cash and Cash Equivalents

The County considers any cash that is legally restricted as to withdrawal or usage to be presented as restricted cash. The County has restricted cash and cash equivalents related to Enhanced Emergency 911 for \$217,182, Weed and Pest for \$54,201, and \$7,469 held by the sheriff and county attorney for which the County reports an offsetting liability.

Investments and Restricted Investments

The County follows the guidelines described in Wyoming Statute 9-4-831 as it relates to the investment of public funds. Wyoming Statutes authorize the types of investments in which Counties may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper with maturities not more than 270 days, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts and repurchase agreements with banks with the underlying securities being obligation of the U.S. Treasury or agencies and instrumentalities of the U.S. Government.

The County's investments consist of certificate of deposit valued at amortized cost or carried cost plus accrued interest, U.S. agency notes and bonds, and government sponsored enterprise securities (GSEs) including mortgage backed securities, participation in WYO-STAR, and participation in Wyoming CLASS.

WYO-STAR I is an authorized government investment pool established in 1987 offered exclusively to Wyoming governmental entities by the Wyoming State Treasurer's office. The value of the County's investments in WYO-STAR I equals the value of its WYO-STAR I shares. Each participant's position in the WYO-STAR I is calculated by the proportion of their share as a percentage of the total share invested in the pool. Income is distributed to participants based on each entity's average daily share balance in the pool. Interest is calculated and credited monthly. WYO-STAR I investments are carried at their fair value as determined at June 30 each year. WYO-STAR I's target asset allocation, as stated in its Master Investment Policy, comprises one hundred percent (100%) of short-term bonds and cash. The Pool does not have a guaranteed rate of return, and Participants expose their investments to market losses as well as gains. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period or withdrawal penalty.

The Wyoming CLASS Indenture of Trust was adopted pursuant to the provisions of W.S. 17-23-101 *et seq.*, the Wyoming Statutory Trust Act. The Wyoming CLASS portfolio invests in U.S. Treasury securities, federal instrumentality securities, agency securities, repurchase agreements and triparty repurchase agreements, collateralized bank deposits commercial paper that, at the time of purchase is rated in its highest rating category by one or more nationally recognized statistical rating organizations that regularly rate such obligations, and government money market funds. The value of the County's investment in Wyoming CLASS equals the value of its Wyoming CLASS shares. There are no withdrawal penalties.

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

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

Investments and Restricted Investments (Continued)

The Sheridan County Library Foundation and the Sheridan County Memorial Hospital Foundation are 501(c)(3) organizations that are not subject to state statutes which restrict investments of governmental entities. These component units have their own investment policies.

Certain debt covenants require the County to establish and maintain prescribed resources (consisting of cash and investments) that can be used to service debt. The County has investments restricted by bond covenants for reserves and the Library and Memorial Hospital of Sheridan County component units have investments restricted by donors.

Interfund Balances, Receivables and Payables

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

Any advances between funds, would be offset by recognizing nonspendable fund balance in the applicable governmental funds. This indicates that the assets reported are not available for appropriation and are not expendable financial resources.

Accounts Receivables, Net

The Memorial Hospital of Sheridan County provides an allowance for uncollectible accounts using management's judgment. Patients are not required to provide collateral for services rendered. Payment for services is required within 30 days of receipt of invoice or claim submitted. Accounts more than 180 days past due are individually analyzed for collectability. Amounts for which no payments have been received are written-off using management's judgment on a per account basis. In addition, an allowance is estimated for other accounts based on historical data. At June 30, 2023 the Hospital's allowance for uncollectible accounts was approximately \$10,702,000.

Inventory

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

Notes to the Financial Statements

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

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

Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are recorded in the government-wide financial statements at historical cost or at estimated historical cost if the actual historical cost is not available (except for intangible right-to-use lease assets, the measurement of which is discussed below). Infrastructure assets include roads, bridges, culverts, and signs. The County's capitalization level for buildings, improvements, equipment, right-to-use lease assets, vehicles, furniture and fixtures is \$5,000. The County's capitalization level for infrastructure assets is \$100,000.

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

Depreciation on property and equipment is provided on the straight-line basis over the following useful lives:

Primary Government	Years
Land improvements	20
Buildings, building improvements and runways	20-40
Equipment	10-15
Furnishings, computer equipment and software	5-10
Vehicles	5
Right-to-use lease asset	5-25
Component Units	
Land improvements	20-25
Buildings and building improvements	5-40
Furnishings and computer equipment	3-15
Equipment	3-20
Library collection	2-5
Vehicles	5
Right-to-use lease asset	5-50

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

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

Impairment of Long-Lived Assets

Management periodically reviews the carrying value of long-lived assets for potential impairment by comparing the carrying value of these assets to the estimated undiscounted future cash flows expected to result from the use of these assets. Should the sum of the related expected future net cash flows be less than the carrying value, an impairment loss would be recognized. There was no impairment recorded in 2023.

Other Assets - Investment in Joint Ventures

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

Leases - Lessee

The County, Hospital, and Weed and Pest are lessees of noncancellable leases of buildings, equipment, and storage space. The County Hospital and Weed and Pest recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County, Hospital, and Weed and Pest 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 its useful life.

Key estimates and judgments related to leases include how the County, Hospital, and Weed and Pest 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, Hospital, and Weed and Pest use the interest rates charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County, Hospital, and Weed and Pest, generally use 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 and purchase option price that the County, Hospital, and Weed and Pest, are reasonable certain to exercise.

The County, Hospital, and Weed and Pest monitor changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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

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

Leases - Lessor

The Airport, Hospital, and Fair are lessors for a non-cancellable leases of buildings and land. At the commencement of a lease, the Airport, Hospital, and Fair initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Airport, Hospital, and Fair determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Airport, Hospital, and Fair uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Airport, Hospital, and Fair monitor changes in circumstances that would require a remeasurement of its lease and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Property Taxes

The State of Wyoming has two different types of ad valorem property tax assessment methodologies: non-mineral and mineral. Non-mineral properties are annually valued and assessed on January 1 at fair market value, and mineral properties are valued and assessed on prior year mineral production. Non-mineral property taxes attach as an enforceable lien on assessed property as of January 1 of each year and mineral property taxes attached as an enforceable lien upon the severance of the mineral. Property taxes are levied on or about August 1 and are due in two installments. The first installment becomes due on September 1 and delinquent on November 10; the second becomes due on March 1 and delinquent on May 10.

The County bills and collects its own property taxes as well as for all municipalities and political subdivisions within the County with the exception for mineral based ad valorem property taxes. The collection of mineral based ad valorem property taxes was significantly modified during the 2021 and 2022 Legislative Sessions. Beginning with mineral production year 2022 (tax year 2023), mineral ad valorem taxes are collected by the State of Wyoming and remitted to each county for the distribution. Previously, the County billed and collected mineral ad valorem taxes. For the mineral production year 2021 (tax year 2022), mineral producers had the option to defer payment of taxes until December 1, 2023 at which time the taxes are due at eight percent per year until paid. Beginning with 2022, mineral based ad valorem property taxes are due on or before the 25th day of the third month following the month of production.

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

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

Property Taxes (Continued)

The County's property tax revenues are recognized when levied to the extent they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period on the fund financial statements. Property taxes which are not current receivables are offset by deferred inflows of resources on the fund financial but are reported on the government-wide financial statements as revenue and receivables, with no amount being deferred when levied. Property taxes receivable are recognized as of the lien date; however, revenue is not recognized until the levy date. Mineral property taxes for 2022 and 2023 production received by June 30, 2023 are not considered legally assessed and are recorded as unearned revenue in the fund and on the government-wide financial statements, if any.

The County is permitted by Wyoming Statutes to levy taxes up to 12 mills of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2023, was 12 mills, which means the County has levied to the maximum amount available.

Property Taxes Allowance

During fiscal year 2023, the County has recorded an allowance uncollectible for property taxes receivable in the amount of \$436,702 for the General Fund and \$874,464 for the County Custodial Fund due to bankruptcy or business closure of mineral and natural resource taxpayers.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the financial statements include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until the consumption of net assets. In addition to liabilities, the financial statements include a separate section for deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The County reports deferred outflows and deferred inflows of resources as follows:

Unavailable Revenues – Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide statement of net position the County reports deferred amounts related to leases and deferred amounts related to property tax revenue which, is reported as a deferred inflow of resources in the year the property tax lien attaches to the property.

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

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

Deferred Outflows and Deferred Inflows of Resources (Continued)

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

Pensions

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

Compensated Absences

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

Regular employees accrue one day per month of sick leave; however, none of the accumulated sick leave will be paid upon termination of employment. The contingent liability for the primary government’s unvested amount of sick leave as of June 30, 2023 was approximately \$1,163,643. Memorial Hospital of Sheridan County’s policies permits most employees to accumulate paid time-off benefits. Expense and the related liability are recognized as benefits when earned. Accrued vacation liabilities are computed using the regular pay rates in effect at the statement of net position date.

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

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

Unearned Revenue

Revenue received in advance of the performance of services deemed to be exchange transactions is deferred until such time as related expenditures are incurred and then recognized as revenue.

The County received an advance from the Coronavirus State and Local Recovery Funds. The portion of these funds that have not been spent in the amount of \$1,805,715 is reported as unearned revenue on the County's Statement of Net Position.

The Sheridan County Memorial Hospital's revenue received in advance of the performance of services deemed to be exchange transactions are deferred until such time as related expenditures are incurred and then recognized as revenue.

Restricted Nonexpendable Net Position

Restricted nonexpendable net position as of June 30, 2023 represents the principal of permanent endowments restricted in perpetuity by donors given to the foundations of the Library and Memorial Hospital of Sheridan County. Investment earnings, except for changes in fair market value, are expendable for specific purposes designated by the donors.

Fund Balance/Net Position

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

Negative unassigned fund balance in governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes. Proprietary fund net position is classified the same as in the government-wide statements.

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

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

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

Fund Balance/Net Position (Continued)

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

Certain resources of the Memorial Hospital of Sheridan County are classified as restricted assets on the balance sheet because their use is limited by applicable restrictions.

Restricted net position is used to differentiate resources, the uses of which are restricted by donors or grantors, from unrestricted net position on which donors or grantors place no restriction or that arise as a result of the operations of the Memorial Hospital of Sheridan County for its stated purposes. Restricted gifts and other restricted resources are recorded as additions to the appropriate restricted net asset accounts.

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

Restricted Resources

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

Short-Term Financing

The County did not issue any tax anticipation notes or use any other type of short-term financing for the year ended June 30, 2023.

Budget

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

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

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

Budget (Continued)

The County Commissioners and the governing Boards of the Component Units may also amend the budget after it is approved, using the same procedures necessary to approve the original budget. The budgetary data presented in the financial statements reflects the approved budget.

Major Taxpayers

The County's 10 largest taxpayers account for approximately 7% of the County's total assessed property valuation. The taxpayers represent mineral extraction, utility, railway, and agriculture industries. The County received approximately 2% of its total revenues from these taxpayers.

Charity Care

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

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustment under reimbursement agreements with third-party payors. Radioactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Medicare, Medicaid and Other

Acute care services provided to Medicare program beneficiaries were paid at prospectively determined rates per visit. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Memorial Hospital of Sheridan County is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been finalized by the Medicare fiscal intermediary through June 30, 2018. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Hospital.

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

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

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

Medicare, Medicaid and Other (Continued)

For acute care inpatient services rendered to Medicaid program beneficiaries, the program pays based on All Patients Refined Diagnosis Related Groups (APR-DRG) rates, which classify patients according to reason of admission, severity and risk of mortality. Outpatient services rendered to Medicaid program beneficiaries are paid on a fee schedule. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

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

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

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

Grants and Contributions

From time-to-time, the Memorial Hospital of Sheridan County receives grants and contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of long-lived assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts are restricted to capital acquisitions are reported after excess (deficit) of revenues over expenses before capital grants, contributions, and other.

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Given the significant impact the pandemic had on global markets, supply chains, businesses and communities, the U.S. Department of Health and Human Services (HHS) made available emergency relief grant funds to health care providers. Total grants approved and received by the Memorial Hospital of Sheridan County from these grants was \$740,560 in fiscal year 2023. The grant funds are subject to certain restrictions on eligible expenses or uses and report requirements. Of the total amount received, \$633,532 is reported as operating grants and contributions in the statements of activities from the year ended June 30, 2023.

Notes to the Financial Statements

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

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

Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from estimates. The pension liabilities and property tax allowance estimates are significant to the County. It is reasonably possible that these estimates will change within one year of the date of the financial statement due to one or more future events. The effect of the change could be material to the financial statements and could result in a loss.

Collections

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

Standards Issued and Implemented

As of July 1, 2022, the County adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right of use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the County will recognize right of use subscription IT assets and subscription IT liabilities. As a result of these adjustments, there was an effect on beginning net position for the Hospital. The additional disclosures required by this standard are included in Note 8.

	Net Position Beginning of the Year	Adjustment to Net Position Pursuant to GASB 96	Net Position Beginning of the Year, as Restated
Memorial Hospital of Sheridan County			
Net position			
Net investment in capital assets	\$ 47,340,907	\$ 576,262	\$ 47,917,169
Unrestricted	33,375,386	(417,093)	32,958,293

Notes to the Financial Statements

Note 2. Deposits and Investments

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County does not have a formal policy on custodial credit risk. Wyoming state statutes require that the County's deposits in excess of the Federal depository insurance amount be collateralized. Deposits held in the County's bank accounts are insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the County. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

Primary Government

At June 30, 2023, the carrying amount of the County's bank balances were \$29,130,383 and the carrying amount of the deposits was reported in the financial statements as follows:

	<u>Carrying Amount</u>
Government-Wide Statement of Net Position	
Governmental activities	
Cash and cash equivalents	\$ 23,637,869
Investments	1,000
Business-type activities	
Cash and cash equivalents	391,203
Total carrying amount of deposits	<u>\$ 24,030,072</u>
 Fiduciary Fund Statement of Net Position	
Cash and cash equivalents	\$ 2,966,956
Total carrying amount of deposits	<u>\$ 2,966,956</u>

Component Units

At June 30, 2023, the component unit's bank balance, with the exception of the hospital, was \$4,844,658 and the carrying amount of the deposits was reported in the financial statements as follows:

	<u>Carrying Amount</u>
Government-Wide Statement of Net Position	
Component Units	
Cash and cash equivalents	\$ 6,280,059
Investments	98,090
Total carrying amount of deposits	<u>\$ 6,378,149</u>

The difference between the carrying amount and the bank balance is the result of transactions in transit and cash equivalents without a bank balance.

