

SHERIDAN COUNTY,
WYOMING

Financial and Compliance Report

June 30, 2021





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WYOMING**

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Sheridan County, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sheridan County, Wyoming, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Sheridan County, Wyoming's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Memorial Hospital of Sheridan County, which represents 90 percent, 89 percent, and 85 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Memorial Hospital of Sheridan County, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sheridan County, Wyoming, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, infrastructure assets reported using the modified approach, budgetary comparison information, pension schedules, and the schedule of changes in the County's total OPEB liability and related ratios as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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 the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, procedures performed 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 3, 2022, on our consideration of Sheridan County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheridan County, Wyoming's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Sheridan County, Wyoming's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
January 3, 2022

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

This section of the Sheridan County, Wyoming's annual financial report presents our discussion and analysis of financial performance during the fiscal year ended June 30, 2021. The selected financial data presented was derived from the financial statements of the County, which were audited by Porter, Muirhead, Cornia & Howard, Certified Public Accountants. The Independent Auditor's Report, financial statements and accompanying notes and supplementary information should be read in conjunction with the following discussion.

Financial Highlights

Sheridan County's total assets and deferred outflows exceeded liabilities and deferred inflows of resources, as of June 30, 2021, by \$84,611,256 (net position). Of this amount \$9,623,360 (unrestricted net position) may be used to meet ongoing obligations, and \$69,545,579 is invested in capital assets, net of related debt.

As of June 30, 2021, the County's governmental funds reported combined fund balances of \$20,951,284. Unassigned fund balance of the combined fund balance was \$2,440,133.

The fund balance for the general fund was \$15,514,231 as of June 30, 2021, with an unassigned fund balance of \$2,440,133.

The County participates in the Public Employees' Pension Plan and Law Enforcement Pension Plan, statewide cost-sharing multiple-employer public employee retirement plans administered by the State of Wyoming Retirement System. Implementation of GASB 68 and 71 in fiscal year 2015 required the County to record its proportional share of the overall plan's net unfunded liability. This resulted in reporting a net pension liability of \$6,869,902 and \$7,442,872 as of June 30, 2021 and 2020, 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 basic financial statements. In general, the purpose of the financial reporting is to provide external parties that read financial statements with information that will help them to make decisions or draw conclusions about an entity. These parties do not always have the same specific objectives. In order to address the needs of as many parties as reasonably possible the County's annual report, in accordance with required reporting standards, consists of five components 1) management's discussion and analysis (this section); 2) government - wide financial statements; 3) fund financial statements, 4) discretely presented component units, and 5) notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

**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 at the bottom of the balance sheet reconciling the total fund balances to the amount of net position reported in the statement of net position. Also, there is an analysis at the bottom of the statement of revenues, expenditures, and changes in fund balances that reconciles to the change in net position presented in the government - wide statement of activities.

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

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

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

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

**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 \$84,611,256. By far the largest portion of the County's net position (82%) 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 \$2,130,190 in outstanding debt related to its capital assets. The unrestricted net position of \$9,623,360 (11%) 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, 2021 was as follows:

	2021	Variance	2020
ASSETS			
Current assets	\$ 32,188,050	\$ 5,795,916	\$ 26,392,134
Capital assets, net of accumulated depreciation	55,220,098	1,675,240	53,544,858
Total assets	<u>87,408,148</u>	<u>7,471,156</u>	<u>79,936,992</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>2,586,206</u>	<u>(1,123,089)</u>	<u>3,709,295</u>
LIABILITIES			
Current liabilities	4,119,857	1,822,855	2,297,002
Due in more than one year	642,788	(251,480)	894,268
Net pension liability	6,429,035	(531,906)	6,960,941
OPEB liability	589,204	121,028	468,176
Total liabilities	<u>11,780,884</u>	<u>1,160,497</u>	<u>10,620,387</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>9,746,819</u>	<u>(73,362)</u>	<u>9,820,181</u>
NET POSITION			
Net investments in capital assets	54,739,908	1,891,060	52,848,848
Restricted	5,442,317	683,213	4,759,104
Unrestricted	8,284,426	2,686,659	5,597,767
Total net position	<u>\$ 68,466,651</u>	<u>\$ 5,260,932</u>	<u>\$ 63,205,719</u>

The County's net position for the business-type activities as of June 30, 2021 was as follows:

	2021	Variance	2020
ASSETS			
Current assets	\$ 2,116,299	\$ 850,738	\$ 1,265,561
Capital assets, net of accumulated depreciation	16,455,671	(1,309,770)	17,765,441
Total assets	<u>18,571,970</u>	<u>(459,032)</u>	<u>19,031,002</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>96,638</u>	<u>(96,836)</u>	<u>193,474</u>
LIABILITIES			
Current liabilities	229,103	35,410	193,693
Due in more than one year	1,520,285	(170,744)	1,691,029
Net pension liability	440,867	(41,064)	481,931
OPEB liability	42,086	14,809	27,277
Total liabilities	<u>2,232,341</u>	<u>(161,589)</u>	<u>2,393,930</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>291,662</u>	<u>(19,390)</u>	<u>311,052</u>
NET POSITION			
Net investments in capital assets	14,805,671	(1,159,770)	15,965,441
Unrestricted	1,338,934	784,881	554,053
Total net position	<u>\$ 16,144,605</u>	<u>\$ (374,889)</u>	<u>\$ 16,519,494</u>

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

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

Revenues	2021	Percentage	2020	Percentage	Variance
General					
Taxes	\$ 17,770,602	68.05%	\$ 16,962,719	75.02%	\$ 807,883
Payments in lieu of taxes	1,103,816	4.24%	1,095,424	4.85%	8,392
Investment income	89,495	0.34%	157,659	0.70%	(68,164)
Miscellaneous revenue	197,052	0.75%	128,500	0.57%	68,552
Other grants and contributions	703,040	2.69%	745,533	3.30%	(42,493)
Program Revenues					
Charges for services	1,852,723	7.09%	1,537,699	6.80%	315,024
Operating grants and contributions	4,052,948	15.52%	1,390,452	6.15%	2,662,496
Capital grants contributions	346,663	1.33%	589,038	2.61%	(242,375)
Total revenues	<u>26,116,339</u>	<u>100.00%</u>	<u>22,607,024</u>	<u>100.00%</u>	<u>3,509,315</u>
Expenses					
General government	10,072,737	48.89%	9,845,251	47.08%	227,486
Public safety	5,486,155	26.61%	5,729,138	27.40%	(242,983)
Public works	2,069,964	10.04%	2,061,530	9.86%	8,434
Health, welfare, and recreation	1,530,879	7.43%	1,528,303	7.31%	2,576
Conservation of natural resources	164,948	0.80%	129,609	0.62%	35,339
Capital outlay	1,268,773	6.16%	1,574,826	7.53%	(306,053)
Interest on long-term debt	14,263	0.07%	43,478	0.21%	(29,215)
Total expenses	<u>20,607,719</u>	<u>100.00%</u>	<u>20,912,135</u>	<u>100.00%</u>	<u>(304,416)</u>
Excess of revenue over expenses before transfers	5,508,620		1,694,889		3,813,731
Transfers in (out)	<u>(247,688)</u>		<u>229,991</u>		<u>(477,679)</u>
Changes in net position	5,260,932		1,924,880		<u>\$ 3,336,052</u>
Net position, beginning of year	<u>63,205,719</u>		<u>61,280,839</u>		
Net position, end of year	<u>\$ 68,466,651</u>		<u>\$ 63,205,719</u>		

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

**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:

	2021	Percentage	2020	Percentage	Variance
Revenues					
General					
Taxes	\$ 97,270	3.39%	\$ 78,362	1.91%	\$ 18,908
Investment income	2,754	0.10%	23,689	0.58%	(20,935)
Miscellaneous	-	0.00%	-	0.00%	-
Program Revenues					
Charges for services	681,104	23.76%	737,598	17.95%	(56,494)
Operating grants and contributions	542,083	18.92%	1,279,434	31.13%	(737,351)
Capital grants and contributions	1,543,586	53.84%	1,990,418	48.43%	(446,832)
Total revenues	<u>2,866,797</u>	<u>100.00%</u>	<u>4,109,501</u>	<u>100.00%</u>	<u>(1,242,704)</u>
Expenses					
County Airport	3,489,374	100.00%	2,741,096	100.00%	748,278
Total expenses	<u>3,489,374</u>	<u>100.00%</u>	<u>2,741,096</u>	<u>100.00%</u>	<u>748,278</u>
Excess (deficiency) of revenue over expenses before transfers	(622,577)		1,368,405		(1,990,982)
Transfer in (out)	247,688		(229,991)		477,679
Changes in net position	<u>(374,889)</u>		<u>1,138,414</u>		<u>\$ (1,513,303)</u>
Net position, beginning of year	16,519,494		15,381,080		
Net position, end of year	<u>\$ 16,144,605</u>		<u>\$ 16,519,494</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, 2021, the County's governmental funds reported combined fund balances of \$20,951,284.

The General Fund is the main operating fund of the County. As of June 30, 2021, the total fund balance was \$15,514,231 while the unassigned General Fund balance was \$2,440,133.

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, 2021, the Capital Facilities Tax Fund shows a fund balance of \$2,746,409.

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, 2021, the County's Road Construction Fund shows a fund balance of \$2,690,644.

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

Revenues for governmental funds were approximately \$26.1 million for the fiscal year ended June 30, 2021. The following schedule presents revenues by source.

Revenues	2021	Percentage	2020	Percentage	Variance
Taxes	\$ 10,307,101	39.37%	\$ 9,486,585	41.08%	\$ 820,516
Licenses and permits	438,181	1.67%	312,326	1.36%	125,855
Intergovernmental revenues	13,878,323	53.01%	11,930,157	51.65%	1,948,166
Charges for services	1,396,716	5.33%	1,124,305	4.87%	272,411
Investment income	97,079	0.37%	150,079	0.65%	(53,000)
Miscellaneous revenues	64,592	0.24%	92,853	0.40%	(28,261)
Total revenues	\$ 26,181,992	100.00%	\$ 23,096,305	100.00%	\$ 3,085,687

Expenditures for governmental funds were approximately \$22.2 million for fiscal year 2021.

The following schedule presents expenditures by activities.

	2021	Percentage	2020	Percentage	Variance
Current					
General government	\$ 8,361,749	37.57%	\$ 8,327,817	39.83%	\$ 33,932
Public safety	5,184,608	23.29%	5,111,259	24.44%	73,349
Public works	1,825,427	8.20%	1,768,904	8.46%	56,523
Health, welfare and recreation	2,200,499	9.88%	1,491,185	7.13%	709,314
Conservation of natural resources	163,404	0.73%	122,196	0.58%	41,208
Debt Service					
Principal	215,820	0.97%	893,468	4.27%	(677,648)
Interest	14,263	0.06%	43,478	0.21%	(29,215)
Capital outlay	4,297,545	19.30%	3,152,927	15.08%	1,144,618
Total expenditures	\$ 22,263,315	100.00%	\$ 20,911,234	100.00%	\$ 1,352,081

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, 2021 were approximately \$55.2 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 less than 1 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	36,992,362	1,524,604	-	38,516,966
Construction in progress	614,293	2,485,802	1,524,604	1,575,491
Total capital assets not being depreciated	<u>38,569,972</u>	<u>4,010,406</u>	<u>1,524,604</u>	<u>41,055,774</u>
Capital assets being depreciated				
Land improvements	815,568	-	-	815,568
Buildings and building improvements	27,321,088	30,784	-	27,351,872
Equipment	5,872,294	295,845	120,234	6,047,905
Furnishings, computer equipment and software	2,679,218	68,347	12,863	2,734,702
Vehicles	1,387,431	186,568	114,185	1,459,814
Total capital assets being depreciated	<u>38,075,599</u>	<u>581,544</u>	<u>247,282</u>	<u>38,409,860</u>
Less accumulated depreciation for				
Land improvements	687,135	13,783	-	700,918
Buildings and building improvements	13,728,919	853,944	-	14,582,863
Equipment	5,052,053	339,179	120,234	5,270,998
Furnishings, computer equipment and software	2,549,720	41,049	12,863	2,577,906
Vehicles	1,082,886	144,150	114,185	1,112,851
Total accumulated depreciation	<u>23,100,713</u>	<u>1,392,105</u>	<u>247,282</u>	<u>24,245,536</u>
Total capital assets being depreciated, net	<u>14,974,886</u>	<u>(810,561)</u>	<u>-</u>	<u>14,164,324</u>
Governmental activities, capital assets, net	<u>\$ 53,544,858</u>	<u>\$ 3,199,845</u>	<u>\$ 1,524,604</u>	<u>\$ 55,220,098</u>

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

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

- County Road Projects
- Construction in progress as of the end of the current fiscal year was \$1,575,491 for Sheridan County.

This amount included \$415,113 for Courthouse improvements, \$1,018,579 for Library HVAC and Roof upgrades and \$141,796 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:

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>

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	40,661	37,628	16,680	61,609
Total capital assets not being depreciated	1,166,467	37,628	16,680	1,187,415
Capital assets being depreciated				
Buildings, building improvements and runways	47,782,354	118,002	-	47,900,356
Equipment	3,278,034	195,770	-	3,473,804
Total capital assets being depreciated	51,060,388	313,772	-	51,374,160
Less accumulated depreciation for				
Buildings, building improvements and runways	32,583,691	1,424,767	-	34,008,458
Equipment	1,877,723	219,723	-	2,097,446
Total accumulated depreciation	34,461,414	1,644,490	-	36,105,904
Total capital assets, being depreciated, net	16,598,974	(1,330,718)	-	15,268,256
Capital assets, net	\$ 17,765,441	\$ (1,293,090)	\$ 16,680	\$ 16,455,671

Additional information on the Sheridan County's capital assets can be found in Note 5 of this report.

Budget information

The Board of County Commissioners developed the FY22 Budget with the following assumptions: there would be an expectation of FY22 PILT and SRS funding; state revenues would be the same as the prior fiscal year; local revenues would be the same as the prior fiscal year; WY Retirement contributions would increase on the Public Employee Plan, health insurance benefit cost remain the same as the prior year, other benefit costs would not increase; employee compensation would increase, staff levels would increase in several areas, 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 four amendments to the fiscal year budget. Amendment #1 was to correct a typo in the Capital Facilities Budget for the CMAQ grant; no GL entries were made. Amendment #2 included transfers in the general fund grant department for unanticipated grant expenses in the amount of \$2,370,100.09 and unanticipated grant revenue in the amount of \$3,856,678.09. Amendment #2 included general fund revenues, grant department, county attorney's office, administration department, capital budget, the 1% optional fund, the capital facilities road fund, SCRF fund, and the employee health benefit plan fund. Amendment #3 included adjustments in operating expenses in the general fund to appropriate \$3,560,176 in unanticipated grant expenses and grant revenues respectively, In addition, adjustments were made in operating expenses of \$6,000 for the county attorney, \$11,800 for the administration department, and \$850,000 for the capital department. General fund revenue was adjusted by \$1,580,000 for unanticipated revenues. Adjustments were made in the 1% optional tax budget to appropriate \$575,000 in revenue; \$580,000 in capital facilities tax revenue; \$170,000 in SCRF revenue; and \$227,000 in unanticipated expenses in the employee health benefit plan fund. Amendment #4 included unanticipated revenues and expenses in the 1% optional fund of \$615,000, respectively.