Notes to the Financial Statements

Note 2. Deposits and Investments (Continued)

Investments

As of June 30, 2023, the primary government of the County had the following investments:

Investment Type	Total	Interest Rate	Investment Maturities (In Years)			Rating
			Less Than 1	1 - 5	6 - 10	
Investments						
WYO-STAR investment pool	\$ 9,067,743	5.000%	\$ 9,067,743	\$ -	\$ -	Not rated
Wyoming CLASS investment pool	2,025,512	5.804%	2,025,512	-	-	Not rated
Certificate of deposit	1,000	1.9% - 4.72%	-	1,000	-	Not rated
	<u>\$ 11,094,255</u>		<u>\$ 11,093,255</u>	<u>\$ 1,000</u>	<u>\$ -</u>	
Investments - restricted						
Government Sponsored						
Enterprises (GSEs)	\$ 17,430	5.010%	\$ -	\$ 17,430	\$ -	AA+
Certificate of deposit	243,527	4.720%	-	243,527	-	
	<u>\$ 260,957</u>		<u>\$ -</u>	<u>\$ 260,957</u>	<u>\$ -</u>	

As of June 30, 2023, the fiduciary fund of the County had the following investments:

Investment Type	Total	Interest Rate	Investment Maturities (In Years)			Rating
			Less Than 1	1 - 5	6 - 10	
Investments						
WYO-STAR investment pool	\$ 131,976	5.000%	\$ 131,976	\$ -	\$ -	Not rated
Wyoming CLASS investment pool	2,865,030	5.804%	2,865,030	-	-	Not rated
	<u>\$ 2,997,006</u>		<u>\$ 2,997,006</u>	<u>\$ -</u>	<u>\$ -</u>	

As of June 30, 2023, the Sheridan County Library Foundation, which is a component unit of the Sheridan County Library, had the following investments:

Investment Type	Total	Interest Rate	Investment Maturities (In Years)			Rating (*)
			Less Than 1	1 - 5	6 - 10	
Library Foundation						
Exchange-Traded Funds (ETFs)						
Corporate bonds	\$ 201,742	n/a	\$ 201,742	\$ -	\$ -	A/BBB
Equities	1,833,896	n/a	1,833,896	-	-	A/BBB
I-shares- U.S. Treasury bonds	452,226	n/a	452,226	-	-	A/BBB
Agency bonds	31,769	n/a	31,769	-	-	
Mortgage-backed securities	182,120	n/a	182,120	-	-	A
Certificate of deposit	98,088	2.5% - 4.25%	98,088	-	-	Not rated
Total	<u>\$ 2,799,841</u>		<u>\$ 2,799,841</u>	<u>\$ -</u>	<u>\$ -</u>	

(*) MSCI ESG Ratings

Notes to the Financial Statements

Note 2. Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2023, the Memorial Hospital of Sheridan County and its Hospital Foundation had the following investments:

Investment Type	Total	Interest Rate	Investment Maturities (In Years)		
			Less Than 1	1 - 5	6 - 10
Hospital and Foundation					
Noncurrent cash and cash equivalents	\$ 11,373,570	n/a	\$ 11,373,570	\$ -	\$ -
Equities	3,771,049	n/a	3,771,049	-	-
U.S. treasury bills	3,913,790	n/a	3,418,745	495,045	-
Government agency fixed income	1,088,161		1,088,161		
Real estate investment trusts	278,750	n/a	278,750	-	-
TIPS	22,117		22,117	-	-
Mutual funds	5,552,607	n/a	5,552,607	-	-
	<u>\$ 26,000,044</u>		<u>\$ 25,504,999</u>	<u>\$ 495,045</u>	<u>\$ -</u>

Fair Value Measurements

The County and its component units categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2023. Wyoming CLASS and WYOSTAR measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in Wyoming CLASS and WYOSTAR is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72. Wyoming CLASS and WYOSTAR are not included in the leveling table and are shown below:

Primary Government Investments

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Investments by fair value level				
Government Sponsored Enterprises (GSEs)	\$ -	\$ 17,430	\$ -	\$ 17,430
Total investments at fair value	<u>\$ -</u>	<u>\$ 17,430</u>	<u>\$ -</u>	
Other investments				
Certificates of deposit				244,527
WYO-STAR investment pool				9,067,743
Wyoming CLASS investment pool				2,025,512
Total primary government investments				<u>\$ 11,355,212</u>
Reported in these captions:				
Investments				\$ 11,094,255
Restricted investments long-term				260,957
				<u>\$ 11,355,212</u>

Notes to the Financial Statements

Note 2. Deposits and Investments (Continued)

Fair Value Measurements (Continued)

Component Unit Investments

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Investments by fair value level				
Exchange-traded funds (ETFs)	\$ 2,701,753	\$ -	\$ -	\$ 2,701,753
Equities	3,771,049	-	-	3,771,049
TIPS	22,117	-	-	22,117
Mutual funds	5,552,607	-	-	5,552,607
Real estate investment trusts	278,750	-	-	278,750
U.S. treasury bills	3,913,790	-	-	3,913,790
Government agency fixed income	1,088,161	-	-	1,088,161
Total investments at fair value	<u>\$ 12,326,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>17,328,227</u>
Other investments				
Noncurrent cash equivalents				11,373,570
Certificate of deposit				98,088
Total component unit investments				<u>\$ 28,799,885</u>
Reported in these captions:				
Investments				\$ 878,544
Investments, long-term				13,197,566
Restricted investments long-term				14,723,775
				<u>\$ 28,799,885</u>

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2023:

- *Government Sponsored Enterprises (GSEs)*: Valued using quoted prices for identical or similar assets in active markets.
- *Exchange-traded funds (ETFs)*: Traded on an exchange like equities. ETFs hold multiple underlying assets rather than one and are valued at a daily closing price.
- *Corporate bonds*: These bonds mature from 2019 through 2023. Valued at the closing price reported on the active market in which the individual securities are traded.
- *Equities*: Valued at the closing price reported on the active market in which the individual securities are traded.
- *U.S. Treasury Bills*: These amounts are made up of U.S. treasury bills that mature between October 2023 and March 2025.
- *Government Agency Fixed Income*: These amounts are made up of U.S. government agency fixed income securities that mature between September 2023 and February 2024 with interest rates ranging from 0.25% to 3.50%.

Note 2. Deposits and Investments (Continued)

Fair Value Measurements (Continued)

- *Real estate investment trust:* Alternatives consist of principal global real estate securities which do not have maturity dates.
- *Treasury Inflation–Protected Securities (TIPS):* TIPS consist of inflation protected securities which do not have maturity dates.
- *Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Credit Risk

Generally, credit risk is the risk that an issuer of investments will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County has adopted Wyoming State statute 9-4-31 as their investment policy which limits investments to those with highest credit rating from nationally recognized credit rating organizations.

Custodial Credit Risk – Investments

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 held in the possession of an outside party. Custodial credit risk is for those investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name. The County does not have a formal policy to address custodial credit risk. The County does not have any investments that are not registered in the name of the County. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of government investment pools.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss that may be caused by the County's investments in a single issuer. GASB 40 requires disclosure by issuer and amount of investments in any one issuer that represents five percent (5%) or more of total investment for the State. The information presented is based on concentrations of investments in the County's portfolio. Concentration risk does not arise in connection with U.S. government obligation and obligations explicitly guaranteed by the U.S. government. Likewise, concentration risk does not apply to position in external investment pools, and similar pooled investments, which are designed, in part, to provide diversification. The County does not have a formal policy for concentration of credit risk.

At June 30, 2023, the County had 64% of their investments in WYO STAR, the State Treasurer's Pool, 33% in Wyoming CLASS, less than 1% of Government Sponsored Enterprises, and 2% in certificate of deposits.

Note 2. Deposits and Investments (Continued)

Concentration of Credit Risk (Continued)

The Library Foundation had 66% of their investments in equities ETFs, and 16% of their investments in U.S. Treasury bonds, 7% in corporate bonds, and 7% in Mortgage-backed securities. The remaining 4% was held in certificates of deposit and agency bonds. The Library Foundation's investment policy limits investments to 20-40% in fixed income, 60-80% in equities, and 1-10% in cash. As of June 30, 2023, the Library Foundation was in compliance with its investment policy. The Memorial Hospital of Sheridan County Foundation's investment policy places limits on the amounts that can be invested in one company.

The Finance Committee of the Hospital Foundation is responsible for the formulation, documentation, and monitoring of the investment strategy consistent with the investment policy. Due to the level of risk associated with certain investments, it is reasonably possible that changes in values of the investments will occur in the near term and that such changes could materially affect the Foundation's account balances and the amounts reported in the financial statements. The Memorial Hospital of Sheridan County had 44% of their investments in non-current cash equivalents, 15% in equities, 21% in mutual funds, 15% in U.S. treasury bills and the remaining balance in various other investments.

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

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 has a formal policy for interest rate risk. As a means of limiting its exposure to fair value losses arising from interest rates, the County attempts to match its investment maturities with its expected cash flow needs. The County's investment policy limits the maturities as follows:

- Securities maturing more than three (3) years from the date of purchase.
- Collateralize time deposits and repurchase agreements using longer-dated investments not to exceed five (5) year to maturity.

The County's investments are held in external investment pools with a focus on liquidity as a means of limiting its exposure to fair value losses arising from interest rates.

Wyoming CLASS pool seeks to maintain a stable net asset value of \$1.00. The funds' weighted average maturity is limited to a maximum of 60 days and a weighted average life of 120 days. In our view, a portfolio's weighted-average maturity is a key measure of a fund's tolerance and sensitivity to rising interest rates.

The WYO-STAR I investment portfolio, as stated in its Master Investment Policy, maintains funds in a cash portfolio and the rest in an extended cash portfolio, which may not exceed 35% of the market value of the portfolio at the time of purchase. The cash portfolio seeks to maintain weighted average maturity not to exceed 90 days and all securities must have a maximum maturity of 365 days. The market value of the portfolio must remain within +/-0.5% to 1% of amortized cost. The extended portfolio seeks to maintain maximum average cash flow weighted duration not to exceed three years and individual securities must not exceed a cash flow weighted duration of 5 years. Participants acknowledge there is a risk associated with investing in the pool and there is no guaranteed rate of return.

Notes to the Financial Statements

Note 2. Deposits and Investments (Continued)

Interest Rate Risk (Continued)

As of June 30, 2023, the Sheridan County Library Foundation's investment portfolio included mortgage backed securities that have fair values highly sensitive to interest rate changes. When interest rates fall, mortgages are refinanced and paid off early. The reduced stream of future interest payments diminishes the value of the investment.

Note 3. Accounts Receivable, Component Units

The accounts receivable balance of the component units, including net patient receivables of Memorial Hospital of Sheridan County as of June 30, 2023, is comprised of the following:

Receivable from patients and their insurance carriers	\$ 32,127,438
Receivable from Medicare	17,399,739
Receivable from Medicaid	5,043,264
Gross patient receivable	<u>54,570,441</u>
Less allowance for contractual adjustments	(22,442,000)
Less allowance for uncollectible accounts	<u>(10,702,000)</u>
Patient receivables, net	21,426,441
Other accounts receivable	138,272
Total accounts receivable, component units	<u><u>\$ 21,564,713</u></u>

Note 4. Lease Receivable and Regulated Leases

During prior fiscal years, the Airport began leasing buildings, hangars, and land to third parties. The leases range from 3 to 50 years and the Airport will receive monthly payments of \$34,807 and three annual payments of \$43,294. The Airport recognized \$408,103 in lease revenue and \$52,874 in interest revenue during the current fiscal year related to these leases.

As of June 30, 2023 the Airport's receivable for lease payments was \$3,423,346. Also the Airport has deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of deferred inflow of resources was \$3,423,346.

During prior fiscal years, the Fair began leasing a cell phone tower to a third party. The lease is a 25 years term and the Fair will receive monthly payments of \$1,214. The Fair recognized \$11,898 in lease revenue during the current fiscal year related to the lease. As of June 30, 2023 the Fair's receivable for lease payments was \$181,992. Also the Fair has deferred inflow of resources associated with these lease that will recognized as revenue over the lease term. As of June 30, 2023, the balance of deferred inflow of resources was \$181,992.

Notes to the Financial Statements

Note 4. Lease Receivable and Regulated Leases (Continued)

The Airport entered into various rate agreements with airlines for usage of the Airport's facilities for the purpose of conducting business as air transportation business. Under the terms of these agreements, airlines pay the Airport monthly fees based on an approved methodology of calculating rates and charges for airlines and airlines consortia. In accordance with GASB Statement No. 87, the Airport does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and Federal Administration, regulated aviation leases between airports and air carriers and other aeronautical users. For the fiscal year ended June 30, 2023 the Airport recognized \$34,819 related to regulated lease agreements.

Note 5. Interfund Balances

Interfund and intra-entity receivables and payables at June 30, 2023 are as follows:

	Receivable	Payable
General Fund	\$ 40,497	\$ -
Capital Facilities Tax Fund	-	40,497
	<u>\$ 40,497</u>	<u>\$ 40,497</u>

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

	Transfers In	Transfers Out
General Fund	\$ 40,497	\$ 324,800
Capital Facilities Tax Fund	1,124,800	40,497
Road Construction Fund	-	800,000
	<u>\$ 1,165,297</u>	<u>\$ 1,165,297</u>
Statement of Activities		
Governmental activities	\$ -	\$ 52,839
Business-type activities	52,839	
	<u>\$ 52,839</u>	<u>\$ 52,839</u>

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

Notes to the Financial Statements**Note 6. Capital Assets****Primary Government**

Capital asset activity for the governmental activities for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 963,317	\$ -	\$ -	\$ 963,317
Infrastructure	39,058,877	69,622	-	39,128,499
Construction in progress	595,427	3,808,720	506,218	3,897,929
Total capital assets not being depreciated	<u>40,617,621</u>	<u>3,878,342</u>	<u>506,218</u>	<u>43,989,745</u>
Capital assets being depreciated				
Land improvements	815,568	117,347	-	932,915
Buildings and building improvements	27,788,882	349,579	-	28,138,461
Equipment	6,568,351	431,625	386,767	6,613,209
Furnishings, computer equipment and software	2,759,432	75,813	-	2,835,245
Vehicles	1,594,126	255,751	86,761	1,763,116
Right-to-use lease asset	422,533	133,592	185,000	371,125
Total capital assets being depreciated	<u>39,948,892</u>	<u>1,363,707</u>	<u>658,528</u>	<u>40,654,071</u>
Less accumulated depreciation for				
Land improvements	712,578	13,204	-	725,782
Buildings and building improvements	15,452,353	835,677	-	16,288,030
Equipment	5,268,972	462,787	386,767	5,344,992
Furnishings, computer equipment and software	2,616,879	40,109	-	2,656,988
Vehicles	1,248,565	139,304	86,761	1,301,108
Right-to-use lease asset	235,422	80,091	185,000	130,513
Total accumulated depreciation	<u>25,534,769</u>	<u>1,571,172</u>	<u>658,528</u>	<u>26,447,413</u>
Total capital assets being depreciated, net	<u>14,414,123</u>	<u>(207,465)</u>	<u>-</u>	<u>14,206,658</u>
Governmental activities, capital assets, net	<u>\$ 55,031,744</u>	<u>\$ 3,670,877</u>	<u>\$ 506,218</u>	<u>\$ 58,196,403</u>

Equipment of \$1,400,667 has been acquired under financing leases. The related depreciation expense on these assets in the amount of \$261,920 is included in annual depreciation expense.

Notes to the Financial Statements

Note 6. Capital Assets (Continued)

Primary Government (Continued)

Depreciation and amortization expense were charged to the functions/programs of the primary government as follows:

Governmental activities	
General government	\$ 1,060,491
Public safety	139,306
Public works	371,375
Total depreciation expense - governmental activities	<u>\$ 1,571,172</u>

Capital asset activity for the business-type activity of Sheridan County for the year ended June 30, 2023:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 1,125,806	\$ -	\$ -	\$ 1,125,806
Construction in progress	364,859	4,374,895	-	4,739,754
Total capital assets not being depreciated	<u>1,490,665</u>	<u>4,374,895</u>	<u>-</u>	<u>5,865,560</u>
Capital assets being depreciated				
Buildings, building improvements and runways	48,652,708	34,559	-	48,687,267
Equipment	3,535,260	27,982	-	3,563,242
Total capital assets being depreciated	<u>52,187,968</u>	<u>62,541</u>	<u>-</u>	<u>52,250,509</u>
Less accumulated depreciation for				
Buildings, building improvements and runways	35,373,994	1,253,077	-	36,627,071
Equipment	2,294,444	156,060	-	2,450,504
Total accumulated depreciation	<u>37,668,438</u>	<u>1,409,137</u>	<u>-</u>	<u>39,077,575</u>
Total capital assets, being depreciated, net	<u>14,519,530</u>	<u>(1,346,596)</u>	<u>-</u>	<u>13,172,934</u>
Capital assets, net	<u>\$ 16,010,195</u>	<u>\$ 3,028,299</u>	<u>\$ -</u>	<u>\$ 19,038,494</u>

Notes to the Financial Statements

Note 6. Capital Assets (Continued)

Component Units

Capital asset activity for each component unit for the year ended June 30, 2023, was as follows:

Sheridan County Weed and Pest Control District

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Buildings and improvements	\$ 889,468	\$ -	\$ -	\$ 889,468
Vehicles and equipment	566,092	-	-	566,092
Right-to-use lease asset	407,392	-	-	407,392
Total capital assets being depreciated	<u>1,862,952</u>	<u>-</u>	<u>-</u>	<u>1,862,952</u>
Less accumulated depreciation for				
Buildings and improvements	289,980	22,683	-	312,663
Vehicles and equipment	232,759	51,171	-	283,930
Right-to-use lease asset	108,637	8,149	-	116,786
Total accumulated depreciation	<u>631,376</u>	<u>82,003</u>	<u>-</u>	<u>713,379</u>
Total capital assets, being depreciated, net	<u>1,231,576</u>	<u>(82,003)</u>	<u>-</u>	<u>1,149,573</u>
Capital assets, net	<u>\$ 1,231,576</u>	<u>\$ (82,003)</u>	<u>\$ -</u>	<u>\$ 1,149,573</u>

Sheridan County Fair

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Land improvements	\$ 3,786,062	\$ -	\$ -	\$ 3,786,062
Buildings and building improvements	2,038,516	11,393	-	2,049,909
Equipment, grounds keeping	336,817	36,816	-	373,633
Vehicles	75,928	-	-	75,928
Total capital assets being depreciated	<u>6,237,323</u>	<u>48,209</u>	<u>-</u>	<u>6,285,532</u>
Less accumulated depreciation for				
Land improvements	2,846,342	86,016	-	2,932,358
Buildings and building improvements	1,669,314	32,758	-	1,702,072
Equipment, grounds keeping	323,736	4,861	-	328,597
Vehicles	75,928	-	-	75,928
Total accumulated depreciation	<u>4,915,320</u>	<u>123,635</u>	<u>-</u>	<u>5,038,955</u>
Capital assets, net	<u>\$ 1,322,003</u>	<u>\$ (75,426)</u>	<u>\$ -</u>	<u>\$ 1,246,577</u>

Notes to the Financial Statements

Note 6. Capital Assets (Continued)

Component Units (Continued)

Sheridan County Public Library

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Art	\$ 177,430	\$ -	\$ -	\$ 177,430
Rare book collection	442,800	-	-	442,800
Land	248,231	-	-	248,231
Construction in progress	-	483,315	-	483,315
Total capital assets not being depreciated	868,461	483,315	-	1,351,776
Capital assets being depreciated				
Buildings and building improvements	7,136,743	-	106,868	7,029,875
Furnishings and computer equipment	256,852	-	-	256,852
Equipment	48,648	-	-	48,648
Vehicles	48,375	-	-	48,375
Library collection	3,070,285	168,157	128,214	3,110,228
Total capital assets being depreciated	10,560,903	168,157	235,082	10,493,978
Less accumulated depreciation for				
Buildings and building improvements	3,944,838	221,325	106,868	4,059,295
Furnishings and computer equipment	232,218	8,914	-	241,132
Equipment	42,732	1,268	-	44,000
Vehicles	48,375	-	-	48,375
Library collection	1,959,546	24,023	128,214	1,855,355
Total accumulated depreciation	6,227,709	255,530	235,082	6,248,157
Total capital assets being depreciated, net	4,333,194	(87,373)	-	4,245,821
Capital assets, net	\$ 5,201,655	\$ 395,942	\$ -	\$ 5,597,597

Notes to the Financial Statements

Note 6. Capital Assets (Continued)

Component Units (Continued)

Memorial Hospital of Sheridan County

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Construction in progress	\$ 8,750,267	\$ 3,841,145	\$ 10,802,020	\$ 1,789,392
Capital assets being depreciated				
Land and land improvements	7,511,764	73,351	-	7,585,115
Buildings and improvements	79,474,087	7,240,602	136,933	86,577,756
Fixed equipment	6,982,958	2,435,101	-	9,418,059
Major moveable equipment	62,588,206	6,708,331	2,055,428	67,241,109
Total capital assets being depreciated	<u>156,557,015</u>	<u>16,457,385</u>	<u>2,192,361</u>	<u>170,822,039</u>
Less accumulated depreciation for:				
Land and land improvements	1,845,282	222,564	-	2,067,846
Buildings and improvements	45,899,910	1,148,038	136,933	46,911,015
Fixed equipment	5,397,353	692,997	-	6,090,350
Major moveable equipment	44,761,572	7,958,659	2,055,428	50,664,803
Total accumulated depreciation	<u>97,904,117</u>	<u>10,022,258</u>	<u>2,192,361</u>	<u>105,734,014</u>
Total capital assets being depreciated, net	<u>58,652,898</u>	<u>6,435,127</u>	<u>-</u>	<u>65,088,025</u>
Capital assets, net	<u>\$ 67,403,165</u>	<u>\$ 10,276,272</u>	<u>\$ 10,802,020</u>	<u>\$ 66,877,417</u>

At June 30, 2023, construction in progress is made up of the various costs related to the TCU electrical upgrade, wireless access points project, boiler replacement, the EmPath and Crisis Stabilization Unit, and the 2nd and 3rd Floor renovation. The total expected costs of these projects are approximately \$963,000, \$382,000, \$650,000, \$8,534,000, and \$351,000 respectively, and are expected to be completed at various dates through January 2026. These projects are being funded with internal fund, a capital campaign, and SLIB grant proceeds. The Hospital has been awarded approximately \$7,908,000 in SLIB grant funds which are available to be expended through December 31, 2026.

At June 30, 2023, the cost of building and equipment recorded as a finance lease is \$8,449,893 and accumulated depreciation is \$3,250,987.

At June 30, 2023, the cost of equipment recorded as a subscription-based information technology arrangement (SBITA) is \$21,011,876 and accumulated depreciation is \$12,187,115.

Notes to the Financial Statements

Note 7. Investment in Joint Ventures

The following joint ventures are included in the Hospital's other assets:

Watt Dialysis Center, LLC (Dialysis Center)

In fiscal year 2016, the Hospital purchased a 49% interest in the Watt Dialysis Center, LLC (Dialysis Center), which started operations in October 2015. The Hospital is accounting for its investment in the Dialysis Center by the equity method under which the Hospital's share of net income (loss) of the Dialysis Center is recognized as income (loss) in the Hospital's statements of activities and added to (reduced from) the investment account. Contributions to the Dialysis Center are treated as an increase in the investment and distributions received are treated as reduction of the investment. The Hospital did not contribute to the Dialysis Center in fiscal year 2023. The Memorial Hospital of Sheridan County received distributions from the Dialysis Center of \$58,800 in fiscal year 2023. The Dialysis Center's accounting period ends December 31. The Hospital's investment in the Dialysis Center includes account activity through June 30, 2023.

The Hospital's investment in the Dialysis Center consists of the following at June 30, 2023:

	2023
Beginning balance	\$ 215,316
Gain on investment in joint venture	71,895
Distributions	(58,800)
Ending balance	<u>\$ 228,411</u>

Sheridan Surgical Center (Surgery Center)

In fiscal year 2017, the Hospital purchased a 40% interest in the Sheridan Surgical Center (Surgery Center), which started operations in February 2017. The Hospital is accounting for its investment in the Surgery Center by the equity method under which the Hospital's share of net income (loss) of the Surgery Center is recognized as income (loss) in the Hospital's statement of activities and added to (reduced from) the investment account. Contributions to the Surgery Center are treated as an increase in the investment and distributions received are treated as reduction of the investment. The Hospital did not make any contributions to the Surgery Center in fiscal year 2023. The Hospital received distributions from the Surgery Center of \$406,600 in fiscal year 2023. The Surgery Center leases property from the Hospital through February 2027 at an annual lease amount of \$310,870. This lease is included in the lease receivable and deferred inflow of resources balances on the statement of net position. The Surgery Center's accounting period ends December 31. The Hospital's investment in the Surgery Center includes activity through June 30, 2023.

The Hospital's investment in the Surgery Center consists of the following at June 30, 2023:

	2023
Beginning balance	\$ 885,443
Gain on investment in joint venture	390,188
Distributions	(406,600)
Ending balance	<u>\$ 869,031</u>

Note 7. Investment in Joint Ventures (Continued)

Wyoming Regional EMS

In fiscal year 2023, the Hospital purchased a 50% interest in Wyoming Regional EMS, which started operations in November 2022. The Hospital is accounting for its investment in Wyoming Regional EMS by the equity method under which the Hospital's share of net income (loss) of Wyoming Regional EMS is recognized as income (loss) in the Hospital's statements of revenue, expense, and changes in net position and added to (reduced from) the investment account. Contributions to Wyoming Regional EMS are treated as an increase in the investment and distributions received are treated as reduction of the investment. The Hospital made contributions of \$750,000 to Wyoming Regional EMS in fiscal year 2023. The Hospital did not receive distributions from Wyoming Regional EMS in fiscal year 2023. Wyoming Regional EMS accounting period ends December 31. The Hospital's investment in Wyoming Regional EMS includes account activity through June 30, 2023.

The Hospital's investment in Wyoming Regional EMS consist of the following at June 30, 2023:

	2023
Beginning balance	\$ -
Loss on investment in joint venture	(129,534)
Distributions	750,000
Ending balance	\$ 620,466

Notes to the Financial Statements

Note 8. County Debt

The Wyoming Constitution (Article 16§3) limits the amount of indebtedness for any County to not more than two percent of the last general assessment. This limit was \$12,213,439 at June 30, 2023. The County had no outstanding debt subject to this limitation.

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2023:

	Balance June 30, 2022	New Debt Incurred	Debt Retired	Balance June 30, 2023	Due Within One Year
Primary Government					
Governmental activities					
Finance lease obligations	\$ 470,114	\$ 291,821	\$ 217,126	\$ 544,809	\$ 158,303
Leases	196,911	133,592	79,527	250,976	64,325
Note payable	1,289,024	9,404	267,279	1,031,149	277,039
Incurred but not reported claims	261,410	28,590	-	290,000	290,000
Reclamation liability	41,000	-	-	41,000	-
Compensated absences	386,665	78,209	-	464,874	53,184
	<u>2,645,124</u>	<u>541,616</u>	<u>563,932</u>	<u>2,622,808</u>	<u>842,851</u>
Net pension liability	7,427,488	3,788,904	-	11,216,392	-
OPEB liability	521,056	51,929	-	572,985	-
	<u>\$ 10,593,668</u>	<u>\$ 4,382,449</u>	<u>\$ 563,932</u>	<u>\$ 14,412,185</u>	<u>\$ 842,851</u>
Business Activities					
Bonds payable	\$ 1,475,000	\$ -	\$ 175,000	\$ 1,300,000	\$ 200,000
Compensated absences	46,910	-	6,917	39,993	-
	<u>1,521,910</u>	<u>-</u>	<u>181,917</u>	<u>1,339,993</u>	<u>200,000</u>
Net pension liability	228,846	700,726	-	929,572	-
OPEB liability	37,218	-	1,659	35,559	-
	<u>\$ 1,787,974</u>	<u>\$ 700,726</u>	<u>\$ 183,576</u>	<u>\$ 2,305,124</u>	<u>\$ 200,000</u>
Component Units					
Note payable to a bank	\$ 6,908,350	\$ 2,000,000	\$ 972,732	\$ 7,935,618	\$ 994,059
Finance lease obligation	2,852,945	3,688,032	1,283,775	5,257,202	1,611,224
Right-of-use lease	324,558	-	6,848	317,710	6,943
Compensated absences	73,349	-	18,991	54,358	-
SBITAs	9,380,841	2,086,098	3,812,357	7,654,582	3,313,460
	<u>10,159,202</u>	<u>5,688,032</u>	<u>2,282,346</u>	<u>21,219,470</u>	<u>5,925,686</u>
Net pension liability	919,022	749,538	-	1,668,560	-
OPEB liability	93,045	36,260	-	129,305	-
	<u>\$ 11,171,269</u>	<u>\$ 6,473,830</u>	<u>\$ 2,282,346</u>	<u>\$ 23,017,335</u>	<u>\$ 5,925,686</u>

Certain equipment is pledged as collateral on finance lease obligations.

Most primary government obligations are generally liquidated by the general fund. The reclamation liability and royalty payments are generally liquidated by the Road Construction Fund, and the incurred but not reported liability is liquidated by the Sheridan County Health Benefit Plan Fund.

Notes to the Financial Statements

Note 8. County Debt (Continued)

Finance Lease Obligations

Finance lease obligations collateralized by the assets as of June 30, 2023 are on heavy equipment, due in annual installments of \$62,156 and \$107,961, including interest of 3.2% and 1.38% through November 2026 and January 2026.

Future minimum lease payments under finance lease obligations together with the present value of net minimum lease payments as of June 30, 2023 are as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 158,303	\$ 11,813	\$ 170,116
2025	161,511	8,606	170,117
2026	164,796	5,321	170,117
2027	60,199	1,957	62,156
	<u>\$ 544,809</u>	<u>\$ 27,697</u>	<u>\$ 572,506</u>

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

Right-to-Use Lease Payable

During the current and prior fiscal years, the County entered into a range of 2 – 5-year lease agreements for the acquisition and use of equipment, buildings, and storage space. A new lease liability was recorded in the amount of \$133,592 during the current fiscal year. As of June 30, 2023, the value of the lease liabilities was \$250,976. The County is required to make monthly principal and interest payments of \$9,442. The leases have an interest rate is 1.38%. The value of the right-to-use asset as of the end of the current fiscal year was \$371,125 and had accumulated amortization of \$130,513.

The future principal and interest lease payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 64,325	\$ 5,138	\$ 69,463
2025	52,079	3,894	55,973
2026	54,249	2,679	56,928
2027	56,480	1,419	57,899
2028	23,843	290	24,133
	<u>\$ 250,976</u>	<u>\$ 13,420</u>	<u>\$ 264,396</u>

Notes to the Financial Statements

Note 8. County Debt (Continued)

Note Payable

In August of 2021, the County received a Construction Loan from the Office of State Lands and Investments (SLIB) in the amount of \$1,400,000 at 1.38% interest to finance the constructions of the Sheridan County Library Renovation project. The loan is held by the County, however, the Library will reimburse the County for all loan payments. The County has received \$1,289,024 as of June 30, 2023. The final disbursement of the loan occurred in August 2022. The annual payment for fiscal year 2023 including interest at 1.38% is \$287,328. The ending loan balance as of June 30, 2023 is \$1,031,149.

The future principal and interest payments as of June 30, 2023, were as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 277,039	\$ 10,289	\$ 287,328
2025	279,822	7,505	287,327
2026	282,633	4,694	287,327
2027	191,655	1,855	193,510
	<u>\$ 1,031,149</u>	<u>\$ 24,343</u>	<u>\$ 1,055,492</u>

Revenue Bonds - Sheridan County Airport

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

A summary of the Airport Fund bonds payable as of June 30, 2023 is as follows:

Sheridan County Airport Revenue Bonds, Series 2013, interest at .5% to 3.25%, due in annual installments plus interest, through September 2027, redeemable to the extent of pledged airport revenues from passenger facility charges and hangar rentals	<u>\$ 1,300,000</u>
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The debt requirement on Sheridan County Airport Revenue Bonds as of June 30, 2023, is as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 200,000	\$ 35,710	\$ 235,710
2025	200,000	30,540	230,540
2026	200,000	25,020	225,020
2027	200,000	19,250	219,250
2028	500,000	8,125	508,125
	<u>\$ 1,300,000</u>	<u>\$ 118,645</u>	<u>\$ 1,418,645</u>

Notes to the Financial Statements

Note 8. County Debt (Continued)

Right-to-Use Lease Payable – Weed and Pest

During a prior fiscal year, the Weed and Pest entered into a 50 year lease agreement and the lessee for the acquisition and use of a building. An initial lease liability was recorded in the amount of \$331,313 during the fiscal year 2022. As of June 30, 2023, the value of the lease liability was \$317,710. The County is required to make monthly payments of \$940. The lease has an interest rate of 1.38%. The value of the right-to-use asset as of the end of the current fiscal year was \$407,392 and had accumulated amortization of \$116,785.

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,943	\$ 4,341	\$ 11,284
2025	7,040	4,244	11,284
2026	7,138	4,146	11,284
2027	7,237	4,047	11,284
2028	7,337	3,947	11,284
Thereafter	282,015	67,977	349,992
	<u>\$ 317,710</u>	<u>\$ 88,702</u>	<u>\$ 406,412</u>

The Memorial Hospital of Sheridan County leases buildings and equipment for various terms under long-term noncancellable lease agreements. The leases expire at various dates through February 2030 and provide for varying renewal options. Interest rates on the right-of-use leases range from 0.05% to 12.95%.