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

Economic Factors and Next Year's Budget and Rates

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

COVID-19

COVID-19 (the Pandemic) is an ongoing situation. At this time the County cannot determine the duration of the Pandemic or the overall impact that the Pandemic, including the federal and state responses thereto, will have on its programs and operation. However, the continuation of the Pandemic and the resulting containment and mitigation efforts could have a material adverse effect on the County, its programs and operations.

Long-term Debt

At the end of the current fiscal year, Sheridan County had debt of \$376,175 from a note payable and \$1,650,000 from Airport Revenue Bonds. These funds have been used to finance the Sheridan County Detention Facility and improvements at the Airport. As of June 30, 2021, Sheridan County had outstanding capital leases of \$104,015 which represent the remaining amounts due on equipment purchases. The County also has long-term debt related to the incurred but not reported health claims, reclamation liabilities, OPEB, and amounts due to employees for accrued compensated absences.

In the fiscal year 2015, the County implemented GASB 68 and 71 and recorded its proportional share of the State of Wyoming Retirement System plan's net position, the statewide cost-sharing multiple-employer public employee retirement plan. This resulted in recording a net pension liability of \$6,869,902 and 7,442,872 as of June 30, 2021 and 2020, 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.



**BASIC
FINANCIAL
STATEMENTS**

Statement of Net Position

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		Total
ASSETS				
Cash and cash equivalents	\$ 17,216,051	\$ 221,790	\$ 17,437,841	\$ 18,815,182
Restricted cash and cash equivalents	499,053	-	499,053	200,652
Investments	6,101,783	1,469,384	7,571,167	1,093,329
Property taxes receivable, net	6,057,601	-	6,057,601	223,195
Accounts receivable, net	283,024	36,550	319,574	14,145,822
Other receivables	-	-	-	155,936
Pledges receivable	-	-	-	721,831
Estimated third-party payor settlement	-	-	-	273,000
Due from other governments	2,025,802	108,433	2,134,235	-
Due from custodial fund	-	-	-	42,943
Prepaid expenses	-	-	-	-
and other current assets	-	-	-	1,922,150
Inventory	4,736	-	4,736	4,457,732
Investments, long-term	-	-	-	18,070,873
Restricted investments, long-term	-	280,142	280,142	13,639,952
Capital assets not being depreciated	41,055,774	1,187,415	42,243,189	940,037
Capital assets, net of accumulated depreciation	14,164,324	15,268,256	29,432,580	58,846,690
Other assets, long-term	-	-	-	3,118,774
	<u>87,408,148</u>	<u>18,571,970</u>	<u>105,980,118</u>	<u>136,668,098</u>
Total assets				
DEFERRED OUTFLOWS OF RESOURCES				
Pension items	2,502,866	87,292	2,590,158	303,756
OPEB items	83,340	9,346	92,686	23,055
	<u>2,586,206</u>	<u>96,638</u>	<u>2,682,844</u>	<u>326,811</u>
Total deferred outflows of resources				(Continued)

Sheridan County, Wyoming
June 30, 2021
Statement of Net Position (Continued)

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units Total
LIABILITIES				
Accounts payable and other liabilities	\$ 1,089,622	\$ 54,103	\$ 1,143,725	\$ 10,930,893
Due to other governments	20,021	-	20,021	-
Unearned revenue	2,489,404	-	2,489,404	10,533,898
Noncurrent liabilities				
Due within one year:				
Bonds, notes, leases, compensated absences, and other	520,810	175,000	695,810	1,470,169
Due in more than one year:				
Bonds, notes, leases, compensated absences, and other	642,788	1,520,285	2,163,073	7,277,631
Net pension liability	6,429,035	440,867	6,869,902	1,292,957
OPEB liability	589,204	42,086	631,290	105,215
Total liabilities	<u>11,780,884</u>	<u>2,232,341</u>	<u>14,013,225</u>	<u>31,610,763</u>
DEFERRED INFLOWS OF RESOURCES				
Pension items	3,523,251	280,887	3,804,138	503,040
OPEB items	329,625	10,775	340,400	66,644
Unavailable revenue - property taxes	5,893,943	-	5,893,943	-
Total deferred inflows of resources	<u>9,746,819</u>	<u>291,662</u>	<u>10,038,481</u>	<u>569,684</u>
NET POSITION				
Net investment in capital assets	54,739,908	14,805,671	69,545,579	50,520,014
Restricted by				
Voters resolution	2,741,673	-	2,741,673	-
State statutes	2,700,644	-	2,700,644	-
Donors	-	-	-	13,078,934
Nonexpendable	-	-	-	2,850,644
Unrestricted	8,284,426	1,338,934	9,623,360	38,364,870
Total net position	<u>\$ 68,466,651</u>	<u>\$ 16,144,605</u>	<u>\$ 84,611,256</u>	<u>\$ 104,814,462</u>

Sheridan County, Wyoming
Year Ended June 30, 2020
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	\$ 10,072,737	\$ 1,218,175	\$ 1,377,429	\$ -
Public safety	5,486,155	236,111	136,774	30,419
Public works	2,069,964	398,437	-	316,244
Health, welfare, and recreation	1,530,879	-	2,516,158	-
Conservation of natural resources	164,948	-	22,587	-
Capital outlay	1,268,773	-	-	-
Interest on long-term debt	14,263	-	-	-
Total governmental activities	<u>20,607,719</u>	<u>1,852,723</u>	<u>4,052,948</u>	<u>346,663</u>
Business-type activities				
Airport	3,489,374	681,104	542,083	1,543,586
Total primary government	<u>\$ 24,097,093</u>	<u>\$ 2,533,827</u>	<u>\$ 4,595,031</u>	<u>\$ 1,890,249</u>
Component units	<u>\$ 125,798,991</u>	<u>\$ 114,588,849</u>	<u>\$ 11,046,708</u>	<u>\$ 4,501,731</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		
		Miscellaneous revenue		
		Transfers		
		Total general revenues and transfers		
		Change in net position		
		Net position, beginning of year		
		Net position, end of year		

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business Type Activity	Total	Component Units Total
\$ (7,477,133)	\$ -	\$ (7,477,133)	\$ -
(5,082,851)	-	(5,082,851)	-
(1,355,283)	-	(1,355,283)	-
985,279	-	985,279	-
(142,361)	-	(142,361)	-
(1,268,773)	-	(1,268,773)	-
(14,263)	-	(14,263)	-
(14,355,385)	-	(14,355,385)	-
-	(722,601)	(722,601)	-
(14,355,385)	(722,601)	(15,077,986)	-
-	-	-	4,338,297
5,427,886	-	5,427,886	931,665
5,804,211	-	5,804,211	-
6,538,505	97,270	6,635,775	260,936
703,040	-	703,040	-
1,103,816	-	1,103,816	-
89,495	2,754	92,249	3,717,406
-	-	-	351,012
197,052	-	197,052	1,311,108
(247,688)	247,688	-	-
19,616,317	347,712	19,964,029	6,572,127
5,260,932	(374,889)	4,886,043	10,910,424
63,205,719	16,519,494	79,725,213	93,904,038
\$ 68,466,651	\$ 16,144,605	\$ 84,611,256	\$ 104,814,462

Balance Sheet -Governmental Funds

	General Fund	Capital Facilities Tax Fund	Road Construction Fund	Total
ASSETS				
Cash and cash equivalents	\$ 10,291,840	\$ 2,607,195	\$ 2,660,501	\$ 15,559,536
Restricted cash and cash equivalents	499,053	-	-	499,053
Investments	6,101,783	-	-	6,101,783
Property taxes receivable, net	6,057,601	-	-	6,057,601
Accounts receivable, net	233,665	-	-	233,665
Due from other governments	1,273,654	722,005	30,143	2,025,802
Due from other funds	294,135	-	-	294,135
Inventory	-	4,736	-	4,736
Total assets	<u>\$ 24,751,731</u>	<u>\$ 3,333,936</u>	<u>\$ 2,690,644</u>	<u>\$ 30,776,311</u>
LIABILITIES				
Accounts payable and other liabilities	\$ 747,879	\$ 293,392	\$ -	\$ 1,041,271
Due to other governments	20,021	-	-	20,021
Due to other funds	-	294,135	-	294,135
Unearned revenue	2,489,404	-	-	2,489,404
Total liabilities	<u>3,257,304</u>	<u>587,527</u>	<u>-</u>	<u>3,844,831</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	5,980,196	-	-	5,980,196
Total deferred inflows of resources	<u>5,980,196</u>	<u>-</u>	<u>-</u>	<u>5,980,196</u>
FUND BALANCES				
Nonspendable				
Inventory	-	4,736	-	4,736
Restricted by				
Voters resolution	-	2,741,673	-	2,741,673
State statutes	10,000	-	2,690,644	2,700,644
E911	103,638	-	-	103,638
Committed				
County resolutions	360,000	-	-	360,000
Assigned	12,600,460	-	-	12,600,460
Unassigned	2,440,133	-	-	2,440,133
Total fund balances	<u>15,514,231</u>	<u>2,746,409</u>	<u>2,690,644</u>	<u>20,951,284</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 24,751,731</u>	<u>\$ 3,333,936</u>	<u>\$ 2,690,644</u>	<u>\$ 30,776,311</u>

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

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

Total fund balances - governmental funds \$ 20,951,284

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund statements. As capital assets used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in the governmental funds. This is the total of capital assets reported in the government-wide statements. 55,220,098

Since the focus of governmental fund statements is on short-term financing, some assets will not be available to pay for current expenditures. Those assets are offset by deferred revenue in the governmental funds and are not included in the governmental fund balances.

Difference in unavailable revenue - property taxes	\$ 86,253	
Deferred outflows of resources - pension items	2,502,866	
Deferred outflows of resources - OPEB items	83,340	
Deferred inflows of resources - pension items	(3,523,251)	
Deferred inflows of resources - OPEB items	(329,625)	(1,180,417)

Long-term liabilities are not due and payable in the current period and, therefore, are not fully reported in the governmental funds.

Capital lease obligations	(104,015)	
Note payable to a bank	(376,175)	
Reclamation liability and royalty payments	(41,000)	
OPEB liability	(589,204)	
Compensated absences	(376,027)	
Net pension liability	(6,429,035)	(7,915,456)

An internal service fund is used by the County's management to charge cost of medical insurance to individual funds. It is reported as a proprietary fund. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position. 1,391,142

Net position of governmental activities \$ 68,466,651

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

	General Fund	Capital Facilities Tax Fund	Road Construction Fund	Total
Revenues				
Taxes	\$ 8,045,512	\$ 2,261,589	\$ -	\$ 10,307,101
Licenses and permits	438,181	-	-	438,181
Intergovernmental revenues	13,276,112	30,419	571,792	13,878,323
Charges for services	1,396,716	-	-	1,396,716
Investment income	75,367	11,404	10,308	97,079
Miscellaneous revenues	64,592	-	-	64,592
Total revenues	<u>23,296,480</u>	<u>2,303,412</u>	<u>582,100</u>	<u>26,181,992</u>
Expenditures				
Current				
General government	8,361,749	-	-	8,361,749
Public safety	5,184,608	-	-	5,184,608
Public works	1,825,427	-	-	1,825,427
Health, welfare, and recreation	2,200,499	-	-	2,200,499
Conservation of natural resources	163,404	-	-	163,404
Debt Service				
Principal	215,820	-	-	215,820
Interest	14,263	-	-	14,263
Capital outlay	2,093,984	2,203,561	-	4,297,545
Total expenditures	<u>20,059,754</u>	<u>2,203,561</u>	<u>-</u>	<u>22,263,315</u>
Excess of revenues over expenditures	<u>3,236,726</u>	<u>99,851</u>	<u>582,100</u>	<u>3,918,677</u>
Other financing sources (uses)				
Proceeds from sale of assets	22,173	-	-	22,173
Transfers in	294,135	293,758	-	587,893
Transfers out	(541,446)	(294,135)	-	(835,581)
Total other financing uses	<u>(225,138)</u>	<u>(377)</u>	<u>-</u>	<u>(225,515)</u>
Net change in fund balances	3,074,900	99,474	582,100	3,756,474
Fund balances, beginning of year	<u>12,439,331</u>	<u>2,646,935</u>	<u>2,108,544</u>	<u>17,194,810</u>
Fund balances, end of year	<u>\$ 15,514,231</u>	<u>\$ 2,746,409</u>	<u>\$ 2,690,644</u>	<u>\$ 20,951,284</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 \$ 3,756,474

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These changes are detailed as follows:

Fixed asset acquisitions expensed in governmental funds	\$ 3,067,346	
Depreciation expense for the year	(1,392,105)	1,675,241

Pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Pension plan items - deferred outflows - current year	2,502,866	
Pension plan items - deferred outflows - prior year	(3,693,338)	
OPEB items - deferred outflows - current year	83,340	
OPEB items - deferred outflows - prior year	(15,957)	
Pension plan items - deferred inflows - current year	(3,523,251)	
Pension plan items - deferred inflows - prior year	3,961,284	
OPEB items - deferred inflows - current year	(329,625)	
OPEB items - deferred inflows - prior year	400,459	(614,222)

The issuance of long-term debt (e.g., lease purchase obligations) provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the government-wide changes in net position. This is the net effect of these differences in the treatment of long term-debt, including compensated absences:

Principal payments on capital lease obligations	49,768	
Principal payment on a note payable to a bank	166,052	
Compensated absences - prior year	408,245	
Compensated absences - current year	(376,027)	
OPEB Liability - prior year	468,176	
OPEB Liability - current year	(589,204)	
Net pension liability - prior year	6,960,941	
Net pension liability - current year	(6,429,035)	658,916

An internal service fund is used by management to charge the costs of medical insurance to individual funds. The net income of certain activities of the internal service fund is reported with governmental activities (24,948)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Difference in unavailable revenue - property taxes - prior year	(276,782)	
Difference in unavailable revenue - property taxes - current year	86,253	(190,529)

Change in net position of governmental activities \$ 5,260,932

Statement of Net Position - Proprietary Funds

	Business-Type Activity Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Governmental Activity Internal Service Fund Sheridan County Health Benefit Plan Fund
ASSETS		
Cash and cash equivalents	\$ 221,790	\$ 1,656,516
Investments	1,469,384	-
Accounts receivable, net	36,550	49,359
Due from other governments	108,433	-
Restricted investments, long term	280,142	-
Capital assets not being depreciated	1,187,415	-
Capital assets being depreciated, net of accumulated depreciation	15,268,256	-
Total assets	18,571,970	1,705,875
DEFERRED OUTFLOW OF RESOURCES		
Pension items	87,292	-
OPEB items	9,346	-
Total deferred outflow of resources	96,638	-
LIABILITIES		
Current Liabilities		
Accounts payable and other liabilities	54,103	48,352
Incurred but not reported claims	-	266,381
Current maturity of bonds payable	175,000	-
Total current liabilities	229,103	314,733
Noncurrent Liabilities		
Bonds payable, net of current maturity	1,475,000	-
Compensated absences	45,285	-
Net pension liability	440,867	-
OPEB liability	42,086	-
Total long-term liabilities	2,003,238	-
DEFERRED INFLOW OF RESOURCES		
Pension Items	280,887	-
OPEB items	10,775	-
Total deferred inflows of resources	291,662	-
NET POSITION		
Net investment in capital assets	14,805,671	-
Unrestricted	1,338,934	1,391,142
Total net position	\$ 16,144,605	\$ 1,391,142