Hospital Finance Lease

The schedule of maturities for the Memorial Hospital of Sheridan County right-of-use lease obligations of June 30, 2023 are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,611,224	\$ 145,034	\$ 1,756,258
2025	1,339,997	106,095	1,446,092
2026	710,829	76,334	787,163
2027	716,407	51,156	767,563
2028	433,875	27,754	461,629
Thereafter	444,870	17,393	462,263
	<u>\$ 5,257,202</u>	<u>\$ 423,766</u>	<u>\$ 5,680,968</u>

Long-Term Debt Memorial Hospital of Sheridan County

On November 28, 2016, the Hospital entered into an unsecured promissory note with a financial institution in the amount of \$10,000,000. The unsecured promissory note bears interest at a fixed rate of 2.20% and is being used to fund the construction of the Medical Office Building. The unsecured promissory note includes a construction draw period of two years and then converts to a 10-year term loan. On November 28, 2018, the unsecured promissory note converted to a 10-year term loan with monthly principal and interest payments of \$92,816 due through November 28, 2028. Due to COVID-19 the Hospital deferred three monthly payments during the year ended June 30, 2020 which will become due when the note matures on November 28, 2028.

Notes to the Financial Statements

Note 8. County Debt (Continued)

Long-Term Debt Memorial Hospital of Sheridan County (Continued)

On August 18, 2022, The Hospital entered into a promissory note with a financial institution that allows for advances to the Hospital up to \$8,000,000. The promissory note accrues interest at 2.96% and matures on September 1, 2032. Interest only payments are due monthly through September 1, 2024. Principal and interest payments are then due monthly through September 1, 2032. The promissory note is secured by the Hospital's property. During fiscal year 2023, the Hospital was advanced \$2,000,000 from the promissory note. Subsequent to year end the Hospital was advanced the remaining \$6,000,000.

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

Year ending June 30,	Principal	Interest	Total
2024	\$ 994,059	\$ 170,254	\$ 1,164,313
2025	1,119,334	157,131	1,276,465
2026	1,267,067	129,000	1,396,067
2027	1,297,000	99,067	1,396,067
2028	1,327,584	68,484	1,396,068
Thereafter	1,930,574	88,024	2,018,598
	<u>\$ 7,935,618</u>	<u>\$ 711,960</u>	<u>\$ 8,647,578</u>

Subscription- Based Information Technology Arrangements

The Hospital entered into subscription-based information technology arrangements (SBITAs). The SBITAs expire at various dates through November 2027, and provide for varying renewal options. Interest rates on the SBITAs range from 0.06% to 4.18%.

The scheduled maturities for the Hospital's SBITAs as of June 30, 2023, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 3,313,460	\$ 181,324	\$ 3,494,784
2025	2,927,767	97,716	3,025,483
2026	1,207,420	21,928	1,229,348
2027	160,753	7,467	168,220
2028	45,182	683	45,865
	<u>\$ 7,654,582</u>	<u>\$ 309,118</u>	<u>\$ 7,963,700</u>

Note 9. Defined Benefit Pension Plans

Pension Plans Fiduciary Net Position

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

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

Public Employees' Pension Plan

The County participates in the Public Employees' Pension Plan ("PEPP"), a cost-sharing multiple-employer defined benefit, contributory retirement plan covering substantially all employees of State and of the Public School Systems of Wyoming. The Plan also covers employees of those political subdivisions and other statutorily allowed entities, which have elected to participate in the Plan. Substantially all County full-time employees are eligible to participate.

PEPP members are statutorily required to contribute 9.25% of their annual covered salary and the employer is statutorily required to contribute 9.37% of the annual covered payroll for a total of 18.62%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The County has elected to contribute an additional 2.63% on behalf of eligible employees. Although paid by the County, for purposes of recording the net pension liability these additional contributions are considered to be employee contributions. The County currently pays 12.00% of covered payroll and the employees contribute the remaining portion, 6.62% of covered payroll. The County's contributions to the PEPP plan for the years ended June 30, 2023, 2022, and 2021, were \$734,329, \$661,526, and \$598,375, respectively, while the employees' portion was \$396,216, \$356,449, and \$337,518, respectively.

For the years ended June 30, 2023, 2022 and 2021, the County's statutorily required contributions to the PEPP pension plan were \$568,915, \$512,267, and \$471,046, respectively. As of July 1, 2023, the statutorily required employer contribution rate will not increase for the employer or the employee.

The Weed and Pest and the Library component unit's currently pay all of the required employee's contribution. The Fair pays 12.00% of the required 18.62% total contribution and the employees contribute the remaining portion, 6.62%. The component unit contributions to the PEPP for the years ended June 30, 2023, 2022 and 2021 were \$203,637, \$195,041 and \$181,151 respectively and the employees' contributions were \$13,567, \$12,270 and \$12,691 respectively, equal to the required contributions for each year.

For the years ended June 30, 2023, 2022 and 2021, the component units statutorily required contributions to the PEPP pension plan for the component units were \$109,302, \$104,323, and \$97,563, respectively. As of July 1, 2023, the statutorily required employer contribution rate will not increase for the employer or the employee.

Note 9. Defined Benefit Pension Plans (Continued)

Public Employees' Pension Plan (Continued)

The amount of contributions designated as employee contributions represents 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.

- For Tier 1, the Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60.
- For Tier 2, the Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65.

All employees may also retire upon normal retirement when the sum of the member's age and service is at least 85.

Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The PEPP provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of the seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. 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.

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

Law Enforcement Pension Plan

The County participates in the Law Enforcement Pension Plan ("LEPP"), a cost sharing, multiple-employer defined benefit, contributory plan covering any county sheriff, deputy county sheriff, municipal police officer, Wyoming correctional officer, Wyoming law enforcement academy instructor, University of Wyoming campus police officer, detention officer or dispatcher for law enforcement agencies and certain investigators of the Wyoming Livestock Board, Wyoming Gaming Commission and Wyoming Board of Outfitters.

LEPP members are statutorily required to contribute 8.60% of their annual covered salary and the employer is statutorily required to contribute 8.60% of the annual covered payroll for a total of 17.20%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The County has elected to contribute an additional 1.9% on behalf of eligible employees.

Note 9. Defined Benefit Pension Plans (Continued)

Law Enforcement Pension Plan (Continued)

Although paid by the County, for purposes of recording the net pension liability these additional contributions are considered to be employee contributions. The County currently pays 10.5% of covered payroll and the employees contribute the remaining portion, 6.70% of covered payroll. The County's contributions to the LEPP plan for the years ended June 30, 2023, 2022, and 2021, were \$250,684, \$216,721, and \$202,944, respectively, while the employees' portion was \$144,349, \$125,352, and \$129,497, respectively, equal to the required contributions for each year.

For the years ended June 30, 2023, 2022, and 2021, the County's statutorily required contributions to the LEPP pension plan were \$197,516, \$171,037, and \$166,221, respectively. As of July 1, 2023, there will be no increase in employer or employee statutorily required contribution rates.

The 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.

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

At June 30, 2023, the County reported a total liability of \$12,145,964 for its proportionate share of the net pension liability. The County's component units: Weed and Pest, Fair, and Library reported \$243,942, \$272,932, and \$1,151,686, respectively, for their proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of January 1, 2022, applied to all prior periods included in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covering the five year period ending December 31, 2020. The net pension liability as of December 31, 2022 is based on the results of an actuarial valuation as of January 1, 2022, rolled forward to a measurement date of December 31, 2022.

Notes to the Financial Statements

Note 9. Defined Benefit Pension Plans (Continued)

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

The schedule below shows the County's and each of its component units' proportionate share of the net pension liability at June 30, 2023, the proportionate portion at the measurement date of December 31, 2022, and the change in the proportion from the previous measurement date:

	Pension liability at June 30, 2023	Proportion at December 31, 2022	Increase (decrease) from December 31, 2021
Public Employees' Pension Plan			
County	\$ 8,242,047	0.301595600%	0.014586300%
Weed and Pest	\$ 243,942	0.008926455%	-0.000352703%
Fair	\$ 272,932	0.009987189%	-0.000741222%
Library	\$ 1,151,686	0.042142842%	0.001875610%
Law Enforcement Pension Plan			
County - Sheriff	\$ 3,903,917	1.146004282%	-0.006823602%

For the year ended June 30, 2023, the County and its component units, Weed and Pest, Fair, and Library recognized pension expense of \$1,732,370, \$16,824, \$23,966 and \$99,014, respectively.

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows (Inflows) of Resources				Total Outflows	Total (Inflows)
	PEPP		LEPP			
Net difference between projected and actual earnings on pension plan investments	\$ 3,067,952	\$ (2,213,265)	\$ 1,101,241	\$ (841,791)	\$ 4,169,193	\$ (3,055,056)
Changes in assumption	210,499	-	1,626,392	(609,776)	1,836,891	(609,776)
Difference between actual and expected experience rate	38,351	(52,247)	94,151	(123,111)	132,502	(175,358)
Change in employer's proportion	371,163	-	5,301	(33,942)	376,464	(33,942)
Amortizing deferred outflows and deferred (inflows)	\$ 3,687,965	\$ (2,265,512)	\$ 2,827,085	\$ (1,608,620)	\$ 6,515,050	\$ (3,874,132)
Contributions subsequent to the measurement date	284,626	-	91,379	-	376,005	-
Total	<u>\$ 3,972,590</u>	<u>\$ (2,265,512)</u>	<u>\$ 2,918,465</u>	<u>\$ (1,608,620)</u>	<u>\$ 6,891,055</u>	<u>\$ (3,874,132)</u>

Notes to the Financial Statements

Note 9. Defined Benefit Pension Plans (Continued)

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

The County reported \$376,005 as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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

Year ended June 30,	Primary Government		
	Deferred Outflows		
	Public Employees' Pension Plan	Law Enforcement Pension Plan	Plan Total
2024	\$ 1,152,557	\$ 1,097,608	\$ 2,250,165
2025	966,059	1,054,476	2,020,535
2026	802,361	399,691	1,202,052
2027	766,988	275,310	1,042,298
	<u>\$ 3,687,965</u>	<u>\$ 2,827,085</u>	<u>\$ 6,515,050</u>

Year ended June 30,	Primary government		
	Deferred Inflows		
	Public Employees' Pension Plan	Law Enforcement Pension Plan	Plan Total
2024	\$ (1,095,122)	\$ (760,824)	\$ (1,855,946)
2025	(668,260)	(467,261)	(1,135,521)
2026	(502,130)	(380,535)	(882,665)
	<u>\$ (2,265,512)</u>	<u>\$ (1,608,620)</u>	<u>\$ (3,874,132)</u>

At June 30, 2023, the County's component units reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

Weed and Pest	Deferred Outflows	Deferred (Inflows)
Net difference between projected and actual earnings on pension plan investments	\$ 90,803	\$ (73,079)
Changes in assumptions	6,806	-
Difference between actual and expected experience rate	1,310	(1,546)
Change in employer's proportion	1,087	(9,215)
Amortizing deferred outflows and deferred inflows	100,006	(83,840)
Contributions subsequent to the measurement date	6,122	-
Total	<u>\$ 106,128</u>	<u>\$ (83,840)</u>

Notes to the Financial Statements

Note 9. Defined Benefit Pension Plans (Continued)

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

Fair	Deferred Outflows	Deferred (Inflows)
Net difference between projected and actual earnings on pension plan investments	\$ 101,594	\$ (83,337)
Changes in assumptions	7,868	-
Difference between actual and expected experience rate	1,418	(1,730)
Change in employer's proportion	4,549	(14,484)
Amortizing deferred outflows and deferred inflows	115,429	(99,551)
Contributions subsequent to the measurement date	9,914	-
Total	\$ 125,343	\$ (99,551)

Library	Deferred Outflows	Deferred (Inflows)
Net difference between projected and actual earnings on pension plan investments	\$ 428,694	\$ (314,290)
Changes in assumptions	29,533	-
Difference between actual and expected experience rate	5,433	(7,301)
Change in employer's proportion	38,811	(4,622)
Amortizing deferred outflows and deferred inflows	502,471	(326,213)
Contributions subsequent to the measurement date	38,220	-
Total	\$ 540,691	\$ (326,213)

The County's component units, Weed and Pest, Fair, and Library reported \$6,122, \$9,914, and \$38,220, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

	Component Units					
	Weed and Pest		Fair		Library	
	Deferred Outflows	(Inflows)	Deferred Outflows	(Inflows)	Deferred Outflows	(Inflows)
Year ended June 30,						
2024	\$ 29,714	\$ (41,354)	\$ 35,256	\$ (48,897)	\$ 151,120	\$ (161,805)
2025	24,890	(25,417)	29,375	(30,120)	132,456	(93,964)
2026	22,701	(17,069)	25,400	(20,534)	111,722	(70,444)
2027	22,701	-	25,398	-	107,173	-
	\$ 100,006	\$ (83,840)	\$ 115,429	\$ (99,551)	\$ 502,471	\$ (326,213)

Notes to the Financial Statements

Note 9. Defined Benefit Pension Plans (Continued)

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

Actuarial Assumptions

The total pension liability at the December 31, 2022 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement date:

Actuarial Assumptions and Methods	
Valuation date	January 1, 2022
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization method	
PEPP	25 years
LEPP	23 years
Asset valuation method	5 Year smoothed market
Inflation	2.25%
Salary increases	
PEPP	2.50% to 6.50%, including inflation
LEPP	5.25% to 9.25%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment net rate of return	6.80%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2022 valuation pursuant to an experience study of the period 2016 - 2020.
Post-Retirement Mortality (PEPP)	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 103%
Post-Retirement Mortality (LEPP)	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%
Pre-Retirement Mortality (PEPP)	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%
Pre-Retirement Mortality (LEPP)	Pub-2010 Safety Healthy Active Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%

Note 9. Defined Benefit Pension Plans (Continued)

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

Actuarial Assumptions (Continued)

The plan's trustees adopted the assumed rate of investment return after considering input from the plan's investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in the WRS actuarial valuation report as of January 1, 2022. In addition, a five year experience study was completed as of December 31, 2020 and this study provides a detailed analysis regarding recommendations on the long term rates for inflation and the real rate of return. The assumed rate of investment return of 6.80% (real return net of inflation of 4.55%) falls within a reasonable range of the long-term expected rate of return.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Each major asset class is included in the pension plans target asset allocation for the plan's fiscal year 2022. These best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	0.50%	0.30%	0.32%
Gold	1.50%	2.34%	0.72%
Fixed income	20.00%	3.59%	4.05%
Equity	51.50%	7.09%	9.00%
Marketable alternatives	16.00%	5.14%	6.02%
Private markets	10.50%	6.05%	7.67%
Total	100.00%	5.86%	7.23%

Discount Rate

The discount rate used to measure the Public Employees Plan and the Law Enforcement Plan total pension liability was 6.80% and 5.53%, respectively. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits using a 100 year analysis) and 2) tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for the use with the long-term expected rate of return are not met). For purposes of this valuation, the expected rate of return on pension plan investments is 6.80%, the municipal bond rate is 4.05% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting single discount rates listed above.

Notes to the Financial Statements

Note 9. Defined Benefit Pension Plans (Continued)

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

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

The following table represents the County's proportionate share of the net unfunded pension liability for each plan calculated using the discount rate as previously discussed, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the rate used:

Pension Plan	1% Decrease (5.80)%	Current Single Discount Rate Assumption (6.80)%	1% Increase (7.80)%
Public Employees' Pension Plan			
County	\$ 12,170,545	\$ 8,242,047	\$ 4,986,389
Component Units			
Weed & Pest	360,217	243,942	147,584
Fair	403,022	272,932	165,122
Library	1,700,626	1,151,686	696,763
Pension Plan	(4.53)%	(5.53)%	(6.53)%
Law Enforcement Pension Plan			
County Sheriff	\$ 5,875,617	\$ 3,903,917	\$ 2,319,080

Payables to the Pension Plan

At June 30, 2023, the County and component units did not have any payables to the pension plans.

Note 10. Deferred Compensation Plans and Hospital Pension Plan

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

Note 10. Deferred Compensation Plans and Hospital Pension Plan (Continued)

Memorial Hospital of Sheridan County

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

The defined contribution pension plan (401(a) plan) allows the Hospital to contribute between 6% and 10% of eligible wages, depending on the employees’ years of service. Employees are fully vested after three years of continuous service. If any employee leaves the Hospital prior to completing the three years of service the employee forfeits the employer match portion received. The Hospital contributions to the plan during the years ended June 30, 2023, 2022, and 2021 were \$3,163,335, \$3,026,640, and \$2,706,701, respectively.

The defined contribution pension plan (457(b)) allows employees to contribute amounts up to the maximum contribution allowed by the Internal Revenue Code. For employees over 50 years of age, a participant may make additional catch-up contributions. Employee contributions to the plan during the years ended June 30, 2023, 2022, and 2021 were \$4,748,336, \$4,371,574, and \$3,661,860, respectively.

Under the nonqualified deferred compensation plan (457(f) plan), the Hospital contributes amounts according to the Hospital’s discretion. The Hospital funds the contributions to the plan each year, and the funds are disbursed after three years. Hospital funding during the year ended June 30, 2023, 2022, and 2021 was \$178,500, \$174,000, and \$162,000, respectively.

Note 11. Fund Balance

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

At June 30, 2023, the County had the following assignments of general fund balance:

American Rescue Plan - Local Fiscal Recovery Funding	\$ 5,920,000
Courthouse maintenance	3,750,000
Economic development	1,320,000
County reserve	3,500,000
Health insurance claims	500,000
Information and technology	1,000,000
Law enforcement/detention center	1,000,000
Road and bridge	1,000,000
	<u>\$ 17,990,000</u>

To comply with Wyoming Statue 31-13-101, \$10,000 has been restricted for the abandoned vehicles reserve.

Notes to the Financial Statements

Note 11. Fund Balance (Continued)

The Memorial Hospital of Sheridan County has restricted, nonexpendable net assets of \$1,076,052 as of June 30, 2023, that represent the principal amounts of the permanent endowment, restricted to investment in perpetuity. Investment earnings from the permanent endowment are expendable to support programs as established by the contributor. These earnings are restricted by donors and expendable for operations and capital acquisitions. The Hospital had expendable net position restricted for operations and capital acquisitions of \$12,447,241 as of June 30, 2023.

The Sheridan County Library has restricted, nonexpendable net assets of \$2,089,171 as of June 30, 2023, that represent funds restricted by donors in perpetuity.

Note 12. Commitments and Contingencies

As of June 30, 2023, the County, the Library, and the Airport had \$3,651,577, \$100,132 and \$338,660 respectively, in outstanding contract commitments relating to various construction projects still in progress.

The County pays royalties to landowners for rights to mine gravel under a permit filed with the Department of Environmental Quality. At June 30, 2023, the County had five active pits under this permit. The County is required to reclaim the permit sites at which it is conducting gravel extraction activities once the activities have been completed. At June 30, 2023, the County's estimated liability for the reclamation of the active gravel pits is \$41,000. The estimated liability was included with noncurrent liabilities in the Statement of Net Position.

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

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

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

No contingent liabilities such as, but not limited to those described above, are reflected in the accompanying financial statements. No such liabilities have been asserted and, therefore, no estimate of loss, if any, is determinable.

Notes to the Financial Statements

Note 13. Risk Management

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

Premiums paid to WARM and LGLP by the County were approximately \$175,277 and \$55,377 respectively.

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

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

The County makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and is a split rate between hazardous and non-hazardous positions. Amounts paid by the County to the State for Workers' Compensation during fiscal year 2023 and 2022 were approximately \$101,290 and \$102,144, respectively.

Wyoming Statute §27-3-101 created the Wyoming Unemployment Compensation Act. This Act requires the County to pay the cost of actual claims incurred. Changes in the balances of claims liabilities during fiscal years 2023 and 2022 were as follows for the County's participation in the Unemployment Compensation Act Program.

	2023	2022
Unpaid claims, beginning of year	\$ -	\$ -
Claims incurred	27,794	19,482
Claims paid	(27,794)	(19,482)
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

The County also provides health care benefits for the primary government and component unit employees. Under this program, the County is insured under a stop-loss policy for individual claims exceeding \$70,000 per year. The aggregate stop-loss limit is \$1,000,000. Premiums paid for stop-loss insurance were approximately \$500,000. Estimated medical claims are calculated by the plan administrator based on past historical experience and current economic events. Claims are usually paid within one year of submission.

Notes to the Financial Statements

Note 13. Risk Management (Continued)

Changes in the County's incurred but not reported liability during the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Incurring but not reported liability, beginning of year	\$ 261,410	\$ 266,381
Claims incurred	2,315,070	2,362,391
Claims paid	<u>(2,286,480)</u>	<u>(2,367,362)</u>
Incurring but not reported liability, end of year	<u>\$ 290,000</u>	<u>\$ 261,410</u>

Insurance settlements during the last three fiscal years have not exceeded the County's insurance coverage. There has been no significant change in insurance coverage nor the County's risk management programs during the year ended June 30, 2023.

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

The Memorial Hospital of Sheridan County partially self-insures the cost of employee health care benefits as it purchases annual stop-loss insurance coverage for all claims in excess of \$125,000 per claim. Liabilities on the statement on net position include an accrual for claims that have been incurred but not reported. Claim liabilities are re-evaluated periodically to take into consideration recently settled claims, frequency of claims and other economic and social factors. The estimated liability accrued for this program at June 30, 2023 and 2022 was approximately \$1,324,000 and \$878,000, respectively.

For the year ended June 30, 2023 and 2022, the Hospital incurred expenses of \$6,798,503 and \$6,272,286, respectively, for employee health insurance.

Note 14. Transactions with Related Parties and Component Units

During the fiscal year ended June 30, 2023, the County provided \$425,000, \$300,000, and \$1,390,000 in support to the Sheridan County Fair, Memorial Hospital of Sheridan County, and Sheridan County Public Library, respectively. The Library and Fair reimbursed the County \$212,901 for health insurance premiums paid by the County.

Notes to the Financial Statements

Note 15. Other Postemployment Benefits (OPEB)

Plan Description

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

Benefits Provided

The County provides medical benefits for retirees, not including dental or vision. The retiree benefits are the same as those provided for active employees. The plan is self-funded and is administered by Blue Cross Blue Shield of Wyoming.

One PPO plan is offered, which has an \$875 deductible for individuals and a \$1,750 deductible for families. The maximum out-of-pocket is \$2,800 for individuals and \$5,600 for families. Deductibles and maximum out-of-pockets are higher when using out-of-network providers. Coinsurance is 35% in-network and 50% out-of-network. The medical deductibles do not apply to prescription drug benefits, which are generally covered with 20% coinsurance for generic, preferred brand, and specialty drugs, and 40% coinsurance for non-preferred brand drugs.

Contributions

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

Coverage Category	Monthly Premium Rate	
	FY 22-23	FY 23-24
Retiree only	\$ 756	\$ 832
Retiree and children	1,377	1,515
Retiree and spouse	1,679	1,847
Retiree and family	2,300	2,530

Employees Covered by Benefit Terms

As of June 30, 2023 the number of active and inactive employees covered by the plan was as follows:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	139
Total	<u>140</u>

Notes to the Financial Statements

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

Total OPEB Liability

The County, Fair and Library's total OPEB liability was \$608,544, \$21,820 and \$107,485 as of June 30, 2023 and was determined by an actuarial valuation as of that date.

Change in Net OPEB Liability

	County OPEB Liability	Fair OPEB Liability	Library OPEB Liability
Balance at June 30, 2022	\$ 558,274	\$ 43,421	\$ 49,624
Changes for the year:			
Service cost	47,702	1,710	8,425
Interest	21,434	769	3,786
Difference between expected and actual experience	(75,311)	(26,104)	35,680
Changes in assumption	62,099	2,227	10,969
Employer contributions	(5,654)	(203)	(999)
Net changes	<u>50,270</u>	<u>(21,601)</u>	<u>57,861</u>
Balance at June 30, 2023	<u>\$ 608,544</u>	<u>\$ 21,820</u>	<u>\$ 107,485</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions and Other Inputs	
Salary increase	2.50%
Discount rate	4.13%
Healthcare cost trend rates	5.72% decreasing 0.38% per year to an ultimate rate of 4.62% for 2029 and beyond

The discount rate changed from 4.09% to 4.13% and the impact on the liability was a decrease of \$1,994.

Sensitivity of the Total OPEB Liability

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

Sensitivity of the total OPEB liability to changes in the discount rate			
OPEB Liability	1% Decrease (3.13%)	Current (4.13%)	1% Increase (5.13%)
County	\$ 675,749	\$ 608,544	\$ 549,001
Fair	24,230	21,820	19,685
Library	119,355	107,485	96,968

Notes to the Financial Statements

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

Sensitivity of the Total OPEB Liability (Continued)

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

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate

OPEB Liability	1% Decrease (4.72%)	Current (5.72%)	1% Increase (6.72%)
County	\$ 532,133	\$ 608,544	\$ 699,166
Fair	19,080	21,820	25,070
Library	93,989	107,485	123,491

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2023, the County and Fair recaptured OPEB expense of \$41,003 and \$4,447, respectively. The Library recognized OPEB expense of \$6,413. At June 30, 2023, the County, Fair and Library reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources		
	County	Fair	Library
Differences between expected and actual experience	\$ (156,613)	\$ (25,827)	\$ (27,823)
Changes in assumptions	(139,953)	(7,577)	(9,614)
	<u>\$ (296,566)</u>	<u>\$ (33,404)</u>	<u>\$ (37,437)</u>

	Deferred Outflows of Resources		
	County	Fair	Library
Differences between expected and actual experience	\$ 2,089	\$ 4,860	\$ 14,108
Changes in assumptions	104,377	6,082	29,331
	<u>\$ 106,466</u>	<u>\$ 10,942</u>	<u>\$ 43,439</u>

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

Year ended June 30,	Deferred Inflows		
	County	Fair	Library
2024	\$ (107,441)	\$ (8,444)	\$ (12,101)
2025	(71,137)	(7,311)	(9,142)
2026	(43,510)	(6,471)	(6,938)
2027	(37,821)	(6,153)	(6,105)
2028	(28,510)	(4,388)	(2,425)
2029	(8,147)	(637)	(726)
	<u>\$ (296,566)</u>	<u>\$ (33,404)</u>	<u>\$ (37,437)</u>

Notes to the Financial Statements

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

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)

Year ended June 30,	Deferred Outflows		
	County	Fair	Library
2024	\$ 24,477	\$ 2,640	\$ 9,685
2025	24,392	2,597	9,555
2026	24,312	2,557	9,435
2027	24,312	2,557	9,435
2028	8,973	591	5,329
	<u>\$ 106,466</u>	<u>\$ 10,942</u>	<u>\$ 43,439</u>

Note 16. Issued Standards Not Yet Implemented

Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, aligns recognition and measurement guidance for all types of compensated absences under a unified model which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments. The requirements of the Statement are effective for reporting periods beginning after December 15, 2023.

Management has not completed its assessment of the effects of implementing this standard.

Note 17. Subsequent Events

In fiscal year 2024, Sheridan County will be completing various construction commitments for renovations on County buildings and infrastructures. Original contracted amounts totaled \$5,861,190 with \$3,651,577 to be completed before June 2024.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

(Unaudited)

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**Infrastructure Assets Reported Using the Modified Approach
(Unaudited)**

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

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

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

2023 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard	19.50	75%	321	75%	-	0%
Sub-standard	6.30	25%	120	25%	-	0%
Unimproved	-	0%	-	0%	74	100%
	<u>25.80</u>	<u>100%</u>	<u>441</u>	<u>100%</u>	<u>74</u>	<u>100%</u>
2022 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard	19.50	75%	321	75%	-	0%
Sub-standard	6.30	25%	120	25%	-	0%
Unimproved	-	0%	-	0%	74	100%
	<u>25.80</u>	<u>100%</u>	<u>441</u>	<u>100%</u>	<u>74</u>	<u>100%</u>
2021 Condition Rating	Paved		Gravel		Dirt/Unimproved	
	Miles	Percent	Miles	Percent	Miles	Percent
Standard	19.50	75%	321	75%	-	0%
Sub-standard	6.30	25%	120	25%	-	0%
Unimproved	-	0%	-	0%	74	100%
	<u>25.80</u>	<u>100%</u>	<u>441</u>	<u>100%</u>	<u>74</u>	<u>100%</u>

**Infrastructure Assets Reported Using the Modified Approach
(Unaudited)**

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

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

Condition Rating	2023	
	Bridges	Percent
Acceptable (80 to 100 points)	27	70.00%
Borderline (50 to 80 points)	6	15.00%
Deficient (less than 50 points)	6	15.00%
	<u>39</u>	<u>100.00%</u>
Condition Rating	2022	
	Bridges	Percent
Acceptable (80 to 100 points)	27	70.00%
Borderline (50 to 80 points)	6	15.00%
Deficient (less than 50 points)	6	15.00%
	<u>39</u>	<u>100.00%</u>
Condition Rating	2021	
	Bridges	Percent
Acceptable (80 to 100 points)	27	70.00%
Borderline (50 to 80 points)	6	15.00%
Deficient (less than 50 points)	6	15.00%
	<u>39</u>	<u>100.00%</u>

**Infrastructure Assets Reported Using the Modified Approach
(Unaudited)**

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

	Roads			Bridges		
	Estimated	Actual	Variance	Estimated	Actual	Variance
Maintenance and preservation expenditures (budgetary basis)						
2019	\$ 2,770,734	\$ 2,592,806	\$ 177,928	\$ -	\$ -	\$ -
2020	2,571,806	2,176,177	395,629	21,000	1,419	19,581
2021	3,252,465	2,463,022	789,443	-	-	-
2022	3,312,023	2,535,422	776,601	21,000	10,578	10,422
2023	3,706,389	2,655,809	1,050,580	-	-	-

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual

(Non-GAAP Basis) - General Fund

(Unaudited)

	Budget Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Taxes	\$ 16,311,000	\$ 17,120,000	\$ 17,317,119	\$ 197,119
Licenses and permits	396,950	436,950	412,738	(24,212)
Charges for services	1,459,600	1,666,600	1,476,193	(190,407)
Miscellaneous	3,905,100	5,049,100	1,003,241	(4,045,859)
One cent optional tax	2,320,000	2,849,000	2,848,946	(54)
Enhanced emergency 911 tax	305,242	305,242	343,673	38,431
Grant revenue	2,369,492	3,482,496	2,063,830	(1,418,666)
WIC	11,357	11,357	33,900	22,543
Rents, royalties, interest and fines	147,000	567,000	598,185	31,185
Sale of assets	2,000	24,500	22,735	(1,765)
Transfer from Capital Facilities	350,000	350,000	297,966	(52,034)
Total revenues	<u>27,577,741</u>	<u>31,862,245</u>	<u>26,418,526</u>	<u>(5,443,719)</u>
Expenditures				
County commissioners	312,383	312,383	310,731	1,652
County clerk	727,132	727,132	691,768	35,364
Elections	385,593	385,593	302,702	82,891
Administration	490,390	511,390	504,481	6,909
County treasurer	537,676	537,676	510,704	26,972
County assessor	675,209	675,209	674,934	275
County attorney	1,009,442	1,009,442	963,051	46,391
County coroner	182,714	182,714	155,788	26,926
Clerk of district court	625,606	625,606	608,839	16,767
Building and maintenance	427,946	427,946	415,110	12,836
Information technology	756,540	786,540	782,845	3,695
Fixed costs	2,615,700	2,698,200	2,688,645	9,555
One cent optional	2,320,000	2,849,000	1,820,162	1,028,838
General government	<u>11,066,331</u>	<u>11,728,831</u>	<u>10,429,760</u>	<u>1,299,071</u>
County sheriff	2,337,041	2,337,041	2,308,570	28,471
Detention center	3,405,844	3,405,844	3,174,375	231,469
E911	305,242	305,242	283,199	22,043
Emergency management	114,968	139,468	130,793	8,675
Public safety	<u>6,163,095</u>	<u>6,187,595</u>	<u>5,896,937</u>	<u>290,658</u>

(Continued)

Sheridan County, Wyoming

Year Ended June 30, 2023

**Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual
(Non-GAAP Basis) - General Fund (Continued)
(Unaudited)**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works	\$ 1,017,892	\$ 1,017,892	\$ 987,496	\$ 30,396
Road and bridge	1,280,437	1,280,437	1,263,866	16,571
Public works	2,298,329	2,298,329	2,251,362	46,967
WIC	11,357	91,288	37,635	53,653
Community health	494,647	494,647	461,269	33,378
Health, welfare, and recreation	506,004	585,935	498,904	87,031
County extension	131,008	131,008	121,707	9,301
Parks and recreation	35,550	35,550	19,423	16,127
Conservation of natural resources	166,558	166,558	141,130	25,428
Capital funding	8,238,560	8,238,560	4,446,155	3,792,405
Capital outlay	8,238,560	8,238,560	4,446,155	3,792,405
Grants	2,119,349	2,829,510	2,397,330	432,180
Grants	2,119,349	2,829,510	2,397,330	432,180
Total expenditures	30,558,226	32,035,318	26,061,578	5,973,740
Excess (deficiency) of revenues over expenditures	(2,980,485)	(173,073)	356,948	\$ 530,021
Fund balance, beginning of year	22,430,005	22,430,005	22,430,005	
Fund balance, end of year	\$ 19,449,520	\$ 22,256,932	\$ 22,786,953	