Sheridan County, Wyoming

Year Ended June 30, 2021

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

	Business-Type Activity Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Governmental Activity Internal Service Fund Sheridan County Health Benefit Plan Fund
Operating revenues		
Charges for services	\$ 681,104	\$ 2,467,917
Operating expenses		
Salaries and benefits	755,134	-
Operating expenses	1,043,305	625,482
Claims expenses, net of reinsurance reimbursements	-	1,871,774
Depreciation	1,644,490	-
Total operating expenses	<u>3,442,929</u>	<u>2,497,256</u>
Operating loss	<u>(2,761,825)</u>	<u>(29,339)</u>
Nonoperating revenues (expense)		
Gas taxes	22,481	-
Interest income	2,754	4,391
Interest expense	(46,445)	-
Grants	542,083	-
Passenger facility charges pledged as security for revenue bonds	74,792	-
Total nonoperating revenue	<u>595,665</u>	<u>4,391</u>
Loss before contributions and transfers	(2,166,160)	(24,948)
Capital contributions - grants	1,543,583	-
Transfers in	247,688	-
Change in net position	<u>(374,889)</u>	<u>(24,948)</u>
Net position, beginning of year	16,519,494	1,416,090
Net position, end of year	<u>\$ 16,144,605</u>	<u>\$ 1,391,142</u>

Sheridan County, Wyoming

Year Ended June 30, 2021

Statement of Cash Flows - Proprietary Funds

	Business-Type Activity Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Governmental Activity Internal Service Fund Sheridan County Health Benefit Plan Fund
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 665,272	\$ -
Payments to suppliers for goods and service	(1,033,810)	(2,534,245)
Payments to employees for services	(587,231)	-
Receipts from interfund services provided	-	2,467,917
Payments for interfund services used	(112,456)	-
Net cash used in operating activities	<u>(1,068,225)</u>	<u>(66,328)</u>
Cash Flows from Noncapital Financing Activities		
Passenger facility charges	74,792	-
Transfers from general fund	247,688	-
Gas tax revenue	22,481	-
Subsidy from state and federal grants	542,083	-
Net cash provided by noncapital financing activities	<u>887,044</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
State and federal capital grants	2,038,213	-
Principal payment on bonds payable	(150,000)	-
Interest paid on bonds and note payable	(45,530)	-
Purchases of property and equipment	(334,720)	-
Net cash provided by capital and related financing activities	<u>1,507,963</u>	<u>-</u>
Cash Flows from Investing Activities		
Interest received	9,428	4,391
Purchase of investments	(1,184,075)	-
Net cash provided by (used in) investing activities	<u>(1,174,647)</u>	<u>4,391</u>
Net increase (decrease) in cash and cash equivalents	<u>152,135</u>	<u>(61,937)</u>
Cash and cash equivalents, beginning of year	<u>69,655</u>	<u>1,718,453</u>
Cash and cash equivalents, end of year	<u>\$ 221,790</u>	<u>\$ 1,656,516</u>

(Continued)

Sheridan County, Wyoming

Year Ended June 30, 2021

Statement of Cash Flows - Proprietary Funds (Continued)

	Business-Type Activity Enterprise Fund Sheridan County Airport Fund (Total Enterprise Fund)	Governmental Activity Internal Service Fund Sheridan County Health Benefit Plan Fund
Reconciliation of operating loss to net cash used in operating activities		
Loss from operations	\$ (2,761,825)	\$ (29,339)
Adjustments to reconcile operating loss to cash used in operating activities		
Depreciation	1,644,490	-
Amortization - pension items	92,445	-
Amortization - OPEB items	(11,653)	-
Increase (decrease) in cash resulting from changes in operating assets and liabilities		
Accounts receivable	(15,832)	(26,879)
Deferred outflows - pension plan items	(3,346)	-
Accounts payable and accrued liabilities	9,495	(2,834)
Incurred but not reported claims	-	(7,276)
Compensated absences	4,256	-
Net pension liability	(41,064)	-
OPEB liability	14,809	-
Net cash used in operating activities	<u>\$ (1,068,225)</u>	<u>\$ (66,328)</u>
Cash paid for interest	\$ 45,530	\$ -

Sheridan County, Wyoming

June 30, 2021

Statement of Fiduciary Net Position - Fiduciary Fund

	<u>County Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ 2,800,180
Taxes receivable	1,859,339
Due from other governments	<u>1,140,242</u>
Total assets	<u>5,799,761</u>
LIABILITIES	
Due to component unit	42,943
Due to other governments	<u>3,130,396</u>
Total liabilities	<u>3,173,339</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes	<u>1,859,339</u>
Total deferred inflows of resources	<u>1,859,339</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>767,083</u>
	<u>\$ 767,083</u>

Sheridan County, Wyoming

June 30, 2021

Statement of Changes in Fiduciary Net Position - Fiduciary Fund

	<u>County Custodial Fund</u>
Additions	
Amounts received from inmates	\$ 87,272
Bond and judgement collections	702,610
Child support collections	1,351,114
Interest and dividends	5,195
Collection of taxes and fees for other governments	<u>34,825,159</u>
Total additions	<u>36,971,350</u>
Deductions	
Inmate payments for goods, services, and distributions	88,464
Child support distributions	1,351,114
Bond and judgement disbursements	716,309
Payments of taxes and fees to other governments and organizations	<u>35,122,078</u>
Total deductions	<u>37,277,965</u>
Net decrease in fiduciary net position	(306,615)
Net position, beginning of the year	-
Prior period adjustment	<u>1,073,698</u>
Net position, beginning of the year, as restated	<u>1,073,698</u>
Net position, end of the year	<u>\$ 767,083</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	\$ 1,559,798	\$ 614,958	\$ 1,438,294
Restricted cash - permanent endowment	-	-	200,652
Investments	-	-	1,093,329
Property taxes receivable, net	223,195	-	-
Accounts receivable, net	198,078	-	-
Other receivables	-	-	-
Pledge receivables	-	-	-
Estimated third party payor settlement	-	-	-
Due from custodial fund	42,943	-	-
Prepaid expenses and other current assets	-	-	-
Inventory	664,217	-	-
Investments, long-term	-	-	-
Investments, restricted by donors	-	-	2,106,590
Capital assets not being depreciated	-	-	940,037
Capital assets being depreciated, net of accumulated depreciation	733,358	1,431,904	2,995,097
Other assets, long-term	-	-	-
Total assets	<u>3,421,589</u>	<u>2,046,862</u>	<u>8,773,999</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	45,015	50,690	208,051
OPEB items	-	14,042	9,013
Total deferred inflows of resources	<u>45,015</u>	<u>64,732</u>	<u>217,064</u>
LIABILITIES			
Accounts payable and accrued liabilities	679,265	60	983
Unearned revenue	-	-	-
Noncurrent liabilities			
Due within one year			
Bonds, notes, leases, compensated absences, and other	-	-	-
Due in more than one year			
Bonds, notes, leases, compensated absences, and other	13,955	13,671	42,355
Net pension liability	208,183	224,225	860,549
OPEB Liability	-	49,100	56,115
Total liabilities	<u>901,403</u>	<u>287,056</u>	<u>960,002</u>
DEFERRED INFLOWS OF RESOURCES			
Pension items	79,253	92,605	331,182
OPEB items	-	10,978	55,666
Total deferred inflows of resources	<u>79,253</u>	<u>103,583</u>	<u>386,848</u>
NET POSITION			
Net investment in capital assets	733,358	1,431,904	3,863,558
Restricted for operations and capital acquisitions	-	-	-
Restricted, nonexpendable permanent endowments	-	-	1,793,137
Unrestricted	1,752,590	289,051	1,987,518
Total net position	<u>\$ 2,485,948</u>	<u>\$ 1,720,955</u>	<u>\$ 7,644,213</u>

Memorial Hospital of Sheridan County	Total
\$ 15,202,132	\$ 18,815,182
-	200,652
-	1,093,329
-	223,195
13,947,744	14,145,822
155,936	155,936
721,831	721,831
273,000	273,000
-	42,943
1,922,150	1,922,150
3,793,515	4,457,732
18,070,873	18,070,873
11,533,362	13,639,952
-	940,037
53,686,331	58,846,690
3,118,774	3,118,774
<u>122,425,648</u>	<u>136,668,098</u>
-	303,756
-	23,055
<u>-</u>	<u>326,811</u>
10,250,585	10,930,893
10,533,898	10,533,898
1,470,169	1,470,169
7,207,650	7,277,631
-	1,292,957
-	105,215
<u>29,462,302</u>	<u>31,610,763</u>
-	503,040
-	66,644
<u>-</u>	<u>569,684</u>
44,491,194	50,520,014
13,078,934	13,078,934
1,057,507	2,850,644
34,335,711	38,364,870
<u>\$ 92,963,346</u>	<u>\$ 104,814,462</u>

Sheridan County, Wyoming

Year Ended June 30, 2021

Combining Statement of Activities - Discretely Presented Component Units

Component Units	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Weed and Pest Control District	\$ 1,742,574	\$ 740,822	\$ 169,015	\$ -
Sheridan County Fair	564,534	43,094	404,685	-
Sheridan County Public Library	1,620,954	22,837	1,453,547	-
Memorial Hospital of Sheridan County	121,870,929	113,782,096	9,019,461	4,501,731
	<u>\$ 125,798,991</u>	<u>\$ 114,588,849</u>	<u>\$ 11,046,708</u>	<u>\$ 4,501,731</u>
		General Revenues		
		Property taxes		
		Other taxes		
		Miscellaneous		
		Contributions to an endowment		
		Unrestricted investment income		
		Total general revenues		
		Change in net position		
		Net position, beginning of year		
		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
\$ (832,737)	\$ -	\$ -	\$ -	\$ (832,737)
-	(116,755)	-	-	(116,755)
-	-	(144,570)	-	(144,570)
-	-	-	5,432,359	5,432,359
<u>(832,737)</u>	<u>(116,755)</u>	<u>(144,570)</u>	<u>5,432,359</u>	<u>4,338,297</u>
931,665	-	-	-	931,665
260,936	-	-	-	260,936
-	-	472	1,310,636	1,311,108
-	-	351,012	-	351,012
7,089	60	684,293	3,025,964	3,717,406
<u>1,199,690</u>	<u>60</u>	<u>1,035,777</u>	<u>4,336,600</u>	<u>6,572,127</u>
366,953	(116,695)	891,207	9,768,959	10,910,424
<u>2,118,995</u>	<u>1,837,650</u>	<u>6,753,006</u>	<u>83,194,387</u>	<u>93,904,038</u>
<u>\$ 2,485,948</u>	<u>\$ 1,720,955</u>	<u>\$ 7,644,213</u>	<u>\$ 92,963,346</u>	<u>\$ 104,814,462</u>

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 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. The Memorial Hospital of Sheridan County issues separate financial statements.

Other Entities

Under criteria established by Government 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.
- Sheridan Juvenile Justice Commission Joint Powers Board. This Board does not qualify as a component unit of any primary government.

Government-Wide and Fund Financial Statements

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

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

Government-Wide and Fund Financial Statements (Continued)

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

The government reports the following major governmental funds:

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

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

Road Construction Fund is a capital project fund and is used to account for the acquisition and construction of major capital projects.

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 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 and highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

The County's cash activity is accounted for in pooled cash accounts. The accounting records for each applicable fund reflects its portion of the pooled cash or its actual cash balance.

Restricted Cash and Cash Equivalents

Restricted cash consists of cash held by the County for the Landfill of \$360,000. Additionally the County has restricted cash of \$129,804 for Enhanced Emergency 911 and \$9,249 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. Among the authorized investments are certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, repurchase agreements involving U.S. Government securities, and authorized government investment pools. WYO-STAR is an authorized government investment pool offered exclusively to Wyoming governmental entities by Wyoming State Treasurer's Office. The value of the County's investments in WYO-STAR equals the value of its WYO-STAR shares. Each participant's position in the WYO-STAR investment pool is calculated by the proportion of the cost of their contribution to the total funds invested in the pool multiplied by the pool's total fair value as of any specific date. The non-profit foundation component units of the Library and Memorial Hospital of Sheridan County, have their own investment policies which allow investments in mutual funds, corporate bonds, and equities as they are not governed by Wyoming Statute §9-4-831.

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 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.

The Memorial Hospital of Sheridan County provides an allowance for uncollectible accounts based on 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, 2021 the Hospital's allowance for uncollectible accounts was approximately \$8,162,000.

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.

Restricted Nonexpendable Net Position

Restricted nonexpendable net position as of June 30, 2021 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.

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. Infrastructure assets include roads, bridges, culverts, and signs. The County's capitalization level for buildings, improvements, equipment, vehicles, furniture and fixtures is \$5,000. The County's capitalization level for infrastructure assets is \$100,000.

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

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 2021.

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

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

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.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Property taxes are levied on or about August 1, and are due in two installments. The first becomes due on September 1 and delinquent on November 10; the second becomes due on March 1 and delinquent on May 11. The County's property tax revenues are recognized when levied to the extent that they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period. Property taxes which are not current receivables are offset by deferred revenues on the fund financials, but are reported on the government-wide financial statements as revenues and receivables, with no amount being deferred. Property taxes receivable are recognized as of the lien date; however, revenue is not recognized until the levy date. The County is permitted by Wyoming Statutes to levy taxes up to 12 mills of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2021, was 12 mills, which means the County has levied to the maximum amount available.

Property Taxes Allowance

During fiscal year 2021, the County has recorded an allowance uncollectible for property taxes receivable in the amount of \$1,140,826 for the General Fund and \$4,311,016 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 a decrease of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements include a separate section for deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an increase of net position that applied to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

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

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

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. 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, property tax revenue is reported as a deferred inflow of resources in the year the property tax lien attaches to the property.

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, 2021 was approximately \$1,031,286.

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 of \$2,960,607 from the Coronavirus State and Local Recovery Funds. This money can be used for replacing lost revenue. For June 30, 2021, the amount of lost revenue calculated by the County was \$627,981, which is reported on the schedule of expenditures of federal awards under the federal assistance listing 21.027. The remaining amount of the received funds is reported as unearned revenue on the County's Statement of Net Position.

As part of the Coronavirus Aid, Relief and Economic Security (CARES) Act the Centers for Medicare & Medicaid Services (CMS) administered an Accelerated and Advanced Payment Program to provide additional relief funds to providers. During the year ended June 30, 2021 the Hospital received an advance through the Accelerated and Advanced Payment Program of \$10,364,894. During fiscal year 2021 the Hospital repaid \$3,218,223 of the advanced funds. Subsequent to June 30, 2021, the Hospital repaid the remaining advanced funds outstanding balance of \$10,364,894. These amounts are reflected as Unearned Revenue in the statements of net position.

Accrued Benefits

As part of the CARES, Act the Hospital elected to defer the employer's portion of Social Security taxes from April 4, 2020 through December 31, 2020. During the year ended June 30, 2021 the Hospital deferred \$1,140,728 of Social Security tax. This amount was paid back during the fiscal year ended June 30, 2021.

Fund Equity/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 equity 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 Equity/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, 2021.

Budget

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

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

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

Major Taxpayers

The County's 10 largest taxpayers account for approximately 6% of the County's total assessed property valuation. Two of the 10 taxpayers are involved in mineral extraction industries. The remaining taxpayers represent utility, railway, and agriculture industries. The County received approximately 1% of its total revenues from these taxpayers.

Charity Care

The Memorial Hospital of Sheridan County provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as patient service revenue. The Hospital maintains records to identify and monitor the level of charity it provides. These records include the amount of charges forgone for services and supplies furnished under its charity care policy and equivalent services statistics. The amount of charges forgone, based on established rates, was approximately \$8,452,000 for the year ended June 30, 2021.

Net Patient Service Revenue

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

Medicare and Medicaid

Acute care services provided to Medicare program beneficiaries were paid at prospectively determined rates per visit. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Memorial Hospital of Sheridan County is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been finalized by the Medicare fiscal intermediary through June 30, 2017. 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 and Medicaid (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

In March 2020, the World Health Organization declared the spread of the 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 grant funds approved and received by the Hospital from these grants was \$917,486. The grant funds are subject to certain restrictions on eligible expenses or uses, and reporting requirements. Of the total amount received, \$2,868,428 is reported as Other Operating Grants and Contributions in the statements of revenues, expenses and changes in net position for the year ended June 30, 2021.

Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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 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.

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)

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

GASB Statement No. 84 *Fiduciary Activities*, established criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how governmental activities should report their fiduciary activities. Management implemented this standard during the year ended June 30, 2021. Implementation resulted in a prior period adjustment to the County Custodial Fund of \$1,073,698.

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

Primary Government

Deposits held in the County's bank accounts are insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the County. As of June 30, 2021, the County had balances in the bank of \$22,112,057. The difference between the carrying amount and the bank balance is the result of the transactions in transit. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

	<u>Carrying Amount</u>
Government-Wide Statement of Net Position	
Governmental activities	\$ 17,715,104
Business-type activities	221,790
Fiduciary Fund Statement of Net Position	
County Custodial Fund	2,800,180
Total carrying amount of deposits	<u>\$ 20,737,074</u>

Notes to the Financial Statements

Note 2. Deposits and Investments (Continued)

Component Units

As of June 30, 2021, the County's component units, except for the Memorial Hospital of Sheridan County, had bank balances of \$3,906,663 with a carrying amount of \$3,613,050. The difference between the carrying amount and the bank balance is the result of transactions in transit. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

Investments

As of June 30, 2021, the primary government of the County had the following investments:

Investment Type	Total	Interest Rate	Less Than 1	1 - 5	6 - 10	Rating
Investments						
WYO-STAR investment pool	\$ 7,570,167	0.52% - 1.47%	\$ 7,570,167	\$ -	\$ -	Not rated
Certificate of deposit	1,000	0.208%	-	1,000	-	Not rated
	<u>\$ 7,571,167</u>		<u>\$ 7,570,167</u>	<u>\$ 1,000</u>	<u>\$ -</u>	
Investments - restricted						
Government Sponsored Enterprises (GSEs)	\$ 280,142	2.75%	\$ 7,383	\$ 272,759	\$ -	AA+
	<u>\$ 280,142</u>		<u>\$ 7,383</u>	<u>\$ 272,759</u>	<u>\$ -</u>	

As of June 30, 2021, the Sheridan County Library Foundation, which is a component unit of the Sheridan County Library, had the following investments:

Investment Type	Total	Interest Rate	Less Than 1	1 - 5	6 - 10	Rating (*)
Library Foundation						
Exchange-Traded Funds (ETFs)						
Corporate bonds	\$ 281,486	n/a	\$ 281,486	\$ -	\$ -	A/BBB
Equities	2,147,092	n/a	2,147,092	-	-	A/BBB
I-shares- U.S. Treasury bonds	531,068	n/a	531,068	-	-	A/BBB
Mortgage-backed securities	179,697	n/a	179,697	-	-	Not rated
Certificate of deposit	60,576	1.00%	60,576	-	-	Not rated
Total	<u>\$ 3,199,919</u>		<u>\$ 3,199,919</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, 2021, the Memorial Hospital of Sheridan County and its Hospital Foundation had the following investments:

Investment Type	Total	Interest Rate	Less Than 1	1 - 5	6 - 10	Rating
Hospital and Foundation						
Noncurrent cash and cash equivalents	\$ 18,728,876	n/a	\$ 18,728,876	\$ -	\$ -	Not rated
Equities	3,356,560	n/a	3,356,560	-	-	Not rated
Real estate investment trusts	214,926	n/a	214,926	-	-	Not rated
TIPS	78,319		78,319			
Mutual funds	7,225,554	n/a	7,225,554	-	-	Not rated
	\$ 29,604,235		\$ 29,604,235	\$ -	\$ -	

Fair Value Measurements

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

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2021:

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.

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

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

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

Notes to the Financial Statements

Note 2. Deposits and Investments (Continued)

Fair Value Measurements (Continued)

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

Primary government investments

	Assets at Fair Value as of June 30, 2021			Total
	Level 1	Level 2	Level 3	
Investments by fair value level				
WYO-STAR investment pool	\$ -	\$ 7,570,167	\$ -	\$ 7,570,167
Government Sponsored Enterprises (GSEs)	280,142	-	-	280,142
Total investments at fair value	<u>\$ 280,142</u>	<u>\$ 7,570,167</u>	<u>\$ -</u>	7,850,309
Other investments				
Certificates of deposit				1,000
Total primary government investments				<u>\$ 7,851,309</u>
Reported in these captions:				
Investments				\$ 7,571,167
Restricted investments long-term				280,142
				<u>\$ 7,851,309</u>

Component unit investments

	Assets at Fair Value as of June 30, 2021			Total
	Level 1	Level 2	Level 3	
Investments by fair value level				
Exchange-traded funds (ETFs)	\$ 3,139,343	\$ -	\$ -	\$ 3,139,343
Equities	3,356,560	-	-	3,356,560
TIPS	78,319	-	-	78,319
Mutual funds	7,225,554	-	-	7,225,554
Real estate investment trusts	214,926	-	-	214,926
Total investments at fair value	<u>\$ 14,014,702</u>	<u>\$ -</u>	<u>\$ -</u>	14,014,702
Other investments				
Noncurrent cash equivalents				18,728,876
Certificates of deposit				60,576
Total component unit investments				<u>\$ 32,804,154</u>
Reported in these captions:				
Investments				\$ 1,093,329
Investments, long-term				18,070,873
Restricted investments long-term				13,639,952
				<u>\$ 32,804,154</u>

Note 2. Deposits and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's investments are held in external pooled investment accounts with a focus on liquidity. The County does not have a formal interest rate risk policy, as a means of limiting its exposure to fair value losses arising from interest rates the County attempts to match its investment maturities with its expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains and losses. As of June 30, 2021, Sheridan County Library Foundation's investment portfolio included mortgage backed securities ETFs 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 may diminish the value of the investment.

Credit Risk

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

Concentration of Credit Risk

The County has a formal investment policy that follows W.S. §9-4-831, Investment of Public Funds. The County's policy does not limit investments in any one issuer or to a specified percentage of the County's total investments. At June 30, 2021, the County had 96% of its investments in WYO-STAR, the State Treasurer's Investment Pool and 4% in Government Sponsored Enterprises (GSEs).

The Library Foundation had 67% of their investments in equities ETFs, and 31% of their investments in fixed income ETFs. The remaining 2% was held in certificates of deposit. 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, 2021, the Library Foundation was in compliance with its investment policy.

The Memorial Hospital of Sheridan County Foundation's investment policy places limits on the amounts that can be invested in one company. The Finance Committee of the Foundation is responsible for the formulation, documentation, and monitoring of the investment strategy consistent with the investment policy. 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 63% of their investments in non-current cash equivalents, 11% in equities, 24% in mutual funds, and the remaining balance in various other investments.

Notes to the Financial Statements

Note 2. Deposits and Investments (Continued)

Concentration of Credit Risk (Continued)

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.

Custodial Credit Risk – Investments

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

Note 3. Accounts Receivable, Component Units

The accounts receivable balance of the component units, including net patient receivables of Memorial Hospital of Sheridan County as of June 30, 2021, is comprised of the following:

Receivable from patients and their insurance carriers	\$ 21,291,296
Receivable from medicare	12,419,458
Receivable from medicaid	1,887,990
Gross patient receivable	<u>35,598,744</u>
Less allowance for contractual adjustments	(13,489,000)
Less allowance for uncollectible accounts	<u>(8,162,000)</u>
Patient receivables, net	13,947,744
Additional accounts receivable	198,078
Total accounts receivable, component units	<u><u>\$ 14,145,822</u></u>

Note 4. Interfund Balances

Interfund and intra-entity receivables and payables at June 30, 2021 are as follows:

	Receivable	Payable
General Fund	\$ 294,135	\$ -
Capital Facilities Tax Fund	-	294,135
	<u>\$ 294,135</u>	<u>\$ 294,135</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.

Notes to the Financial Statements

Note 4. Interfund Balances (Continued)

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 294,135	\$ 541,446
Capital Facilities Tax Fund	293,758	294,135
Sheridan County Airport Fund	247,688	-
	<u>\$ 835,581</u>	<u>\$ 835,581</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.

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Notes to the Financial Statements

Note 5. Capital Assets

Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 963,317	\$ -	\$ -	\$ 963,317
Infrastructure	36,992,362	1,524,604	-	38,516,966
Construction in progress	614,293	2,485,802	1,524,604	1,575,491
Total capital assets not being depreciated	<u>38,569,972</u>	<u>4,010,406</u>	<u>1,524,604</u>	<u>41,055,774</u>
Capital assets being depreciated				
Land improvements	815,568	-	-	815,568
Buildings and building improvements	27,321,088	30,784	-	27,351,872
Equipment	5,872,294	295,845	120,234	6,047,905
Furnishings, computer equipment and software	2,679,218	68,347	12,863	2,734,702
Vehicles	1,387,431	186,568	114,185	1,459,814
Total capital assets being depreciated	<u>38,075,599</u>	<u>581,544</u>	<u>247,282</u>	<u>38,409,860</u>
Less accumulated depreciation for				
Land improvements	687,135	13,783	-	700,918
Buildings and building improvements	13,728,919	853,944	-	14,582,863
Equipment	5,052,053	339,179	120,234	5,270,998
Furnishings, computer equipment and software	2,549,720	41,049	12,863	2,577,906
Vehicles	1,082,886	144,150	114,185	1,112,851
Total accumulated depreciation	<u>23,100,713</u>	<u>1,392,105</u>	<u>247,282</u>	<u>24,245,536</u>
Total capital assets being depreciated, net	<u>14,974,886</u>	<u>(810,561)</u>	<u>-</u>	<u>14,164,324</u>
Governmental activities, capital assets, net	<u>\$ 53,544,858</u>	<u>\$ 3,199,845</u>	<u>\$ 1,524,604</u>	<u>\$ 55,220,098</u>

Equipment of \$365,896 has been acquired under capital leases. The related depreciation expense on these assets in the amount of \$73,179 is included in annual depreciation expense.

Notes to the Financial Statements

Note 5. Capital Assets (Continued)

Primary Government (Continued)

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

Governmental activities	
General government	\$ 1,021,662
Public safety	144,150
Public works	226,293
	<u>226,293</u>
Total depreciation expense - governmental activities	<u>\$ 1,392,105</u>

Capital asset activity for the business-type activity of Sheridan County for the year ended June 30, 2021:

	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	40,661	37,628	16,680	61,609
Total capital assets not being depreciated	<u>1,166,467</u>	<u>37,628</u>	<u>16,680</u>	<u>1,187,415</u>
Capital assets being depreciated				
Buildings, building improvements and runways	47,782,354	118,002	-	47,900,356
Equipment	3,278,034	195,770	-	3,473,804
Total capital assets being depreciated	<u>51,060,388</u>	<u>313,772</u>	<u>-</u>	<u>51,374,160</u>
Less accumulated depreciation for				
Buildings, building improvements and runways	32,583,691	1,424,767	-	34,008,458
Equipment	1,877,723	219,723	-	2,097,446
Total accumulated depreciation	<u>34,461,414</u>	<u>1,644,490</u>	<u>-</u>	<u>36,105,904</u>
Total capital assets, being depreciated, net	<u>16,598,974</u>	<u>(1,330,718)</u>	<u>-</u>	<u>15,268,256</u>
Capital assets, net	<u>\$ 17,765,441</u>	<u>\$ (1,293,090)</u>	<u>\$ 16,680</u>	<u>\$ 16,455,671</u>

Notes to the Financial Statements

Note 5. Capital Assets (Continued)

Component Units

Capital asset activity for each component unit for the year ended June 30, 2021, 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	381,557	51,322	30,058	402,821
Total capital assets being depreciated	<u>1,271,025</u>	<u>51,322</u>	<u>30,058</u>	<u>1,292,289</u>
Less accumulated depreciation for				
Buildings and improvements	244,612	22,684	-	267,296
Vehicles and equipment	305,167	16,526	30,058	291,635
Total accumulated depreciation	<u>549,779</u>	<u>39,210</u>	<u>30,058</u>	<u>558,931</u>
Total capital assets, being depreciated, net	<u>721,246</u>	<u>12,112</u>	<u>-</u>	<u>733,358</u>
Capital assets, net	<u>\$ 721,246</u>	<u>\$ 12,112</u>	<u>\$ -</u>	<u>\$ 733,358</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	-	-	2,038,516
Equipment, grounds keeping	326,317	-	-	326,317
Vehicles	53,250	22,678	-	75,928
Total capital assets being depreciated	<u>6,204,145</u>	<u>22,678</u>	<u>-</u>	<u>6,226,823</u>
Less accumulated depreciation for				
Land improvements	2,673,326	87,000	-	2,760,326
Buildings and building improvements	1,603,619	33,260	-	1,636,879
Equipment, grounds keeping	320,187	1,599	-	321,786
Vehicles	53,250	22,678	-	75,928
Total accumulated depreciation	<u>4,650,382</u>	<u>144,537</u>	<u>-</u>	<u>4,794,919</u>
Capital assets, net	<u>\$ 1,553,763</u>	<u>\$ (121,859)</u>	<u>\$ -</u>	<u>\$ 1,431,904</u>