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

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Sheridan County, Wyoming

Year Ended June 30, 2023

**Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual
(Non-GAAP Basis) - Capital Facilities Tax Fund
(Unaudited)**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 2,510,000	\$ 2,510,000	\$ 2,690,748	\$ 180,748
Transfers from road construction fund	1,250,000	1,250,000	800,000	(450,000)
Transfer from general fund	324,800	324,800	324,800	-
Charges for services	10,000	10,000	96,973	
Investment income	11,500	11,500	115,902	104,402
	<u>4,106,300</u>	<u>4,106,300</u>	<u>4,028,423</u>	<u>(164,850)</u>
Expenditures				
Capital outlay	3,356,389	3,356,389	2,357,843	998,546
Transfer to general fund	350,000	350,000	297,966	52,034
Total expenditures	<u>3,706,389</u>	<u>3,706,389</u>	<u>2,655,809</u>	<u>1,050,580</u>
Excess (deficiency) of revenues over expenditures	<u>399,911</u>	<u>399,911</u>	<u>1,372,614</u>	<u>\$ 885,730</u>
Fund balance, beginning of year	<u>3,116,678</u>	<u>3,116,678</u>	<u>3,116,678</u>	
Fund balance, end of year	<u>\$ 3,516,589</u>	<u>\$ 3,516,589</u>	<u>4,489,292</u>	

**Schedule of Changes in Net Pension Liability and Related Ratios
(Unaudited)**

	2023	2022	2021
Public Employees' Pension Plan - County			
Proportion of the net pension liability	0.301595600%	0.287009318%	0.279322617%
Proportionate share of the net pension liability	\$ 8,242,047	\$ 4,376,093	\$ 6,070,686
Covered payroll	\$ 5,445,407	\$ 5,223,363	\$ 4,973,248
Proportionate share of the net pension liability as a percentage of its covered payroll	151.36%	83.78%	122.07%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%
Law Enforcement Pension Plan - County			
Proportion of the net pension liability	1.146004282%	1.152827884%	1.173209649%
Proportionate share of the net pension liability	\$ 3,903,917	\$ 3,280,241	\$ 799,216
Covered payroll	\$ 1,849,712	\$ 1,915,207	\$ 1,885,811
Proportionate share of the net pension liability as a percentage of its covered payroll	211.06%	171.27%	42.38%
Plan fiduciary net position as a percentage of the total pension liability	70.30%	75.62%	91.82%
Public Employees' Pension Plan - Component Units			
Weed and Pest			
Proportion of the net pension liability	0.008926455%	0.009279158%	0.009578857%
Proportionate share of the net pension liability	\$ 243,942	\$ 141,481	\$ 208,183
Covered payroll	\$ 161,170	\$ 168,874	\$ 170,547
Proportionate share of the net pension liability as a percentage of its covered payroll	151.36%	83.78%	122.07%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%
Fair			
Proportion of the net pension liability	0.009987189%	0.010728410%	0.010316944%
Proportionate share of the net pension liability	\$ 272,932	\$ 163,579	\$ 224,225
Covered payroll	\$ 180,322	\$ 195,249	\$ 183,690
Proportionate share of the net pension liability as a percentage of its covered payroll	151.36%	83.78%	122.07%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%
Library			
Proportion of the net pension liability	0.042142842%	0.040267232%	0.039595333%
Proportionate share of the net pension liability	\$ 1,151,686	\$ 613,963	\$ 860,549
Covered payroll	\$ 760,903	\$ 732,835	\$ 704,982
Proportionate share of the net pension liability as a percentage of its covered payroll	151.36%	83.78%	122.07%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%

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

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

2020	2019	2018	2017	2016	2015	2014
0.272448644%	0.261776800%	0.251952388%	0.248525100%	0.266812354%	0.255425552%	*
\$ 6,402,342	\$ 7,971,866	\$ 5,742,854	\$ 6,008,095	\$ 6,214,988	\$ 4,507,475	*
\$ 4,735,737	\$ 4,558,462	\$ 4,475,626	\$ 4,430,967	\$ 4,653,405	\$ 4,366,276	*
135.19%	174.88%	128.31%	135.59%	133.56%	103.23%	*
76.83%	69.17%	76.35%	73.42%	73.40%	79.08%	*
1.207128751%	1.152455852%	1.110261852%	1.066060300%	1.102343047%	1.170668484%	*
\$ 1,040,530	\$ 2,789,776	\$ 955,318	\$ 804,789	\$ 828,080	\$ 344,923	*
\$ 1,881,328	\$ 1,750,565	\$ 1,704,775	\$ 1,650,040	\$ 1,657,921	\$ 1,730,141	*
55.31%	159.36%	56.04%	48.77%	49.95%	19.94%	*
89.05%	71.22%	87.99%	88.11%	87.49%	94.76%	*
0.009401398%	0.009643121%	0.009720069%	0.009441600%	0.010918868%	0.011043182%	*
\$ 220,926	\$ 293,661	\$ 221,553	\$ 228,250	\$ 254,338	\$ 194,878	*
\$ 163,416	\$ 167,921	\$ 172,665	\$ 168,335	\$ 190,433	\$ 188,774	*
135.19%	174.88%	128.31%	135.59%	133.56%	103.23%	*
76.83%	69.17%	76.35%	73.42%	73.40%	79.08%	*
0.010656578%	0.010265369%	0.010552132%	0.010538600%	0.011074179%	0.011129366%	*
\$ 250,422	\$ 312,610	\$ 240,519	\$ 254,171	\$ 257,956	\$ 196,399	*
\$ 185,234	\$ 178,756	\$ 187,446	\$ 187,893	\$ 193,142	\$ 190,247	*
135.19%	174.88%	128.31%	135.59%	133.56%	103.23%	*
76.83%	69.17%	76.35%	73.42%	73.40%	79.08%	*
0.040349579%	0.038841167%	0.035824242%	0.035971500%	0.037862286%	0.038026982%	*
\$ 948,185	\$ 1,182,827	\$ 816,556	\$ 869,611	\$ 881,944	\$ 671,059	*
\$ 701,362	\$ 676,362	\$ 636,374	\$ 641,338	\$ 660,346	\$ 650,038	*
135.19%	174.88%	128.31%	135.59%	133.56%	103.23%	*
76.83%	69.17%	76.35%	73.42%	73.40%	79.08%	*

Schedule of Pension Contributions

(Unaudited)

	2023	2022	2021
Public Employees' Pension Plan - County			
Statutorily required contribution	\$ 568,915	\$ 512,267	\$ 471,046
Contributions in relation to the statutorily required contributions	<u>(568,915)</u>	<u>(512,267)</u>	<u>(471,046)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,071,665	\$ 5,467,097	\$ 5,164,978
Contributions as a percentage of covered payroll	9.37%	9.37%	9.12%
Law Enforcement Pension Plan - County			
Statutorily required contribution	\$ 197,516	\$ 171,037	\$ 166,221
Contributions in relation to the statutorily required contributions	<u>(197,516)</u>	<u>(171,037)</u>	<u>(166,221)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,296,698	\$ 1,988,802	\$ 1,932,802
Contributions as a percentage of covered payroll	8.60%	8.60%	8.60%
Public Employees' Pension Plan - Component Units			
Weed and Pest			
Statutorily required contribution	\$ 13,667	\$ 16,124	\$ 13,801
Contributions in relation to the statutorily required contributions	<u>(13,667)</u>	<u>(16,124)</u>	<u>(13,801)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 145,859	\$ 172,081	\$ 151,327
Contributions as a percentage of covered payroll	9.37%	9.37%	9.12%
Fair			
Statutorily required contribution	\$ 19,203	\$ 17,310	\$ 17,483
Contributions in relation to the statutorily required contributions	<u>(19,203)</u>	<u>(17,310)</u>	<u>(17,483)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 204,941	\$ 184,739	\$ 191,700
Contributions as a percentage of covered payroll	9.37%	9.37%	9.12%
Library			
Statutorily required contribution	\$ 76,433	\$ 70,889	\$ 66,279
Contributions in relation to the statutorily required contributions	<u>(76,433)</u>	<u>(70,889)</u>	<u>(66,279)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 815,720	\$ 756,553	\$ 726,743
Contributions as a percentage of covered payroll	9.37%	9.37%	9.12%

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

2020	2019	2018	2017	2016	2015	2014
\$ 448,095	\$ 400,132	\$ 341,633	\$ 342,662	\$ 349,520	\$ 331,332	*
(448,095)	(400,132)	(341,633)	(342,662)	(349,520)	(331,332)	*
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*
\$ 5,051,804	\$ 4,641,903	\$ 4,081,637	\$ 4,093,931	\$ 4,175,866	\$ 4,348,834	*
8.87%	8.62%	8.37%	8.37%	8.37%	7.62%	*
\$ 169,880	\$ 161,333	\$ 148,956	\$ 146,052	\$ 142,402	\$ 169,111	*
(169,880)	(161,333)	(148,956)	(146,052)	(142,402)	(169,111)	*
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*
\$ 1,975,349	\$ 1,875,965	\$ 1,732,047	\$ 1,698,279	\$ 1,655,837	\$ 1,730,036	*
8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	*
\$ 14,626	\$ 13,887	\$ 14,758	\$ 13,807	\$ 15,673	\$ 14,055	*
(14,626)	(13,887)	(14,758)	(13,807)	(15,673)	(14,055)	*
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*
\$ 164,893	\$ 161,102	\$ 176,320	\$ 164,958	\$ 187,252	\$ 184,455	*
8.87%	8.62%	8.37%	8.37%	8.37%	7.62%	*
\$ 17,543	\$ 15,202	\$ 15,202	\$ 15,962	\$ 15,988	\$ 15,160	*
(6,651)	(5,914)	(6,055)	(6,358)	(4,444)	(15,160)	*
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*
\$ 74,983	\$ 68,608	\$ 72,342	\$ 75,962	\$ 53,094	\$ 185,892	*
8.87%	8.62%	8.37%	8.37%	8.37%	7.62%	*
\$ 63,773	\$ 60,710	\$ 53,243	\$ 52,829	\$ 57,282	\$ 51,056	*
(63,773)	(60,710)	(53,243)	(52,829)	(57,282)	(51,056)	*
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	*
\$ 718,974	\$ 704,292	\$ 636,117	\$ 631,171	\$ 684,373	\$ 635,161	*
8.87%	8.62%	8.37%	8.37%	8.37%	7.62%	*

**Schedule of Changes in the County's Total OPEB Liability and Related Ratios
(Unaudited)**

	2023	2022	2021
Total OPEB Liability - County			
Service cost	\$ 47,702	\$ 49,596	\$ 70,038
Interest	21,434	25,820	11,146
Differences between expected and actual experience	(75,311)	(21,951)	(32,364)
Changes in assumptions and other inputs	62,099	(121,981)	91,360
Benefit payments	(5,654)	(4,500)	(4,343)
Net change in OPEB liability	50,270	(73,016)	135,837
Total OPEB liability - beginning	558,274	631,290	495,453
Total OPEB liability - ending	<u>\$ 608,544</u>	<u>\$ 558,274</u>	<u>\$ 631,290</u>
Covered payroll	\$ 6,328,783	\$ 5,612,263	\$ 5,475,379
Total liability as a percentage of covered payroll	7.76%	8.02%	9.32%
Total OPEB Liability - Library			
Service cost	\$ 8,425	\$ 4,408	\$ 6,226
Interest	3,786	2,295	991
Differences between expected and actual experience	35,680	(1,951)	(31,366)
Changes in assumptions and other inputs	10,969	(10,843)	8,121
Benefit payments	(999)	(400)	(386)
Net change in OPEB liability	57,861	(6,491)	(16,414)
Total OPEB liability - beginning	49,624	56,115	72,529
Total OPEB liability - ending	<u>\$ 107,485</u>	<u>\$ 49,624</u>	<u>\$ 56,115</u>
Covered payroll	\$ 562,558	\$ 498,868	\$ 486,700
Total liability as a percentage of covered payroll	1.37%	0.71%	0.83%
Total OPEB Liability - Fair			
Service cost	\$ 1,710	\$ 3,857	\$ 5,447
Interest	769	2,008	867
Differences between expected and actual experience	(26,104)	(1,707)	8,365
Changes in assumptions and other inputs	2,227	(9,487)	7,106
Benefit payments	(203)	(350)	(338)
Net change in OPEB liability	(21,601)	(5,679)	21,447
Total OPEB liability - beginning	43,421	49,100	27,653
Total OPEB liability - ending	<u>\$ 21,820</u>	<u>\$ 43,421</u>	<u>\$ 49,100</u>
Covered payroll	\$ 492,239	\$ 436,509	\$ 425,863
Total liability as a percentage of covered payroll	0.28%	0.62%	0.72%

*Information for years prior to 2017 is not available; the schedule will be completed as information becomes available.

2020	2019	2018	2017	2016	2015	2014
\$ 52,245	\$ 55,580	\$ 73,177	\$ 80,746	*	*	*
13,210	22,780	25,907	25,343	*	*	*
(35,647)	(156,205)	(79,522)	(206,019)	*	*	*
(25,106)	(168,596)	(21,507)	41,583	*	*	*
(5,878)	(5,617)	(285)	(434)	*	*	*
(1,176)	(252,058)	(2,230)	(58,781)	*	*	*
496,629	748,686	750,916	809,697	*	*	*
<u>\$ 495,453</u>	<u>\$ 496,629</u>	<u>\$ 748,686</u>	<u>\$ 750,916</u>	*	*	*
\$ 6,041,198	\$ 5,579,341	\$ 6,041,324	\$ 6,041,324	*	*	*
6.44%	9.58%	10.75%	10.75%	*	*	*
\$ 7,648	\$ 8,136	\$ 8,141	\$ 8,983	*	*	*
1,934	3,335	2,882	2,820	*	*	*
(5,219)	(22,867)	(8,847)	(22,921)	*	*	*
(3,675)	1,624	(2,392)	4,626	*	*	*
(860)	(822)	(32)	(48)	*	*	*
(172)	(10,594)	(248)	(6,540)	*	*	*
72,701	83,295	83,543	90,083	*	*	*
<u>\$ 72,529</u>	<u>\$ 72,701</u>	<u>\$ 83,295</u>	<u>\$ 83,543</u>	*	*	*
\$ 907,142	\$ 885,016	\$ 682,314	\$ 668,936	*	*	*
0.92%	0.94%	1.17%	1.19%	*	*	*
\$ 2,916	\$ 3,102	\$ 3,112	\$ 3,434	*	*	*
737	1,271	1,102	1,078	*	*	*
(1,990)	(8,718)	(3,382)	(8,762)	*	*	*
(1,401)	535	(915)	1,768	*	*	*
(328)	(313)	(12)	(18)	*	*	*
(66)	(4,123)	(95)	(2,500)	*	*	*
27,719	31,842	31,937	34,437	*	*	*
<u>\$ 27,653</u>	<u>\$ 27,719</u>	<u>\$ 31,842</u>	<u>\$ 31,937</u>	*	*	*
\$ 347,080	\$ 338,615	\$ 262,975	\$ 257,819	*	*	*
0.35%	0.36%	0.45%	0.46%	*	*	*