Notes to the Financial Statements

Note 5. 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	25,000	71,576	25,000	71,576
Total capital assets not being depreciated	<u>893,461</u>	<u>71,576</u>	<u>25,000</u>	<u>940,037</u>
Capital assets being depreciated				
Buildings and building improvements	5,755,872	84,867	111,917	5,728,822
Furnishings and computer equipment	131,935	120,929	1,145	251,719
Equipment	42,310	-	-	42,310
Vehicles	48,375	-	-	48,375
Library collection	3,022,747	151,214	55,853	3,118,108
Total capital assets being depreciated	<u>9,001,239</u>	<u>357,010</u>	<u>168,915</u>	<u>9,189,334</u>
Less accumulated depreciation for				
Buildings and building improvements	3,695,177	158,940	111,917	3,742,200
Furnishings and computer equipment	105,584	119,805	1,145	224,244
Equipment	34,247	5,375	-	39,622
Vehicles	48,375	-	-	48,375
Library collection	2,174,047	21,602	55,853	2,139,796
Total accumulated depreciation	<u>6,057,430</u>	<u>305,722</u>	<u>168,915</u>	<u>6,194,237</u>
Total capital assets being depreciated, net	<u>2,943,809</u>	<u>51,288</u>	<u>-</u>	<u>2,995,097</u>
Capital assets, net	<u>\$ 3,837,270</u>	<u>\$ 122,864</u>	<u>\$ 25,000</u>	<u>\$ 3,935,134</u>

Notes to the Financial Statements

Note 5. Capital Assets (Continued)

Component Units (Continued)

Memorial Hospital of Sheridan County

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets being depreciated				
Land and land improvements	\$ 7,318,237	\$ 450,000	\$ -	\$ 7,768,237
Buildings and improvements	76,505,001	1,210,409	-	77,715,410
Fixed equipment	6,892,274	-	-	6,892,274
Major moveable equipment	45,355,313	1,517,260	334,266	46,538,307
Construction in progress	999,627	4,947,800	1,997,461	3,949,966
Total capital assets being depreciated	<u>137,070,452</u>	<u>8,125,469</u>	<u>2,331,727</u>	<u>142,864,194</u>
Less accumulated depreciation for:				
Land and land improvements	1,355,806	282,935	-	1,638,741
Buildings and improvements	41,501,646	2,335,372	-	43,837,018
Fixed equipment	4,249,785	632,681	-	4,882,466
Major moveable equipment	<u>36,234,939</u>	<u>2,914,342</u>	<u>329,643</u>	<u>38,819,638</u>
Total accumulated depreciation	<u>83,342,176</u>	<u>6,165,330</u>	<u>329,643</u>	<u>89,177,863</u>
Capital assets, net	<u>\$ 53,728,276</u>	<u>\$ 1,960,139</u>	<u>\$ 2,002,084</u>	<u>\$ 53,686,331</u>

At June 30, 2021, construction in progress is made up of the various costs related to the information technology project and the 2nd & 3rd floor renovation project. The total expected costs of these projects are approximately \$1,140,000 and \$8,320,000 respectively, and are expected to be completed during fiscal year 2022. These projects are being funded with internal funds.

At June 30, 2021, the cost of equipment recorded as a capital lease is \$1,972,706 and accumulated depreciation is \$1,162,833.

Notes to the Financial Statements

Note 6. 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 revenue, expenses, and changes in net position and added to (reduced from) the investment account. Contributions to the Dialysis Center are treated as an increase in the investment and distributions received are treated as reduction of the investment. The Hospital did not contribute to the Dialysis Center in fiscal years 2021 and 2020. There were no distributions from the Dialysis Center in fiscal years 2021 and 2020. The Dialysis Center's accounting period ends December 31. The Hospital's investment in the Dialysis Center includes account activity through June 30, 2021 and 2020.

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

	2021
Beginning balance	\$ 192,168
Gain on investment in joint venture	73,748
Ending balance	<u>\$ 265,916</u>

Sheridan Regional Health Holdings, LLC (Surgery Center)

In fiscal year 2017, the Hospital purchased a 40% interest in the Sheridan Regional Health Holding, LLC (Surgery Center), which started operations in February 2017. The Hospital is accounting for its investment in the Surgery Center by the equity method under which the Hospital's share of net income (loss) of the Surgery Center is recognized as income (loss) in the Hospital's statement of revenues, expenses, and changes in net position and added to (reduced from) the investment account. Contributions to the Surgery Center are treated as an increase in the investment and distributions received are treated as reduction of the investment. The Hospital did not make any contributions to the Surgery Center in fiscal years 2021 and 2020, respectively. The Hospital received distributions from the Surgery Center of \$434,025 and \$246,800 in fiscal years 2021 and 2020, respectively. The Surgery Center leases property from the Hospital through February 2022 at an annual lease amount of \$267,000. The Surgery Center's accounting period ends December 31. The Hospital's investment in the Surgery Center includes activity through June 30, 2021.

The Hospital's investment in the Surgery Center consists of the following at June 30, 2021:

	2021
Beginning balance	\$ 748,324
Gain on investment in joint venture	489,834
Distributions	(434,025)
Ending balance	<u>\$ 804,133</u>

Notes to the Financial Statements

Note 7. 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 \$9,429,984 at June 30, 2021. 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, 2021:

	Balance June 30, 2020	New Debt Incurred	Debt Retired	Balance June 30, 2021	Due Within One Year
Primary Government					
Governmental activities					
Capital lease obligations	\$ 153,783	\$ -	\$ 49,768	\$ 104,015	\$ 54,335
Note payable to a bank	542,227	-	166,052	376,175	170,778
Incurred but not reported claims (Note 12)	273,657	-	7,276	266,381	266,381
Reclamation liability and royalty payments (Note 11)	41,000	-	-	41,000	-
Compensated absences (Note 1)	408,245	-	32,218	376,027	29,316
	<u>1,418,912</u>	<u>-</u>	<u>255,314</u>	<u>1,163,598</u>	<u>520,810</u>
Net pension liability (Note 8)	6,960,941	-	531,906	6,429,035	-
OPEB liability (Note 15)	468,176	121,028	-	589,204	-
	<u>\$ 8,848,029</u>	<u>\$ 121,028</u>	<u>\$ 787,220</u>	<u>\$ 8,181,837</u>	<u>\$ 520,810</u>
Business Activities					
Bonds payable	\$ 1,800,000	\$ -	\$ 150,000	\$ 1,650,000	\$ 175,000
Compensated absences	41,029	4,256	-	45,285	-
	<u>1,841,029</u>	<u>4,256</u>	<u>150,000</u>	<u>1,695,285</u>	<u>175,000</u>
Net pension liability (Note 8)	481,931	-	41,064	440,867	-
OPEB liability (Note 15)	27,277	14,809	-	42,086	-
	<u>\$ 2,350,237</u>	<u>\$ 19,065</u>	<u>\$ 191,064</u>	<u>\$ 2,178,238</u>	<u>\$ 175,000</u>
Component Units					
Note payable to a bank	\$ 8,790,832	\$ -	\$ 930,903	\$ 7,859,929	\$ 951,613
Capital leases	1,246,057	89,969	518,136	817,890	518,556
Compensated absences	77,653	4,816	12,488	69,981	-
	<u>10,114,542</u>	<u>94,785</u>	<u>1,461,527</u>	<u>8,747,800</u>	<u>1,470,169</u>
Net pension liability	1,419,533	-	126,576	1,292,957	-
OPEB liability (Note 15)	100,182	5,033	-	105,215	-
	<u>\$ 11,634,257</u>	<u>\$ 99,818</u>	<u>\$ 1,588,103</u>	<u>\$ 10,145,972</u>	<u>\$ 1,470,169</u>

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 7. County Debt (Continued)

Capital Leases Payable

Capital lease obligations collateralized by the assets noted as of June 30, 2021 are as follows:

Lease/Purchase obligation on heavy equipment, due in annual installments of \$54,335 including interest of 2.93%, through October 2022	\$ 104,015
	<u>104,015</u>
Less current maturities of capital lease obligations	54,335
	<u>\$ 49,680</u>

Future minimum lease payments under capital leases together with the present value of net minimum lease payments as of June 30, 2021 are as follows:

Year ending June 30,	
2022	\$ 54,335
2023	54,335
Total minimum lease payments	<u>108,670</u>
Less: amount representing interest	4,655
Present value of minimum lease payments	<u>\$ 104,015</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.

Note Payable

In March 2004, the County issued a Lease Revenue Bond Anticipation Note, Series 2004 in the amount of \$1,400,000 at 4% interest to finance construction of the Sheridan County Law Enforcement Facility. In June 2006, the County issued Sheridan County Joint Powers Law Enforcement Center Lease Revenue Bonds Series A and B in the amount of \$1,400,000 at 4.375% interest and \$400,000 at 4.125% interest, respectively, to refinance the Lease Revenue Bond Anticipation Note, Series 2004 in the amount of \$1,400,000 and to provide additional financing for the jail improvements. In September 2006, U.S.D.A. Rural Housing Service purchased the Lease Revenue Bond Series A and B. In September of 2013, the County refinanced these bonds with the U.S.D.A. Rural Housing Service, for Lease Revenue Bonds Series A and B through a bank. The total amount refinanced was \$1,560,207 payable monthly at \$14,930 including interest at 2.810% due August 2023. The loan is unsecured.

Notes to the Financial Statements

Note 7. County Debt (Continued)

Primary Government (Continued)

Note Payable (Continued)

The scheduled principal and interest payments on the note payable to a bank as of June 30, 2021, are as follows:

Year ending June 30,	Jail Loan	Jail Loan	Total
	Principal	Interest	
2022	\$ 170,778	\$ 8,386	\$ 179,164
2023	175,639	3,525	179,164
2024	29,758	104	29,862
	<u>\$ 376,175</u>	<u>\$ 12,015</u>	<u>\$ 388,190</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, 2021 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	\$ 1,650,000
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Notes to the Financial Statements

Note 7. County Debt (Continued)

Revenue Bonds - Sheridan County Airport (Continued)

The debt requirement on Sheridan County Airport Revenue Bonds as of June 30, 2021, is as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 175,000	\$ 44,115	\$ 219,115
2023	175,000	40,186	215,186
2024	200,000	35,710	235,710
2025	200,000	30,540	230,540
2026	200,000	25,020	225,020
2027-2030	700,000	27,375	727,375
	<u>\$ 1,650,000</u>	<u>\$ 202,946</u>	<u>\$ 1,852,946</u>

Component Unit

Long-Term Debt Memorial Hospital of Sheridan County

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

In October 2019, the Hospital entered into a capital lease agreement for software services at a total cost of \$329,524. The Hospital is making monthly payments of \$9,503 through September 2022 at a 2.65% interest rate. The capital lease agreement is secured by the leased software.

In May 2020, the Hospital entered into two capital lease agreements for printer and copier machines at a total cost of \$308,520 and \$90,010. The Hospital is making monthly payments of \$6,176 and \$1,828, respectively, through May 2025 at a 7.46% and 8.06% interest rate. The capital lease agreements are secured by leased equipment.

In August 2020, the Hospital entered into a capital lease agreement for software at a total cost of \$89,969. The Hospital is making annual payments of \$33,706 through August 2022 at a 12.95% interest rate. The capital lease agreement is secured by the leased equipment.

The scheduled maturities for the Hospital's capital lease obligations as of June 30, 2021 are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 518,556	\$ 37,442	\$ 555,998
2023	139,159	19,399	158,558
2024	83,643	9,307	92,950
2025	76,532	2,761	79,293
Total minimum payments	<u>\$ 817,890</u>	<u>\$ 68,909</u>	<u>\$ 886,799</u>

Notes to the Financial Statements

Note 7. County Debt (Continued)

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

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.

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

Year ending June 30,	Principal	Interest	Total
2022	\$ 951,613	\$ 163,368	\$ 1,114,981
2023	972,773	142,220	1,114,993
2024	994,072	120,921	1,114,993
2025	1,016,483	98,510	1,114,993
2026	1,039,072	75,921	1,114,993
Thereafter	2,885,916	87,224	2,973,140
Total minimum payments	<u>\$ 7,859,929</u>	<u>\$ 688,164</u>	<u>\$ 8,548,093</u>

Primary Government

Operating Leases

The County leases certain copiers under non-cancelable operating leases. For the year ended June 30, 2021, rental expense was \$38,313.

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

Year ending June 30,	Operating Leases
2022	\$ 38,313
2023	25,542
	<u>\$ 63,855</u>

The general fund is responsible for payment of the operating lease obligations.

Note 7. County Debt (Continued)

Component Units

Operating Leases

The Hospital leases certain facilities and equipment under long-term operating lease agreements. Total lease expense for all operating leases for the years ended June 30, 2021 was approximately \$895,000.

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

Year ending June 30,	Operating Leases
2022	\$ 309,962
2023	229,153
2024	19,135
Total	<u>\$ 558,250</u>

Note 8. 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 statewide cost-sharing multiple-employer defined benefit, contributory retirement plan administered by the State of Wyoming Retirement System Board. 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.

Note 8. Defined Benefit Pension Plans (Continued)

Public Employees' Pension Plan (Continued)

PEPP members are statutorily required to contribute 9.00% of their annual covered salary and the employer is statutorily required to contribute 9.12% of the annual covered payroll for a total of 18.12%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The County has elected to contribute an additional 2.38% 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 11.50% 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, 2021, 2020, and 2019, were \$598,375, \$555,698, and \$485,910, respectively, while the employees' portion was \$337,518, \$334,429, and \$308,784, respectively. As of July 1, 2021, the employer contribution rate will increase by 0.50% from 11.50% to 12.00% and the employee contribution rate will not increase and remain at 6.62%.

For the years ended June 30, 2021, 2020 and 2019, the County's statutorily required contributions to the PEPP pension plan were \$471,046, \$448,095, and \$400,132, respectively. As of July 1, 2021, the statutory employer contribution rate will increase by 0.25% from 9.12% to 9.37% and the employee statutory contribution rate will increase by 0.25% from 9.00% to 9.25%.

The Weed and Pest and the Library component units currently pay all of the required employee's contribution. The Fair pays 11.50% of the required 18.12% total contribution and the employees contribute the remaining portion, 6.62%. The component unit contributions to the PEEP for the years ended June 30, 2021, 2020 and 2019 were \$181,151, 177,372 and 166,602 respectively and the employees' contributions were \$12,691, 13,212 and 11,745 respectively, equal to the required contributions for each year. As of July 1, 2021, the employer contribution rate will increase by 0.50% from 11.50% to 12.00% and the employee contribution rate will not increase and remain at 6.62%.

For the years ended June 30, 2021, 2020 and 2019, the component units statutorily required contributions to the PEPP pension plan for the component units were \$86,467, \$85,050, and \$80,511, respectively. As of July 1, 2021, the statutory employer contribution rate will increase by 0.25% from 9.12% to 9.37% and the employee statutory contribution rate will increase by 0.25% from 9.00% to 9.25%.

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 (first contribution before September 1, 2012), the Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60.
- For Tier 2 (first contribution on or after September 1, 2012), 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 on the basis that the sum of the member's age and service is at least 85.

Note 8. Defined Benefit Pension Plans (Continued)

Public Employees' Pension Plan (Continued)

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 state-wide, cost sharing, multiple-employer defined benefit, contributory retirement plan administered by the State of Wyoming Retirement System Board. The LEPP covers 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.

The LEPP statutorily provides retirement, disability and death benefits according to predetermined amounts primarily 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.