Notes to Required Supplementary Information

Note 1. Basis of Budgeting

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

	GAAP Basis	Adjustments to Budgetary Basis	Presentation Differences	Non-GAAP Budgetary Basis
Revenues				
Taxes	\$ 10,126,051	6,708	\$ 7,184,360	\$ 17,317,119
Licenses and permits	436,628	(20,643)	(3,247)	412,738
Intergovernmental	15,510,558	(2,473,485)	(13,037,073)	-
Charges for services	1,981,566	52,573	(557,946)	1,476,193
Investment income	444,072	4,591	(448,663)	-
Miscellaneous	29,207	-	974,034	1,003,241
One cent optional tax	-	-	2,848,946	2,848,946
Enhanced emergency 911 tax	-	-	343,673	343,673
Grant revenue	-	-	2,063,830	2,063,830
WIC	-	-	33,900	33,900
Rents, royalties, interest and fines	-	-	598,185	598,185
Sale of assets	-	-	22,735	22,735
Transfer from Capital Facilities	-	-	297,966	297,966
	<u>\$ 28,528,082</u>	<u>\$ (2,430,256)</u>	<u>\$ 320,700</u>	<u>\$ 26,418,526</u>
Expenditures				
General government	\$ 11,917,009	\$ 123,402	\$ (1,610,651)	\$ 10,429,760
Public safety	6,041,298	112,440	(256,801)	5,896,937
Public works	2,315,836	305,861	(370,335)	2,251,362
Health, welfare and recreation	1,175,125	16,550	(692,771)	498,904
Conservation of natural resources	564,419	(2,500)	(420,789)	141,130
Debt service - principal	563,932	(563,932)	-	-
Debt service - interest	30,645	(30,645)	-	-
Capital outlay	4,457,503	(965,365)	954,017	4,446,155
Grants	-	-	2,397,330	2,397,330
	<u>\$ 27,065,767</u>	<u>\$ (1,004,189)</u>	<u>\$ -</u>	<u>\$ 26,061,578</u>

Notes to Required Supplementary Information

Note 1. Basis of Budgeting (Continued)

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

	GAAP Basis	Adjustments to Budgetary Basis	Presentation Differences	Non-GAAP Budgetary Basis
Revenues				
Taxes	\$ 2,703,843	\$ (13,095)	\$ -	\$ 2,690,748
Charges for services	92,937	4,036	-	96,973
Transfers from general fund	-	-	324,800	324,800
Transfers from road construction fund	-	-	800,000	800,000
Investment income	115,902	-	-	115,902
	<u>\$ 2,912,682</u>	<u>\$ (9,059)</u>	<u>\$ 1,124,800</u>	<u>\$ 4,028,423</u>
Expenditures				
Capital outlay	\$ 1,982,110	\$ 375,733	\$ -	\$ 2,357,843
Transfer to general fund	-	-	297,966	297,966
	<u>\$ 1,982,110</u>	<u>\$ 375,733</u>	<u>\$ 297,966</u>	<u>\$ 2,655,809</u>

Budgetary Information

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

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

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

The budget is adopted according to the following schedule:

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

Notes to Required Supplementary Information

Note 1. Basis of Budgeting (Continued)

Budgetary Information (Continued)

The board approved two amendments to the fiscal year budget. Amendment #1 included adjustments in revenues and expenditures in the grant department, emergency management department, IT department, administration department, WIC, fixed costs, 1% optional fund, and the employee health benefit plan fund. Amendment #1 included transfers in the general fund grant department for unanticipated grant expenses in the amount of \$710,161 and unanticipated grant revenue in the amount of \$1,410,631. In addition, Amendment #1 included adjustments in general fund revenues of \$1,813,500; operating expenses of \$24,500 for the emergency management department, \$30,000 for the information technology department, \$21,000 for the administration department, \$76,124 for the WIC department, and \$82,500 for the fixed cost budget. Adjustments were made in the 1% optional tax budget to appropriate \$529,000 in revenue and \$902,000 in expenses. Unanticipated expenses in the employee health benefit plan fund were adjusted \$202,000.

Note 2. Explanation of Changes to Pension Plan

Changes in Benefits – There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2022 measurement date.

Changes to Assumptions – In general, the new assumptions reflect an update to the mortality tables, adjustments to the demographic and salary scale, as well as lower long-term investment return. The expected rate of return on assets for PEPP and LEPP was decreased from 7.00% to 6.80%. Other than the changes mentioned above, there have been no actuarial assumption changes or methods since the prior valuation of all plans. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2022 measurement date. See the table below:

Measurement Date (Plan Year End)	2022	2021	2020	2019	2018	2017	2016
Discount rate - PEPP	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.75%
Discount rate - LEPP	6.80%	5.17%	7.00%	7.00%	5.92%	7.00%	7.75%
Investment rate of return	6.80%	6.80%	7.00%	7.00%	7.00%	7.75%	7.75%
Real return net of inflation	4.55%	4.55%	4.75%	4.75%	3.52%	4.75%	4.50%
Inflation	2.25%	2.25%	2.25%	2.25%	2.25%	3.25%	3.25%
Salary increases - PEPP	2.50% - 6.50%	2.50% - 6.50%	2.50% - 6.50%	2.50% - 6.50%	4.75% - 8.75%	4.25% - 6.00%	4.25% - 6.00%
Salary increases - LEPP	5.25% - 9.25%	3.00% - 7.00%	4.75% - 8.75%	4.75% - 8.75%	4.75% - 8.75%	4.25% - 8.00%	4.25% - 8.00%
Payroll growth rate	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%

Notes to Required Supplementary Information

Note 3. Explanation of Changes to OPEB Plan

Changes to Assumptions – The S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2023 was 4.13%, up from the prior year’s rate of 4.09%. An increase in the discount rate results in a decrease in the liability.

Changes in Benefits – There have been no changes in benefit provisions in the OPEB plan since the prior valuation.

Changes of Assumptions	2023	2022	2021	2020	2019	2018	2017
Discount Rate	4.13%	4.09%	2.18%	2.66%	3.36%	3.45%	3.13%
Medical Trend	5.72%	6.10%	6.10%	5.90%	6.10%	6.80%	6.80%

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**OTHER
SUPPLEMENTARY
INFORMATION**

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Sheridan County, Wyoming

Year Ended June 30, 2023

**Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual
(Non-GAAP Basis) - Road Construction Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 600,000	\$ 770,000	\$ 605,630	\$ (164,370)
Investment income	10,000	10,000	105,095	95,095
Total revenues	<u>610,000</u>	<u>780,000</u>	<u>710,725</u>	<u>(69,275)</u>
Expenditures				
Capital outlay	-	-	2,300	(2,300)
Transfers to general fund	1,250,000	1,250,000	800,000	450,000
Total expenditures	<u>1,250,000</u>	<u>1,250,000</u>	<u>802,300</u>	<u>447,700</u>
Excess (deficiency) of revenues over expenditures	<u>(640,000)</u>	<u>(470,000)</u>	<u>(91,575)</u>	<u>\$ 378,425</u>
Fund balance, beginning of year	<u>3,288,234</u>	<u>3,288,234</u>	<u>3,288,234</u>	
Fund balance, ending of year	<u>\$ 2,648,234</u>	<u>\$ 2,818,234</u>	<u>\$ 3,196,659</u>	

Sheridan County, Wyoming

Year Ended June 30, 2023

**Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual
(Non-GAAP Basis) - Weed and Pest Control District**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 1,220,000	\$ 1,220,000	\$ 1,200,766	\$ (19,234)
Intergovernmental revenue	306,100	306,100	279,103	(26,997)
Grants	689,500	689,500	277,863	(411,637)
Charges for services	390,000	390,000	249,126	(140,874)
Investment income	-	-	56,104	56,104
Miscellaneous	24,900	24,900	62,939	38,039
Other forecasted revenue	500,000	500,000	3,237	(496,763)
Total revenues	<u>3,130,500</u>	<u>3,130,500</u>	<u>2,129,138</u>	<u>(504,599)</u>
Expenditures				
Conservation of natural resources	3,665,100	3,665,100	1,506,560	2,158,540
Capital outlay	417,500	417,500	63,368	354,132
Total expenditures	<u>4,082,600</u>	<u>4,082,600</u>	<u>1,569,928</u>	<u>2,512,672</u>
Excess (deficiency) of revenues over expenditures	(952,100)	(952,100)	559,210	<u>\$ 2,008,073</u>
Fund balance, beginning of year	<u>1,730,561</u>	<u>1,730,561</u>	<u>1,730,561</u>	
Fund balance, end of year	<u>\$ 778,461</u>	<u>\$ 778,461</u>	<u>\$ 2,289,771</u>	

Sheridan County, Wyoming

Year Ended June 30, 2023

**Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual
(Non-GAAP Basis) - Sheridan County Fair**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Allocation from the County	\$ 425,000	\$ 425,000	\$ 425,000	\$ -
Charges for services	66,825	66,825	115,542	48,717
Community support	2,500	2,500	-	(2,500)
Investment income	50	50	3,997	3,947
Other revenue	1,800	1,800	-	(1,800)
Total revenues	<u>496,175</u>	<u>496,175</u>	<u>544,539</u>	<u>48,364</u>
Expenditures				
Health, welfare and recreation	<u>504,775</u>	<u>504,775</u>	<u>649,686</u>	<u>(144,911)</u>
Total expenditures	<u>504,775</u>	<u>504,775</u>	<u>649,686</u>	<u>(144,911)</u>
Excess (deficiency) of revenues over expenditures	(8,600)	(8,600)	(105,147)	<u><u>\$ (96,547)</u></u>
Fund balance, beginning of year	<u>613,539</u>	<u>613,539</u>	<u>613,539</u>	
Fund balance, end of year	<u><u>\$ 604,939</u></u>	<u><u>\$ 604,939</u></u>	<u><u>\$ 508,392</u></u>	

Sheridan County, Wyoming

Year Ended June 30, 2023

**Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual
(Non-GAAP Basis) - Sheridan County Public Library (Excluding Sheridan County Library Foundation)**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Allocation from the County	\$ 1,390,000	\$ 1,390,000	\$ 1,465,000	\$ 75,000
Grants	2,000	2,000	-	(2,000)
Charges for services	25,000	25,000	27,608	2,608
Fulmer Trust	59,283	59,283	59,895	612
Sheridan County Library Foundation	84,000	84,000	8,314	(75,686)
Friends of the Library	35,000	35,000	24,000	(11,000)
Investment income	735	735	2,989	2,254
Total revenues	<u>1,596,018</u>	<u>1,596,018</u>	<u>1,587,806</u>	<u>(8,212)</u>
Expenditures				
Health, welfare and recreation	1,661,500	1,661,500	1,602,921	58,579
Capital outlay	15,000	15,000	-	15,000
Total expenditures	<u>1,676,500</u>	<u>1,676,500</u>	<u>1,602,921</u>	<u>73,579</u>
Excess (deficiency) of revenues over expenditures	(80,482)	(80,482)	(15,115)	<u>\$ 65,367</u>
Fund balance, beginning of year	<u>79,499</u>	<u>79,499</u>	<u>79,499</u>	
Fund balance, end of year	<u>\$ (983)</u>	<u>\$ (983)</u>	<u>\$ 64,384</u>	

Sheridan County, Wyoming

June 30, 2023

Combining Statement of Net Position

Sheridan County Public Library and Sheridan County Public Library Foundation

	Sheridan County Public Library	Sheridan County Public Library Foundation	Total
ASSETS			
Cash and cash equivalents	\$ 65,341	\$ 1,545,901	\$ 1,611,242
Investments	-	878,544	878,544
Restricted cash - permanent endowment	-	238,748	238,748
Investments, restricted by donors	-	1,921,297	1,921,297
Capital assets not being depreciated	1,351,776	-	1,351,776
Capital assets being depreciated, net of accumulated depreciation	4,245,821	-	4,245,821
Total assets	<u>5,662,938</u>	<u>4,584,490</u>	<u>10,247,428</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	540,691	-	540,691
OPEB Items	43,439	-	43,439
Total deferred inflows of resources	<u>584,130</u>	<u>-</u>	<u>584,130</u>
LIABILITIES			
Accounts payable and accrued liabilities	140,534	-	140,534
Noncurrent liabilities			
Due in more than one year	43,574	-	43,574
Net pension liability	1,151,686	-	1,151,686
OPEB Liability	107,485	-	107,485
Total liabilities	<u>1,443,279</u>	<u>-</u>	<u>1,443,279</u>
DEFERRED INFLOWS OF RESOURCES			
Pension items	326,213	-	326,213
OPEB items	37,437	-	37,437
Total deferred inflows of resources	<u>363,650</u>	<u>-</u>	<u>363,650</u>
NET POSITION			
Net investment in capital assets	5,458,199	-	5,458,199
Restricted, nonexpendable permanent endowments	-	2,089,171	2,089,171
Unrestricted (deficit)	(1,018,060)	2,495,319	1,477,259
Total net position	<u>\$ 4,440,139</u>	<u>\$ 4,584,490</u>	<u>\$ 9,024,629</u>

Sheridan County, Wyoming

Year Ended June 30, 2023

Combining Statement of Revenues, Expenses and Changes in Net Position

Sheridan County Public Library and Sheridan County Public Library Foundation

	Sheridan County Public Library	Sheridan County Public Library Foundation	Total
Revenues			
Intergovernmental revenues	\$ 1,398,313	\$ -	\$ 1,398,313
Charges for services	27,608	-	27,608
Unrestricted investment income (loss)	2,989	449,784	452,773
Operating grants and contributions	83,895	221,997	305,892
Miscellaneous	-	665	665
Total revenues	<u>1,512,805</u>	<u>672,446</u>	<u>2,185,251</u>
Expenses			
Health, welfare and recreation	1,546,077	434,303	1,980,380
Capital outlay	255,529	-	255,529
Total expenditures	<u>1,801,606</u>	<u>434,303</u>	<u>2,235,909</u>
Excess (deficiency) of revenues over expenditures	<u>(288,801)</u>	<u>238,143</u>	<u>(50,658)</u>
Other financing sources (uses)			
Transfers out	-	(501,056)	(501,056)
Transfers in	501,056	-	501,056
Contributions to an endowment	-	298,570	298,570
Total other financing sources (uses)	<u>501,056</u>	<u>(202,486)</u>	<u>298,570</u>
Net change in fund balance	212,255	35,657	247,912
Net position, beginning of year	<u>4,227,884</u>	<u>4,548,833</u>	<u>8,776,717</u>
Net position, end of year	<u>\$ 4,440,139</u>	<u>\$ 4,584,490</u>	<u>\$ 9,024,629</u>

Sheridan County, Wyoming

June 30, 2023

**Combining Statement of Net Position
Memorial Hospital of Sheridan County and Foundation**

	Memorial Hospital of Sheridan County	Memorial Hospital of Sheridan County Foundation	Total
ASSETS			
Cash and cash equivalents	\$ 812,601	\$ 1,197,985	\$ 2,010,586
Patient receivables, net	21,426,441	-	21,426,441
Current portion lease receivable	429,166		429,166
Lease and other receivables	1,176,151	-	1,176,151
Pledges receivable	-	553,186	553,186
Estimated third party payor settlement	2,168,000	-	2,168,000
Prepaid items	1,628,913	-	1,628,913
Supplies	3,386,725	-	3,386,725
Investments	-	2,969,127	2,969,127
Internally designated for capital improvements	10,228,439	-	10,228,439
Restricted investments	2,011,741	10,790,737	12,802,478
Capital assets not being depreciated	1,789,392	-	1,789,392
Capital assets being depreciated, net of accumulated depreciation	65,088,025	-	65,088,025
Lease and other assets, long-term	3,133,461	564,234	3,697,695
Total assets	113,279,055	16,075,269	129,354,324
LIABILITIES			
Accounts payable and accrued liabilities	3,778,073	-	3,778,073
Accrued payroll and related expenses	6,517,154	-	6,517,154
Unearned revenue	162,947	-	162,947
Noncurrent liabilities			
Due within one year			
Notes, leases, and compensated absences	5,918,743	-	5,918,743
Due in more than one year			
Notes, leases, and compensated absences	14,928,660	-	14,928,660
Total liabilities	31,305,577	-	31,305,577
DEFERRED INFLOWS OF RESOURCES	1,420,351	-	1,420,351
NET POSITION			
Invested in capital assets, net of related debt	45,996,316	-	45,996,316
Restricted expendable for operations and capital acquisitions	2,011,741	10,435,500	12,447,241
Restricted, nonexpendable permanent endowments	-	1,076,052	1,076,052
Unrestricted	32,545,070	4,563,717	37,108,787
Total net position	\$ 80,553,127	\$ 16,075,269	\$ 96,628,396