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. 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, 2021, 2020, and 2019, were \$332,441, \$339,761, and \$322,665, respectively, equal to the required contributions for each year, while the employees' portion was \$129,497, \$132,349, and \$125,690, respectively, equal to the required contributions for each year.

For the years ended June 30, 2021, 2020, and 2019, the County's statutorily required contributions to the LEPP pension plan were \$166,221, \$169,880, and \$161,333, respectively.

Notes to the Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

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

At June 30, 2021, the County reported a total liability of \$6,869,902 for its proportionate share of the net pension liability. The County's component units: Weed and Pest, Fair, and Library reported \$208,183, \$224,225, and \$860,549, respectively, for their proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of December 31, 2020, applied to all prior periods included in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covering the five year period ending December 31, 2016. The net pension liability as of December 31, 2020 is based on the results of an actuarial valuation as of January 1, 2020, rolled forward to a measurement date of December 31, 2020.

The schedule below shows the County's and each of its component units' liability proportionate share of the net pension liability at June 30, 2021, the proportionate portion at the measurement date of December 31, 2020, and the change in the proportion from the previous measurement date:

	Pension liability at June 30, 2021	Proportion at December 31, 2020	Increase (decrease) from December 31, 2019
Public Employees' Pension Plan			
County	\$ 6,070,686	0.279322617%	0.006873974%
Weed and Pest	\$ 208,183	0.009578857%	0.000177460%
Fair	\$ 224,225	0.010316944%	-0.000339634%
Library	\$ 860,549	0.039595333%	-0.000754246%
Law Enforcement Pension Plan			
County - Sheriff	\$ 799,216	1.173209649%	0.054672900%

For the year ended June 30, 2021, the County and its component units Weed and Pest, Fair, and Library recognized pension expense of \$915,265, \$19,760, \$19,085, and \$97,649, respectively.

Notes to the Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

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

At June 30, 2021, 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	\$ 793,938	\$ (2,120,327)	\$ 304,136	\$ (829,557)	\$ 1,098,074	\$ (2,949,884)
Changes in assumption	34,008	-	460,480	(732,266)	494,488	(732,266)
Difference between actual and expected experience rate	115,362	(49,585)	201,022	(40,491)	316,384	(90,076)
Change in employer's proportion	328,617	-	44,132	(31,912)	372,749	(31,912)
Amortizing deferred outflows and deferred (inflows)	\$ 1,271,925	\$ (2,169,912)	\$ 1,009,770	\$ (1,634,226)	\$ 2,281,695	\$ (3,804,138)
Contributions subsequent to the measurement date	233,562	-	74,901	-	308,463	-
Total	<u>\$ 1,505,487</u>	<u>\$ (2,169,912)</u>	<u>\$ 1,084,671</u>	<u>\$ (1,634,226)</u>	<u>\$ 2,590,158</u>	<u>\$ (3,804,138)</u>

The County reported \$308,463 as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date; which will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Notes to the Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

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

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

Year ended June 30,	Primary Government		
	Deferred Outflows		
	Public Employees' Pension Plan	Law Enforcement Pension Plan	Plan Total
2022	\$ 642,658	\$ 578,490	\$ 1,221,148
2023	551,446	377,803	929,249
2024	77,821	48,304	126,125
2025	-	5,173	5,173
	<u>\$ 1,271,925</u>	<u>\$ 1,009,770</u>	<u>\$ 2,281,695</u>

Year ended June 30,	Primary government		
	Deferred Inflows		
	Public Employees' Pension Plan	Law Enforcement Pension Plan	Plan Total
2022	\$ (855,774)	\$ (660,803)	\$ (1,516,577)
2023	(584,543)	(554,234)	(1,138,777)
2024	(578,229)	(356,376)	(934,605)
2025	(151,366)	(62,813)	(214,179)
	<u>\$ (2,169,912)</u>	<u>\$ (1,634,226)</u>	<u>\$ (3,804,138)</u>

Notes to the Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

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

The County's component units, Weed and Pest, Fair, and Library reported \$6,724, \$8,998, and \$32,918, respectively, as deferred outflows of resources related to pensions resulting from their contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Weed and Pest

	Deferred Outflows	Deferred (Inflows)
Net difference between projected and actual earnings on pension plan investments	\$ 29,246	\$ (32,510)
Changes in assumptions	1,312	(21,633)
Difference between actual and expected experience rate	3,956	(19,921)
Change in employer's proportion	3,777	(5,189)
Amortizing deferred outflows and deferred inflows	38,291	(79,253)
Contributions subsequent to the measurement date	6,724	-
Total	<u>\$ 45,015</u>	<u>\$ (79,253)</u>

Fair

	Deferred Outflows	Deferred (Inflows)
Net difference between projected and actual earnings on pension plan investments	\$ 31,134	\$ (82,264)
Changes in assumptions	1,424	-
Difference between actual and expected experience rate	4,261	(1,961)
Change in employer's proportion	4,873	(8,380)
Amortizing deferred outflows and deferred inflows	41,692	(92,605)
Contributions subsequent to the measurement date	8,998	-
Total	<u>\$ 50,690</u>	<u>\$ (92,605)</u>

Library

	Deferred Outflows	Deferred (Inflows)
Net difference between projected and actual earnings on pension plan investments	\$ 117,801	\$ (308,793)
Changes in assumptions	4,835	-
Difference between actual and expected experience rate	16,353	(7,314)
Change in employer's proportion	36,144	(15,075)
Amortizing deferred outflows and deferred inflows	175,133	(331,182)
Contributions subsequent to the measurement date	32,918	-
Total	<u>\$ 208,051</u>	<u>\$ (331,182)</u>

Notes to the Financial Statements

Note 8. Defined Benefit Pension Plans (Continued)

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

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

Year ended June 30,	Component Units					
	Weed and Pest		Fair		Library	
	Deferred Outflows (Inflows)		Deferred Outflows (Inflows)		Deferred Outflows (Inflows)	
2022	\$ 18,778	\$ (32,510)	\$ 20,959	\$ (37,707)	\$ 95,495	\$ (129,660)
2023	17,203	(21,633)	19,414	(24,939)	74,578	(90,768)
2024	2,310	(19,921)	1,319	(24,368)	5,060	(89,297)
2025	-	(5,191)	-	(5,591)	-	(21,457)
	<u>\$ 38,291</u>	<u>\$ (79,253)</u>	<u>\$ 41,692</u>	<u>\$ (92,605)</u>	<u>\$ 175,133</u>	<u>\$ (331,182)</u>

Actuarial Assumptions

The total pension liability at the December 31, 2019 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, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization method	
PEPP	27 years
LEPP	25 years
Asset valuation method	5 Year smoothed market
Inflation	2.25%
Salary increases	
PEPP	2.50% to 6.50%, including inflation
LEPP	4.75% to 8.75%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment net rate of return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2012-2016
Post-Retirement Mortality (PEPP and LEPP)	RP-2014 Health Annuitant Mortality Table, fully generational, projected with Scale MP-2017 Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 88%
Pre-Retirement Mortality (PEPP and LEPP)	RP-2014 Employee Mortality Table, fully generational, projected with Scale MP-2017 Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%

Notes to the Financial Statements

Note 8. 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, 2020. In addition, a five year experience study was completed as of December 31, 2016 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 7.00% (real return net of inflation of 4.75%) 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 2020. 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	2.00%	-1.00%	-1.00%
Fixed income	21.00%	1.00%	1.34%
Equity	48.50%	5.23%	7.34%
Marketable alternatives	19.00%	3.47%	4.50%
Private markets	9.50%	4.53%	5.82%
Total	100.00%	3.82%	5.23%

Discount Rate

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

For purposes of this valuation, the expected rate of return on pension plan investments is 7.00%, the municipal bond rate is 2.00% (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 8. Defined Benefit Pension Plans (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 applicable, 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 current rate.

Pension Plan	1% Decrease (6.00)%	Current Single Discount Rate Assumption (7.00)%	1% Increase (8.00)%
Public Employees' Pension Plan	\$ 9,512,073	\$ 6,070,685	\$ 405,591
Component Units			
Weed & Pest	326,199	208,183	13,909
Fair	351,334	224,225	14,981
Library	1,348,382	860,549	57,495
Pension Plan	(6.00)%	(7.00)%	(8.00)%
Law Enforcement Pension Plan	\$ 2,112,534	\$ 799,216	\$ (274,378)

Payables to the Pension Plan – At June 30, 2021, the County and component units did not have any payables to the pension plans.

Note 9. 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.

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.

Note 9. Deferred Compensation Plans and Hospital Pension Plan (Continued)

Memorial Hospital of Sheridan County (Continued)

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, 2021, 2020, and 2019 were \$2,706,701, \$2,350,023, and \$2,278,349, 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, 2021, 2020, and 2019 were \$3,661,860, \$3,275,506, and \$2,930,379, 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, 2021, 2020, and 2019 was \$162,000, \$149,500, and \$135,500, respectively.

Note 10. Fund Equity

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

At June 30, 2021, the County had the following assignments of general fund balance:

American Rescue Plan - Local Fiscal Recovery Funding	\$ 2,960,000
Business incubator	33,760
Courthouse maintenance	3,800,000
Law enforcement center	110,000
Economic development	1,310,000
Emergency	480,000
Equipment/depreciation	125,000
County reserve	2,081,700
Legal/insurance	100,000
Health insurance claims	300,000
Information and technology	250,000
Law enforcement/detention center	850,000
Road and bridge	200,000
	<u>12,600,460</u>
	<u>\$ 12,600,460</u>

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

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

Notes to the Financial Statements

Note 10. Fund Equity (Continued)

The Memorial Hospital of Sheridan County has restricted, nonexpendable net assets of \$1,057,507 as of June 30, 2021, 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 \$13,078,934 as of June 30, 2021.

The Sheridan County Library has restricted, nonexpendable net assets of \$1,793,137 as of June 30, 2021, that represent funds restricted by donors in perpetuity.

Note 11. Commitments and Contingencies

As of June 30, 2021, the County and the Airport had approximately \$385,517 and \$105,889 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, 2021, 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, 2021, 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.

Note 11. Commitments and Contingencies (Continued)

The Hospital has incurred recurring losses from operations over the last three years. During fiscal year 2019, the Hospital significantly decreased its operating loss from the prior year. In fiscal year 2020, the Hospital saw a large increase in its operating loss because of the significant declines in patient revenues because of the COVID-19 pandemic. The Hospital has taken many steps to manage costs and decrease its operating loss. These steps include the evaluation of service lines, labor efficiency, and evaluation technology used in the course of care. The Hospital has and continues to monitor staffing levels and make adjustments where necessary to control costs.

Note 12 Risks and Uncertainties

During the year ended June 30, 2021, the World Health Organization declared the outbreak of the COVID-19 as a "Public Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and impacting individuals in the United States and the world. The extent of the impact of COVID-19 on the Board's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on taxpayers, state funding decisions, employees and vendors.

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 \$146,099 and \$59,109 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 2021 and 2020 were approximately \$108,000 and \$117,000, respectively.

Notes to the Financial Statements

Note 13. Risk Management (Continued)

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 2021 and 2020 were as follows for the County's participation in the Unemployment Compensation Act Program.

	2021	2020
Unpaid claims, beginning of year	\$ -	\$ -
Claims incurred	17,785	11,885
Claims paid	(17,785)	(11,885)
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 \$455,000. 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.

Changes in the County's health care risk management liability during the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Health care risk management liability, beginning of year	\$ 273,657	\$ 250,475
Claims incurred	1,916,492	2,638,966
Claims paid	(1,923,768)	(2,615,784)
Health care risk management liability, end of year	<u>\$ 266,381</u>	<u>\$ 273,657</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, 2021.

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, 2021 and 2020 was approximately \$1,024,000 and \$605,000, respectively.

For the year ended June 30, 2021 and 2020, the Hospital incurred expenses of \$6,359,602 and \$4,585,339, respectively, for employee health insurance.

Notes to the Financial Statements

Note 14. Transactions with Related Parties and with Component Units

During the fiscal year ended June 30, 2021, the County provided \$405,815, \$240,000, \$1,240,000 in support to the Sheridan County Fair, Memorial Hospital of Sheridan County, and Sheridan County Public Library, respectively. These component units reimbursed the County \$187,301 for health insurance premiums paid by the County.

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 a \$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 20-21	FY 21-22
Retiree only	\$ 720	\$ 720
Retiree and children	1,311	1,311
Retiree and spouse	1,599	1,599
Retiree and family	2,190	2,190

Notes to the Financial Statements

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

Employees Covered by Benefit Terms

As of June 30, 2021 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	142
Total	<u>143</u>

Total OPEB Liability

The County, Fair and Library's total OPEB liability was \$631,290, \$49,100 and \$56,115 as of June 30, 2021 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, 2020	\$ 495,453	\$ 27,653	\$ 72,529
Changes for the year:			
Service cost	70,038	5,447	6,226
Interest	11,146	867	991
Difference between expected and actual experience	(32,364)	8,365	(31,366)
Changes in assumption	91,360	7,106	8,121
Employer contributions	(4,343)	(338)	(386)
Net changes	<u>135,837</u>	<u>21,447</u>	<u>(16,414)</u>
Balance at June 30, 2021	<u>\$ 631,290</u>	<u>\$ 49,100</u>	<u>\$ 56,115</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 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	2.18%
Healthcare cost trend rates	6.30% decreasing 0.10% per year to an ultimate rate of 5.70% for 2027 and beyond

The discount rate changed from 2.66% to 2.18% and the impact on the liability was an increase of approximately \$30,585. The medical trend rate changed from 6.1% graded down to 5.0% to 6.3% graded down to 5.7% and the impact on the liability was an increase of approximately \$82,206.

Notes to the Financial Statements

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

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 1.18%	Current 2.18%	1% Increase 3.18%
County	\$ 639,411	\$ 631,290	\$ 523,025
Fair	37,917	49,100	31,015
Library	9,910	56,115	81,062

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 5.30%	Current 6.30%	1% Increase 7.30%
County	\$ 492,498	\$ 631,290	\$ 683,950
Fair	29,205	49,100	40,558
Library	76,331	56,115	106,003

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

For the year ended June 30, 2021, the County, Fair and Library recognized OPEB expense of \$14,034, \$4,663 and \$5,445, respectively. At June 30, 2021, the County, Fair and Library reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources		
	County	Fair	Library
Differences between expected and actual experience	\$ (223,146)	\$ (9,633)	\$ (52,147)
Changes in assumptions	(117,254)	(1,345)	(3,519)
	<u>\$ (340,400)</u>	<u>\$ (10,978)</u>	<u>\$ (55,666)</u>

	Deferred Outflows of Resources		
	County	Fair	Library
Differences between expected and actual experience	\$ 3,094	\$ 7,197	\$ 9,013
Changes in assumptions	89,592	6,845	-
	<u>\$ 92,686</u>	<u>\$ 14,042</u>	<u>\$ 9,013</u>

Notes to the Financial Statements

Note 15. Other Postemployment Benefits (Continued)

OPEB Expense and Deferred Inflows of Resources related to OPEB

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

Year ended June 30,	Deferred Inflows		
	County	Fair	Library
2022	\$ (110,538)	\$ (3,823)	\$ (14,352)
2023	(100,343)	(3,388)	(13,223)
2024	(74,641)	(2,291)	(10,377)
2025	(38,339)	(1,158)	(7,418)
2026	(10,712)	(318)	(5,214)
2027	(5,022)	-	(4,381)
2027	(805)	-	(701)
	<u>\$ (340,400)</u>	<u>\$ (10,978)</u>	<u>\$ (55,666)</u>

Year ended June 30,	Deferred Outflows		
	County	Fair	Library
2022	\$ 19,664	\$ 2,509	\$ 2,075
2023	17,606	2,422	1,848
2024	13,428	2,243	1,385
2025	13,342	2,200	1,255
2026	13,262	2,161	1,134
2027	13,262	2,161	1,134
2028	2,122	346	182
	<u>\$ 92,686</u>	<u>\$ 14,042</u>	<u>\$ 9,013</u>

Note 16. Issued Standards Not Yet Implemented

GASB Statement No. 87, *Leases*, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Under this standard, government lessors must recognize (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and report in its financial statements (a) lease revenue recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable; and (c) note disclosures about the lease. This standard is effective for reporting periods beginning after June 15, 2021. GASB Statement No.95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postpones the effective dates for GASB Statement No. 87 for one year from their original effective date to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. Management has not concluded its assessment of the effect of implementing this guidance.

Notes to the Financial Statements

Note 16. Issued Standards Not Yet Implemented (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, *Leases*. This standard (a) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor’s IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction; (b) requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months); and (c) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Management has not yet completed its assessment of the effects of implementing this standard.

Note 17. Prior Period Adjustment

For the year ended June 30, 2021, the County adopted the provisions of GASB Statement No.84 *Fiduciary Activities*, effective for financial statements for periods beginning after December 31, 2019. GASB Statement No. 84 establishes improved guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Implementation of GASB Statement No. 84 resulted in a restatement of the prior period net position for the fiduciary funds as shown below:

Fiduciary funds:

Net position beginning of the year	\$ -
Prior period adjustment	1,073,698
Net position beginning of the year, as restated	<u><u>\$ 1,073,698</u></u>

Note 18. Subsequent events

In September 2021, the County entered into a capital lease financing the purchase of two motor graders in the amount of \$523,500.



**REQUIRED
SUPPLEMENTARY
INFORMATION**

(Unaudited)

**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:

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>
2020 Condition Rating	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>
2019 Condition Rating	Miles	Percent	Miles	Percent	Miles	Percent
Standard	19.00	74%	321	75%	-	0%
Sub-standard	6.80	26%	120	25%	-	0%
Unimproved	-	0%	-	0%	74	100%
	<u>25.80</u>	<u>100%</u>	<u>441</u>	<u>100%</u>	<u>74</u>	<u>100%</u>

**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	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>
Condition Rating	2020	
	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	2019	
	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)						
2017	3,415,304	3,261,669	153,635	-	-	-
2018	2,749,460	1,896,243	853,217	-	-	-
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	-	-	-

Sheridan County, Wyoming

Year Ended June 30, 2021

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

(Non-GAAP Basis) - General Fund

(Unaudited)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 12,801,000	\$ 14,106,000	\$ 14,149,856	\$ 43,856
Licenses and permits	268,350	418,350	430,754	12,404
Charges for services	1,240,050	1,365,050	1,497,483	132,433
Miscellaneous	101,500	716,500	758,742	42,242
One cent optional tax	1,770,000	2,345,000	2,362,247	17,247
Enhanced emergency 911 tax	295,500	295,500	304,839	9,339
Grant revenue	2,173,371	9,590,225	6,699,077	(2,891,148)
WIC	13,014	13,014	7,910	(5,104)
Rents, royalties, interest and fines	85,300	85,300	125,636	40,336
Sale of assets	17,000	17,000	22,173	5,173
Transfer from Capital Facilities				
Tax/Road Construction Funds	320,000	320,000	182,334	(137,666)
Total revenues	19,085,085	29,271,939	26,541,051	(2,730,888)
Expenditures				
County commissioners	304,147	304,147	291,589	12,558
County clerk	695,534	695,534	669,970	25,564
Elections	321,049	321,049	211,095	109,954
Administration	290,808	302,608	299,362	3,246
County treasurer	474,068	474,068	469,626	4,442
County assessor	626,744	626,744	589,959	36,785
County attorney	892,718	898,718	898,144	574
County coroner	158,858	158,858	129,183	29,675
Clerk of district court	532,691	532,691	511,695	20,996
Building and maintenance	353,803	353,803	332,288	21,515
Information technology	628,009	628,009	579,303	48,706
Fixed costs	2,388,665	2,388,665	2,314,907	73,758
One cent optional	1,770,000	2,385,000	2,362,247	22,753
General government	9,437,094	10,069,894	9,659,368	410,526
County sheriff	2,137,366	2,137,366	2,011,336	126,030
Detention center	2,926,932	2,926,932	2,864,950	61,982
E911	284,062	284,062	278,673	5,389
Emergency management	66,301	66,301	59,022	7,279
Public safety	5,414,661	5,414,661	5,213,981	200,680

(Continued)

Sheridan County, Wyoming

Year Ended June 30, 2021

**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	\$ 842,024	\$ 842,024	\$ 825,006	\$ 17,018
Road and bridge	1,028,130	1,028,130	1,010,682	17,448
Public works	1,870,154	1,870,154	1,835,688	34,466
WIC	13,014	13,014	6,506	6,508
Community health	460,026	460,026	429,667	30,359
Health, welfare, and recreation	473,040	473,040	436,173	36,867
County extension	118,890	118,890	115,307	3,583
Conservation of natural resources	118,890	118,890	115,307	3,583
Capital funding	794,120	1,644,120	1,525,579	118,541
Capital outlay	794,120	1,644,120	1,525,579	118,541
Grants	1,926,208	7,856,484	1,994,853	5,861,631
Grants	1,926,208	7,856,484	1,994,853	5,861,631
Total expenditures	20,034,167	27,447,243	20,780,949	6,666,294
Excess (deficiency) of revenues over expenditures	(949,082)	1,824,696	5,760,102	\$ 3,935,406
Fund balance, beginning of year	10,511,829	10,511,829	10,511,829	
Fund balance, end of year	\$ 9,562,747	\$ 12,336,525	\$ 16,271,931	

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

Sheridan County, Wyoming

Year Ended June 30, 2021

**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	\$ 1,600,000	\$ 2,180,000	\$ 2,181,076	\$ 1,076
Transfers in	1,230,000	1,230,000	293,758	(936,242)
Intergovernmental	293,758	293,758	12,999	(280,759)
Investment income	25,000	25,000	11,404	(13,596)
	<u>3,148,758</u>	<u>3,728,758</u>	<u>2,499,237</u>	<u>(1,229,521)</u>
Expenditures				
Capital outlay	3,032,465	3,032,465	2,280,688	751,777
Transfer to General Fund	220,000	220,000	182,334	37,666
Total expenditures	<u>3,252,465</u>	<u>3,252,465</u>	<u>2,463,022</u>	<u>789,443</u>
Excess (deficiency) of revenues over expenditures	<u>(103,707)</u>	<u>476,293</u>	<u>36,215</u>	<u>\$ (440,078)</u>
Fund balance, beginning of year	<u>2,570,980</u>	<u>2,570,980</u>	<u>2,570,980</u>	
Fund balance, end of year	<u>\$ 2,467,273</u>	<u>\$ 3,047,273</u>	<u>\$ 2,607,195</u>	

Schedule of Changes in Net Pension Liability and Related Ratios

(Unaudited)

	2021	2020	2019
Public Employees Pension Plan - County			
Proportion of the net pension liability	0.279322617%	0.272448644%	0.261776800%
Proportionate share of the net pension liability	\$ 6,070,686	\$ 6,402,342	\$ 7,971,866
Covered payroll	\$ 4,973,248	\$ 4,735,737	\$ 4,558,462
Proportionate share of the net pension liability as a percentage of its covered payroll	122.07%	135.19%	174.88%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	76.83%	69.17%
Law Enforcement Pension Plan - County			
Proportion of the net pension liability	1.173209649%	1.207128751%	1.152455852%
Proportionate share of the net pension liability	\$ 799,216	\$ 1,040,530	\$ 2,789,776
Covered payroll	\$ 1,885,811	\$ 1,881,328	\$ 1,750,565
Proportionate share of the net pension liability as a percentage of its covered payroll	42.38%	55.31%	159.36%
Plan fiduciary net position as a percentage of the total pension liability	79.24%	89.05%	71.22%
Public Employees Pension Plan - Component Units			
Weed and Pest			
Proportion of the net pension liability	0.009578857%	0.009401398%	0.009643121%
Proportionate share of the net pension liability	\$ 208,183	\$ 220,926	\$ 293,661
Covered payroll	\$ 170,548	\$ 163,416	\$ 167,921
Proportionate share of the net pension liability as a percentage of its covered payroll	122.07%	135.19%	174.88%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	76.83%	69.17%
Fair			
Proportion of the net pension liability	0.010316944%	0.010656578%	0.010265369%
Proportionate share of the net pension liability	\$ 224,225	\$ 250,422	\$ 312,610
Covered payroll	\$ 183,690	\$ 185,234	\$ 178,756
Proportionate share of the net pension liability as a percentage of its covered payroll	122.07%	135.19%	174.88%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	76.83%	69.17%
Library			
Proportion of the net pension liability	0.039595333%	0.040349579%	0.038841167%
Proportionate share of the net pension liability	\$ 860,549	\$ 948,185	\$ 1,182,827
Covered payroll	\$ 704,982	\$ 701,362	\$ 676,362
Proportionate share of the net pension liability as a percentage of its covered payroll	122.07%	135.19%	174.88%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	76.83%	69.17%

* 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.

2018	2017	2016	2015	2014	2013	2012
0.251952388%	0.248525100%	0.266812354%	*	*	*	*
\$ 5,742,854	\$ 6,008,095	\$ 6,214,988	*	*	*	*
\$ 4,475,626	\$ 4,430,967	\$ 4,653,405	*	*	*	*
128.31%	135.59%	133.56%	*	*	*	*
76.35%	73.42%	73.40%	*	*	*	*
1.110261852%	1.066060300%	1.102343047%	*	*	*	*
\$ 955,318	\$ 804,789	\$ 828,080	*	*	*	*
\$ 1,704,775	\$ 1,650,040	\$ 1,657,921	*	*	*	*
56.04%	48.77%	49.95%	*	*	*	*
87.99%	88.11%	87.49%	*	*	*	*
0.009720069%	0.009441600%	0.010918868%	*	*	*	*
\$ 221,553	\$ 228,250	\$ 254,338	*	*	*	*
\$ 172,665	\$ 168,335	\$ 190,433	*	*	*	*
128.31%	135.59%	133.56%	*	*	*	*
76.35%	73.42%	73.40%	*	*	*	*
0.010552132%	0.010538600%	0.011074179%	*	*	*	*
\$ 240,519	\$ 254,171	\$ 257,956	*	*	*	*
\$ 187,446	\$ 187,893	\$ 193,142	*	*	*	*
128.31%	135.27%	133.56%	*	*	*	*
76.35%	73.42%	73.40%	*	*	*	*
0.035824242%	0.035971500%	0.037862286%	*	*	*	*
\$ 816,556	\$ 869,611	\$ 881,944	*	*	*	*
\$ 636,374	\$ 641,338	\$ 660,346	*	*	*	*
128.31%	135.59%	133.56%	*	*	*	*
76.35%	73.42%	73.40%	*	*	*	*

Schedule of Pension Contributions

(Unaudited)

	2021	2020	2019
Public Employees' Pension Plan - County			
Statutorily required contribution	\$ 471,046	\$ 448,095	\$ 400,132
Contributions in relations to the statutorily required contributions	(471,046)	(448,095)	(400,132)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,164,978	\$ 5,051,804	\$ 4,641,903
Contributions as a percentage of covered payroll	9.12%	8.87%	8.62%
Law Enforcement Pension Plan - County			
Statutorily required contribution	\$ 166,221	\$ 169,880	\$ 161,333
Contributions in relations to the statutorily required contributions	(166,221)	(169,880)	(161,333)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,932,802	\$ 1,975,349	\$ 1,875,965
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	\$ 13,801	\$ 14,626	\$ 13,887
Contributions in relations to the statutorily required contributions	(13,801)	(14,626)	(13,887)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 151,327	\$ 164,893	\$ 161,102
Contributions as a percentage of covered payroll	9.12%	8.87%	8.62%
Fair			
Statutorily required contribution	\$ 6,387	\$ 6,651	\$ 5,914
Contributions in relations to the statutorily required contributions	(6,387)	(6,651)	(5,914)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 70,033	\$ 74,983	\$ 68,608
Contributions as a percentage of covered payroll	9.12%	8.87%	8.62%
Library			
Statutorily required contribution	\$ 66,279	\$ 63,773	\$ 60,710
Contributions in relations to the statutorily required contributions	(66,279)	(63,773)	(60,710)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 726,743	\$ 718,974	\$ 704,292
Contributions as a percentage of covered payroll	9.12%	8.87%	8.62%

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

2018	2017	2016	2015	2014	2013	2012
\$ 341,633	\$ 342,662	\$ 349,520	*	*	*	*
(341,633)	(342,662)	(349,520)	*	*	*	*
\$ -	\$ -	\$ -	*	*	*	*
\$ 4,081,637	\$ 4,093,931	\$ 4,175,866	*	*	*	*
8.37%	8.37%	8.37%	*	*	*	*
\$ 148,956	\$ 146,052	\$ 142,402	*	*	*	*
(148,956)	(146,052)	(142,402)	*	*	*	*
\$ -	\$ -	\$ -	*	*	*	*
\$ 1,732,047	\$ 1,698,279	\$ 1,655,837	*	*	*	*
8.60%	8.60%	8.60%	*	*	*	*
\$ 14,758	\$ 13,807	\$ 15,673	*	*	*	*
(14,758)	(13,807)	(15,673)	*	*	*	*
\$ -	\$ -	\$ -	*	*	*	*
\$ 176,320	\$ 164,958	\$ 187,252	*	*	*	*
8.37%	8.37%	8.37%	*	*	*	*
\$ 6,055	\$ 6,358	\$ 4,444	*	*	*	*
(6,055)	(6,358)	(4,444)	*	*	*	*
\$ -	\$ -	\$ -	*	*	*	*
\$ 72,342	\$ 75,962	\$ 53,094	*	*	*	*
8.37%	8.37%	8.37%	*	*	*	*
\$ 53,243	\$ 52,829	\$ 57,282	*	*	*	*
(53,243)	(52,829)	(57,282)	*	*	*	*
\$ -	\$ -	\$ -	*	*	*	*
\$ 636,117	\$ 631,171	\$ 684,373	*	*	*	*
8.37%	8.37%	8.37%	*	*	*	*

Schedule of Changes in the County's Total OPEB Liability and Related Ratios

(Unaudited)

	2021	2020	2019
Total OPEB Liability - County			
Service cost	\$ 70,038	\$ 52,245	\$ 55,580
Interest	11,146	13,210	22,780
Differences between expected and actual experience	(32,364)	(35,647)	(156,205)
Changes in assumptions and other inputs	91,360	(25,106)	(168,596)
Benefit payments	(4,343)	(5,878)	(5,617)
Net change in OPEB liability	135,837	(1,176)	(252,058)
Total OPEB liability - beginning	495,453	496,629	748,686
Total OPEB liability - ending	<u>\$ 631,290</u>	<u>\$ 495,453</u>	<u>\$ 496,629</u>
Covered payroll	<u>\$ 5,475,379</u>	<u>\$ 6,192,228</u>	<u>\$ 6,041,198</u>
Total liability as a percentage of covered payroll	9.32%	6.28%	6.44%
Total OPEB Liability - Library			
Service cost	6,226	7,648	8,136
Interest	991	1,934	3,335
Differences between expected and actual experience	(31,366)	(5,219)	(22,867)
Changes in assumptions and other inputs	8,121	(3,675)	1,624
Benefit payments	(386)	(860)	(822)
Net change in OPEB liability	(16,414)	(172)	(10,594)
Total OPEB liability - beginning	72,529	72,701	83,295
Total OPEB liability - ending	<u>\$ 56,115</u>	<u>\$ 72,529</u>	<u>\$ 72,701</u>
Covered payroll	<u>\$ 486,700</u>	<u>\$ 907,142</u>	<u>\$ 885,016</u>
Total liability as a percentage of covered payroll	0.83%	0.92%	0.94%
Total OPEB Liability - Fair			
Service cost	5,447	2,916	3,102
Interest	867	737	1,271
Differences between expected and actual experience	8,365	(1,990)	(8,718)
Changes in assumptions and other inputs	7,106	(1,401)	535
Benefit payments	(338)	(328)	(313)
Net change in OPEB liability	21,447	(66)	(4,123)
Total OPEB liability - beginning	27,653	27,719	31,842
Total OPEB liability - ending	<u>\$ 49,100</u>	<u>\$ 27,653</u>	<u>\$ 27,719</u>
Covered payroll	<u>\$ 425,863</u>	<u>\$ 347,080</u>	<u>\$ 338,615</u>
Total liability as a percentage of covered payroll	0.72%	0.35%	0.36%

*Information for years prior to 2017 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.