Sheridan County, Wyoming

Year Ended June 30, 2023

Combining Statement of Revenues, Expenses and Changes in Net Position

Memorial Hospital of Sheridan County and Foundation

	Memorial Hospital of Sheridan County	Memorial Hospital of Sheridan County Foundation	Total
Revenues			
Charges for services	\$ 130,036,907	\$ -	\$ 130,036,907
Other operating revenue	673,344	3,655,085	4,328,429
Investment income (loss)	65,613	1,064,749	1,130,362
Total revenues	<u>130,775,864</u>	<u>4,719,834</u>	<u>135,495,698</u>
Expenses			
Health and welfare	<u>135,506,862</u>	<u>1,272,564</u>	<u>136,779,426</u>
Total operating expenses	<u>135,506,862</u>	<u>1,272,564</u>	<u>136,779,426</u>
Total operating loss	<u>(4,730,998)</u>	<u>3,447,270</u>	<u>(1,283,728)</u>
Other financing sources			
Gain from investment in joint venture	332,549	-	332,549
Gain (loss) on disposal of capital asset	9,249	-	9,249
Non-operating gains	722,183	-	722,183
Noncapital grants and contributions	<u>1,594,563</u>	<u>-</u>	<u>1,594,563</u>
	<u>2,658,544</u>	<u>-</u>	<u>2,658,544</u>
Excess (deficit) of revenues over expenditures	(2,072,454)	3,447,270	1,374,816
Capital grants, contributions, and other	<u>170,000</u>	<u>-</u>	<u>170,000</u>
Net change in net position	(1,902,454)	3,447,270	1,544,816
Net position, beginning of year, as restated	<u>82,455,581</u>	<u>12,627,999</u>	<u>95,083,580</u>
Net position, end of year	<u>\$ 80,553,127</u>	<u>\$ 16,075,269</u>	<u>\$ 96,628,396</u>

Sheridan County, Wyoming
 Year Ended June 30, 2023

Schedule of Passenger Facility Charges Collected and Expended - Cash Basis

PFC Projects	Balance Unliquidated PFC June 30, 2022	PFC Collections	Interest Earned	PFC Expenditures	Balance Unliquidated PFC June 30, 2023
Application 2008-04-C	\$ (25,804)	\$ 25,519	\$ 285	\$ -	\$ -
Application 2023-04-C	-	76,079	-	774,957	(698,878)
	\$ (25,804)	\$ 101,598	\$ 285	\$ 774,957	\$ (698,878)

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**COMPLIANCE AND
INTERNAL CONTROL
REPORTS**

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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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Sheridan County, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Governmental Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sheridan County, Wyoming as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Sheridan County, Wyoming's basic financial statements, and have issued our report thereon dated January 22, 2024. Our report includes a reference to other auditors who audited the financial statements of Memorial Hospital of Sheridan County, as described in our report on Sheridan County, Wyoming's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sheridan County, Wyoming's internal control over financial reporting (internal control) as a basis for designing 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 Sheridan County, Wyoming's internal control. Accordingly, we do not express an opinion on the effectiveness of Sheridan County, Wyoming's internal control.

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



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Casper, WY 82601

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sheridan County, Wyoming'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*.

Purpose of this Report

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



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
January 22, 2024

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Sheridan County, Wyoming

Report on Compliance for Passenger Facility Charge Program

Opinion on Compliance with Passenger Facility Charge Program

We have audited Sheridan County, Wyoming's compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on its Passenger Facility Charge ("PFC") Program for the year ended June 30, 2023.

In our opinion, Sheridan County, Wyoming complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended June 30, 2023.

Basis for Opinion on Compliance with Passenger Facility Charge Audit Guide for Public Agencies

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, and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Sheridan County, Wyoming 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 the PFC program. Our audit does not provide a legal determination of Sheridan County, Wyoming'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,



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statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Sheridan County, Wyoming's passenger facility charge program.

Auditors' Responsibility 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 Sheridan County, Wyoming'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 Guide 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 judgement made by a reasonable user of the report on compliance about Sheridan County, Wyoming's compliance with the requirements of the passenger facility charge program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 Sheridan County, Wyoming's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Sheridan County, Wyoming'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 the Guide, but not for the purpose of expressing an opinion on the effectiveness of Sheridan County, Wyoming'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 the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge 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 the passenger facility charge 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 have not been 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 result of the testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
January 22, 2024

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SINGLE AUDIT SECTION

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Sheridan County, Wyoming

Year Ended June 30, 2023

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Passed through Wyoming State Forestry Division				
Cooperative Forestry Assistance	10.664	19-DG-11020000-055	\$ -	\$ 24,558
Cooperative Forestry Assistance	10.664	20-DG-110-1600-021	-	650
			<u>-</u>	<u>25,208</u>
Total U.S. Department of Agriculture			<u>-</u>	<u>25,208</u>
U.S. Department of Justice				
Passed through Volunteers of America Northern Rockies				
Juvenile Justice and Delinquency Prevention	16.540	2018-JK-FX-K056	12,937	3,881
			<u>12,937</u>	<u>3,881</u>
Direct				
Bulletproof Vest Partnership Program	16.607	Unknown	-	1,968
			<u>-</u>	<u>1,968</u>
Total U.S. Department of Justice			<u>12,937</u>	<u>5,849</u>
U.S. Department of Transportation				
Passed through Wyoming Department of Transportation				
COVID-19 - Airport Improvement Program	20.106	ASH020A	-	778,255
Airport Improvement Program	20.106	ASH026A	-	1,940,835
Airport Improvement Program	20.106	ASH026D	-	17,944
Airport Improvement Program	20.106	ASH026C	-	840,482
Airport Improvement Program	20.106	ASH026E	-	905,837
COVID-19 - Airport Improvement Program	20.106	ASH024A	-	779,990
			<u>-</u>	<u>5,263,343</u>
<i>Highway Planning and Construction Cluster</i>				
Passed through Wyoming Department of Transportation				
Highway Planning and Construction	20.205	CM22406	-	324,800
Highway Planning and Construction	20.205	CD21408	-	15,187
Total <i>Highway Planning and Construction Cluster</i>			<u>-</u>	<u>339,987</u>
Passed through Wyoming Office of Homeland Security				
Interagency Hazardous Materials Public Sector				
Training and Planning Grants	20.703	20-DOT-SHE-HM-HMP20	-	11,466
			<u>-</u>	<u>11,466</u>
Total U.S. Department of Transportation			<u>-</u>	<u>5,614,796</u>

(Continued)

Sheridan County, Wyoming
Year Ended June 30, 2023

Schedule of Expenditures of Federal Awards (Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Treasury				
Direct				
COVID-19-Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ -	\$ 3,217,875
			-	3,217,875
Total U.S. Department of Treasury			-	3,217,875
U.S. Department of Health and Human Services				
Passed through Wyoming Department of Health				
Public Health Emergency Preparedness	93.069	CDC-RFA-TP18-1802	-	81,316
Public Health Emergency Preparedness	93.069	Unknown	-	9,600
Public Health Emergency Preparedness	93.069	CDC-RFA-TP18-1802	-	6,700
			-	97,616
Passed through Wyoming Department of Health Substance Abuse and Mental Health Services Projects of Regional and National Significance				
	93.243	223159	-	31,551
			-	31,551
Passed through Wyoming Department of Health Public Health Division				
COVID-19-Immunization Cooperative Agreements	93.268	219115	-	70,801
			-	70,801
Passed through Wyoming Department of Health COVID-19-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)				
	93.323	219092	-	18,415
COVID-19-Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)				
	93.323	Unknown	-	-
			-	18,415
Passed through Wyoming Department of Health COVID-19-Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				
	93.354	Unknown	-	-
			-	-
Passed through Wyoming Department of Health National and State Tobacco Control Program				
	93.387	223159	-	21,673
			-	21,673
Passed through Wyoming Department of Health Temporary Assistance for Needy Families				
	93.558	225901	-	33,007
Passed through Wyoming Department of Family Services Temporary Assistance for Needy Families				
	93.558	215771	25,530	25,530
Temporary Assistance for Needy Families	93.558	Unknown	-	-
			25,530	58,537

(Continued)

Sheridan County, Wyoming
Year Ended June 30, 2023

Schedule of Expenditures of Federal Awards (Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (Continued)				
Passed through Wyoming Department of Health				
Community Services Block Grant	93.569	209824	\$ 176,389	\$ 176,389
Community Services Block Grant	93.569	226352	13,011	13,011
COVID-19-Community Services Block Grant	93.569	209825	6,833	6,833
COVID-19-Community Services Block Grant	93.569	205542	45,319	45,319
			<u>241,552</u>	<u>241,552</u>
Passed through Wyoming Department of Health				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	223159	-	35,596
			<u>-</u>	<u>35,596</u>
Total U.S. Department of Health and Human Services			<u>267,082</u>	<u>575,741</u>
Office of Homeland Security				
Passed through Wyoming Office of Homeland Security				
Emergency Management Performance Grants	97.042	22-DOT-SHE-HMP5	-	2,750
Emergency Management Performance Grants	97.042	21-EMPG-SHE-GCF21	-	7,168
			<u>-</u>	<u>9,918</u>
Passed through Wyoming Department of Health				
Homeland Security Grant Program	97.067	22-SHSP-SHE-IIS	-	13,785
Homeland Security Grant Program	97.067	22-SHSP-SHE-AET	-	123,092
Homeland Security Grant Program	97.067	HS-22-EMPG-SHE-GCF22	-	40,846
Homeland Security Grant Program	97.067	21-SHSP-SHE-INT	-	2,213
			<u>-</u>	<u>179,936</u>
Total Office of Homeland Security			<u>-</u>	<u>189,854</u>
Total Expenditures of Federal Awards			<u>\$ 280,019</u>	<u>\$ 9,629,323</u>

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Sheridan County, Wyoming under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Sheridan County, Wyoming, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Sheridan County, Wyoming.

Sheridan County's basic financial statements include the operations of the Memorial Hospital of Sheridan County, which expended \$2,254,040 in federal awards which is not included in Sheridan County, Wyoming's schedule of expenditures of federal awards during the year ended June 30, 2023. Our compliance audit, described in the "Opinion on Each Major Federal Program" does not include the operations of the Memorial Hospital of Sheridan County because the component unit releases its own audited compliance reports.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

Sheridan County, Wyoming does not draw for indirect administrative expenses and has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 4. Payment in Lieu of Taxes – Assistance Listing Number 15.226

To compensate local taxing units for the loss of taxes from Federally-owned and acquired lands, the Office of the Secretary, Department of the Interior makes direct payments to local governments that lost real property taxes because the jurisdiction contains eligible acres of PILT entitlement land under public law 97-258, as amended, 31 U.S.C. 6901-6907. Payments are unrestricted as to use by local governments and the program is excluded from coverage under Uniform Guidance. Consequently, the program has been excluded from the Schedule of Expenditures of Federal Awards and the determination of major programs as there is no expenditure or other requirements for the entitlement program. During the fiscal year ended June 30, 2023, the County recognized \$1,190,933 of PILT entitlement as income.

***REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE***

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Sheridan County, Wyoming

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Sheridan County, Wyoming's 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 Sheridan County, Wyoming's major federal programs for the year ended June 30, 2023. Sheridan County, Wyoming's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Sheridan County, Wyoming complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on 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 Auditor's Responsibilities for the Audit of Compliance section of our report.



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We are required to be independent of Sheridan County, Wyoming 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 Sheridan County, Wyoming's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

Sheridan County's basic financial statements include the operations of the Sheridan County Memorial Hospital, which expended \$2,254,040 in federal awards which is not included in Sheridan County's schedule of expenditures of federal awards during the year ended June 30, 2023. Our audit, described below, did not include the operations of Sheridan County Memorial Hospital because the Memorial Hospital was engaged with other auditors to perform an audit of compliance.

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 Sheridan County, Wyoming'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 Sheridan County, Wyoming'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 Sheridan County, Wyoming'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 Sheridan County, Wyoming'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 Sheridan County, Wyoming'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 Sheridan County, Wyoming'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

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 and therefore, material weakness or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that the 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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 purposes.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
January 22, 2024

Schedule of Findings and Questioned Costs

Section I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? No

Significant deficiencies identified? Yes

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? No

(Continued)

Schedule of Findings and Questioned Costs (Continued)

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

Significant Deficiencies in Internal Control over Compliance

2023-001 - Procurement, Suspension and Debarment

Program: Coronavirus State and Local Fiscal Recovery Funds

Federal Assistance Listing No: 21.027

Federal Agency: U.S. Department of Treasury

Federal Award Identification Number: None

Year: 2023

Direct

Criteria or Specific Requirement

Suspension and Debarment – Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services that are expected to equal or exceed \$25,000. When a non-federal entity enters into a covered transaction, the non-federal entity must verify that the entity or person is not suspended or debarred. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at SAM.gov, (2) collecting a certification from the entity or person, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300). The non-federal entity must have internal controls designed and operating to ensure compliance with the suspension and debarment requirements.

Condition

Internal controls over entering into several transactions with a suspended or debarred party were not followed on an applicable purchase. Sheridan County’s (the “County”) management indicated that a search on SAM was not performed and retained and suspension and debarment language was not appropriately included in contracts exceeding \$25,000.

Cause

The County’s grant personnel advised that the absence of SAM search documentation was missed during their review of the grant documentation, as well as suspension and debarment language from the contracts for services.

Effect or Potential Effect

Without full compliance with the requirements for procurement, suspension and debarment, the County could be required to repay all amounts expended for these purchases.

Schedule of Findings and Questioned Costs (Continued)

Section III. Federal Award Findings and Questioned Costs (Continued)

Significant Deficiencies in Internal Control over Compliance (Continued)

2023-001 - Procurement, Suspension and Debarment (Continued)

Questioned Costs

None identified.

Context

The County had four contracts subject to the suspension and debarment compliance requirement. The District did not retain SAM search results to document compliance with verification that the contractor was not suspended or debarred prior to entering into the contract and suspension and debarment language did not exist in the contracts.

Identification of a Repeat Finding

No

Recommendation

We recommend the County review its policies and procedures to ensure compliance with suspension and debarment compliance requirement is documented. The County may consider collecting a certification from the entity or adding a clause or condition to the covered transaction with that entity. Additionally, the County may consider developing a checklist to make sure all required documentation is maintained in the grant file.

Views of Responsible Officials

Sheridan County will modify its template contract used for these types of transactions to include a certification of compliance related to suspension and debarment from the person or entity, so that each contract entered into in the future will be compliant. See Corrective Action Plan



BOARD OF COUNTY COMMISSIONERS

CHRISTI HASWELL • TOM RINGLEY • NICK SIDDLE • HOLLY JENNINGS • LONNIE WRIGHT

Schedule of Prior Year Audit Findings

There were no audit findings for the year ended June 30, 2022.

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BOARD OF COUNTY COMMISSIONERS

CHRISTI HASWELL • TOM RINGLEY • NICK SIDDLE • HOLLY JENNINGS • LONNIE WRIGHT

Section III. Federal Award Findings and Questioned Costs

Significant Deficiencies in Internal Control over Compliance

2023-001 – Procurement, Suspension and Debarment

Corrective Actions – Sheridan County

Issue:

Suspension and Debarment – Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. “Covered transactions” include contracts for goods and services that are expected to equal or exceed \$25,000. When a nonfederal entity enters into a covered transaction, the non-federal entity must verify that the entity or person is not suspended or debarred. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at SAM.gov, (2) collecting a certification from the entity or person, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300). The non-federal entity must have internal controls designed and operating to ensure compliance with the suspension and debarment requirements.

Corrective Action:

1. All Sheridan County contracts will be reviewed by the Sheridan County Deputy Attorney.
2. Suspension and debarment language, including required lower tier transaction verification requirements shall be added to all Sheridan County contracts which are funded through Federal Awards as follows:
 - a. Suspension and Debarment, Voluntary Exclusion. By signing this Contract, _____ certifies that it is not suspended, debarred, or voluntarily excluded from Federal financial or non-financial assistance, nor are any of the participants involved in the execution of this Contract suspended, debarred, or voluntarily excluded. Further, _____ agrees to notify Sheridan County by certified mail should _____ or any of its agents or subcontractors working on this project become debarred, suspended or voluntarily excluded during the term of this Contract.
3. Sheridan County Administrative Director will conduct a search of the System for Award Management (SAM) to determine if the bidding entity has been suspended or debarred from participating in Federal award contracts. A copy of the SAM certification will be required from contractors prior to final County award of contract.

Implementation of Corrective Action:

Corrective action will be implemented for all federal contract awards initiated immediately after the completion of the 2023 County audit.