2018	2017	2016	2015	2014	2013	2012
\$ 73,177	\$ 80,746	*	*	*	*	*
25,907	25,343	*	*	*	*	*
(79,522)	(206,019)	*	*	*	*	*
(21,507)	41,583	*	*	*	*	*
(285)	(434)	*	*	*	*	*
(2,230)	(58,781)	*	*	*	*	*
750,916	809,697	*	*	*	*	*
<u>\$ 748,686</u>	<u>\$ 750,916</u>	*	*	*	*	*
<u>\$ 6,162,151</u>	<u>\$ 6,041,324</u>	*	*	*	*	*
10.58%	10.75%	*	*	*	*	*
8,141	8,983	*	*	*	*	*
2,882	2,820	*	*	*	*	*
(8,847)	(22,921)	*	*	*	*	*
(2,392)	4,626	*	*	*	*	*
(32)	(48)	*	*	*	*	*
(248)	(6,540)	*	*	*	*	*
83,543	90,083	*	*	*	*	*
<u>\$ 83,295</u>	<u>\$ 83,543</u>	*	*	*	*	*
<u>\$ 682,314</u>	<u>\$ 668,936</u>	*	*	*	*	*
1.17%	1.19%	*	*	*	*	*
3,112	3,434	*	*	*	*	*
1,102	1,078	*	*	*	*	*
(3,382)	(8,762)	*	*	*	*	*
(915)	1,768	*	*	*	*	*
(12)	(18)	*	*	*	*	*
(95)	(2,500)	*	*	*	*	*
31,937	34,437	*	*	*	*	*
<u>\$ 31,842</u>	<u>\$ 31,937</u>	*	*	*	*	*
<u>\$ 262,975</u>	<u>\$ 257,819</u>	*	*	*	*	*
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 generally accepted accounting principles (GAAP). The budgetary presentation differences relate to the variance in classification of certain revenues and expenses. The adjustments necessary to convert GAAP basis revenues and expenditures of the general fund are as follows.

	GAAP Basis	Adjustments to Budgetary Basis	Presentation Differences	Non-GAAP Budgetary Basis
Revenues				
Taxes	\$ 8,045,512	\$ (83,817)	\$ 6,188,161	\$ 14,149,856
Licenses and permits	438,181	(4,269)	(3,158)	430,754
Intergovernmental	13,276,112	3,054,455	(16,330,567)	-
Charges for services	1,396,716	23,285	77,482	1,497,483
Investment income	75,367	(12,903)	(62,464)	-
Miscellaneous	64,592	-	694,150	758,742
One cent optional tax	-	-	2,362,247	2,362,247
Enhanced emergency 911 tax	-	-	304,839	304,839
Grant revenue	-	-	6,699,077	6,699,077
WIC	-	-	7,910	7,910
Rents, royalties, interest and fines	-	-	125,636	125,636
Sale of assets	-	-	22,173	22,173
Transfer from Capital Facilities Tax/Road Construction Funds	-	-	182,334	182,334
	<u>\$ 23,296,480</u>	<u>\$ 2,976,751</u>	<u>\$ 267,820</u>	<u>\$ 26,541,051</u>
Expenditures				
General government	\$ 8,361,749	\$ 905,459	\$ 392,160	\$ 9,659,368
Public safety	5,184,608	(13,435)	42,808	5,213,981
Public works	1,825,427	304,409	(294,148)	1,835,688
Health, welfare and recreation	2,200,499	(185,417)	(1,578,909)	436,173
Conservation of natural resources	163,404	1,794	(49,891)	115,307
Debt service - principal	215,820	(215,820)	-	-
Debt service - interest	14,263	(14,263)	-	-
Capital outlay	2,093,984	(61,145)	(507,260)	1,525,579
Grants	-	-	1,994,853	1,994,853
	<u>\$ 20,059,754</u>	<u>\$ 721,582</u>	<u>\$ (387)</u>	<u>\$ 20,780,949</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	\$ 2,261,589	\$ (80,513)	\$ -	\$ 2,181,076
Intergovernmental revenues	30,419	(17,420)	-	12,999
Investment income	11,404	-	-	11,404
Transfer from Road Fund	293,758	-	293,758	293,758
	<u>\$ 2,597,170</u>	<u>\$ (97,933)</u>	<u>\$ 293,758</u>	<u>\$ 2,499,237</u>
Expenditures				
Capital outlay	\$ 2,203,561	\$ 77,127	\$ 182,334	\$ 2,280,688
Transfer to General Fund	-	-	-	182,334
	<u>\$ 2,203,561</u>	<u>\$ 77,127</u>	<u>\$ 182,334</u>	<u>\$ 2,463,022</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 aforementioned 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 County Commissioners amended the budget for the fiscal year ended June 30, 2021 as follows:

The board approved four amendments to the fiscal year budget. Amendment #1 was to correct a typo in the Capital Facilities Budget for the CMAQ grant; no GL entries were made. Amendment #2 included transfers in the general fund grant department for unanticipated grant expenses in the amount of \$2,370,100.09 and unanticipated grant revenue in the amount of \$3,856,678.09. Amendment #2 included general fund revenues, grant department, county attorney's office, administration department, capital budget, the 1% optional fund, the capital facilities road fund, SCRF fund, and the employee health benefit plan fund. Amendment #3 included adjustments in operating expenses in the general fund to appropriate \$3,560,176 in unanticipated grant expenses and grant revenues respectively, In addition, adjustments were made in operating expenses of \$6,000 for the county attorney, \$11,800 for the administration department, and \$850,000 for the capital department. General fund revenue was adjusted by \$1,580,000 for unanticipated revenues. Adjustments were made in the 1% optional tax budget to appropriate \$575,000 in revenue; \$580,000 in capital facilities tax revenue; \$170,000 in SCRF revenue; and \$227,000 in unanticipated expenses in the employee health benefit plan fund. Amendment #4 included unanticipated revenues and expenses in the 1% optional fund of \$615,000, respectively.

Note 2. Explanation of Changes to Pension Plan

Changes to assumptions – There have been no changes of assumptions in the Public Employees' Pension Plan and Law Enforcement Pension Plan since the prior valuation.

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

Note 3. Explanation of Changes to OPEB Plan

Changes to assumptions – There have been no changes to the assumptions in the OPEB pan since the prior valuation.

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



**OTHER
SUPPLEMENTARY
INFORMATION**

Sheridan County, Wyoming

Year Ended June 30, 2021

**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	\$ 400,000	\$ 570,000	\$ 570,376	\$ 376
Investment income	10,000	10,000	10,307	307
Total revenues	<u>410,000</u>	<u>580,000</u>	<u>580,683</u>	<u>683</u>
Expenditures				
Capital outlay	-	-	-	-
Transfer to General Fund	<u>1,330,000</u>	<u>1,330,000</u>	<u>-</u>	<u>1,330,000</u>
Total expenditures	<u>1,330,000</u>	<u>1,330,000</u>	<u>-</u>	<u>1,330,000</u>
Excess (deficiency) of revenues over expenditures	<u>(920,000)</u>	<u>(750,000)</u>	<u>580,683</u>	<u>\$ 1,330,683</u>
Fund balance, beginning of year	<u>2,079,818</u>	<u>2,079,818</u>	<u>2,079,818</u>	
Fund balance, ending of year	<u>\$ 1,159,818</u>	<u>\$ 1,329,818</u>	<u>\$ 2,660,501</u>	

Sheridan County, Wyoming

Year Ended June 30, 2021

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

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 948,156	\$ 948,156	\$ 926,447	\$ (21,709)
Intergovernmental revenue	354,000	354,000	260,936	(93,064)
Grants	476,400	476,400	80,000	(396,400)
Charges for services	245,000	245,000	546,150	301,150
Investment income	7,500	7,500	7,089	(411)
Miscellaneous	3,000	3,000	157,678	154,678
Other forecasted revenue	988,000	988,000	76,500	
Total revenues	<u>3,022,056</u>	<u>3,022,056</u>	<u>2,054,800</u>	<u>(55,756)</u>
Expenditures				
Conservation of natural resources	2,883,644	2,883,644	1,668,645	1,214,999
Capital outlay	142,352	142,352	72,712	69,640
Total expenditures	<u>3,025,996</u>	<u>3,025,996</u>	<u>1,741,357</u>	<u>1,284,639</u>
Excess (deficiency) of revenues over expenditures	(3,940)	(3,940)	313,443	<u>\$ 1,228,883</u>
Fund balance, beginning of year	<u>1,386,247</u>	<u>1,386,247</u>	<u>1,386,247</u>	
Fund balance, end of year	<u>\$ 1,382,307</u>	<u>\$ 1,382,307</u>	<u>\$ 1,699,690</u>	

Sheridan County, Wyoming

Year Ended June 30, 2021

**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	\$ 403,565	\$ 403,565	\$ 405,815	\$ 2,250
Charges for services	66,025	66,025	42,286	(23,739)
Community support	9,500	9,500	-	(9,500)
Investment income	50	50	60	10
Other revenue	2,100	2,100	808	(1,292)
Total revenues	<u>481,240</u>	<u>481,240</u>	<u>448,969</u>	<u>(32,271)</u>
Expenditures				
Health, welfare and recreation	<u>473,240</u>	<u>473,240</u>	<u>432,621</u>	<u>40,619</u>
Total expenditures	<u>473,240</u>	<u>473,240</u>	<u>432,621</u>	<u>40,619</u>
Excess (deficiency) of revenues over expenditures	8,000	8,000	16,348	<u>\$ 8,348</u>
Fund balance, beginning of year	<u>598,550</u>	<u>598,550</u>	<u>598,550</u>	
Fund balance, end of year	<u>\$ 606,550</u>	<u>\$ 606,550</u>	<u>\$ 614,898</u>	

Sheridan County, Wyoming

Year Ended June 30, 2021

**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	\$ 1,236,250	\$ 1,236,250	\$ 1,261,662	\$ 25,412
Grants	2,000	2,000	-	(2,000)
Charges for services	26,274	26,274	22,837	(3,437)
Fulmer Trust	59,133	59,133	44,350	(14,783)
Sheridan County Library Foundation	97,300	97,300	93,260	(4,040)
Friends of the Library	15,000	15,000	25,000	10,000
Investment income	1,000	1,000	485	(515)
Total revenues	<u>1,436,957</u>	<u>1,436,957</u>	<u>1,447,594</u>	<u>10,637</u>
Expenditures				
Health, welfare and recreation	1,469,000	1,469,000	1,460,533	8,467
Capital outlay	15,000	15,000	15,000	-
Total expenditures	<u>1,484,000</u>	<u>1,484,000</u>	<u>1,475,533</u>	<u>8,467</u>
Excess (deficiency) of revenues over expenditures	(47,043)	(47,043)	(27,939)	<u>\$ 19,104</u>
Fund balance, beginning of year	<u>77,043</u>	<u>77,043</u>	<u>77,043</u>	
Fund balance, end of year	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 49,104</u>	

Sheridan County, Wyoming

June 30, 2021

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	\$ 50,087	\$ 1,388,207	\$ 1,438,294
Restricted cash - permanent endowment	-	200,652	200,652
Investments	-	1,093,329	1,093,329
Investments, restricted by donors	-	2,106,590	2,106,590
Capital assets not being depreciated	868,461	71,576	940,037
Capital assets being depreciated, net of accumulated depreciation	2,995,097	-	2,995,097
Total assets	<u>3,913,645</u>	<u>4,860,354</u>	<u>8,773,999</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	208,051	-	208,051
OPEB Items	9,013	-	9,013
Total deferred inflows of resources	<u>217,064</u>	<u>-</u>	<u>217,064</u>
LIABILITIES			
Accounts payable and accrued liabilities	983	-	983
Noncurrent liabilities			
Due in more than one year	42,355	-	42,355
Net pension liability	860,549	-	860,549
OPEB Liability	56,115	-	56,115
Total liabilities	<u>960,002</u>	<u>-</u>	<u>960,002</u>
DEFERRED INFLOWS OF RESOURCES			
Pension items	331,182	-	331,182
OPEB items	55,666	-	55,666
Total deferred inflows of resources	<u>386,848</u>	<u>-</u>	<u>386,848</u>
NET POSITION			
Net investment in capital assets	3,863,558	-	3,863,558
Restricted, nonexpendable permanent endowments	-	1,793,137	1,793,137
Unrestricted (deficit)	(1,079,699)	3,067,217	1,987,518
Total net position	<u>\$ 2,783,859</u>	<u>\$ 4,860,354</u>	<u>\$ 7,644,213</u>

Sheridan County, Wyoming

Year Ended June 30, 2021

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	\$ 1,261,663	\$ -	\$ 1,261,663
Charges for services	22,837	-	22,837
Unrestricted investment income	485	683,808	684,293
Operating Grants and Contributions	69,350	122,534	191,884
Miscellaneous	-	472	472
Total revenues	<u>1,354,335</u>	<u>806,814</u>	<u>2,161,149</u>
Expenses			
Health, welfare and recreation	1,349,182	77,967	1,427,149
Capital outlay	193,805	-	193,805
Total expenditures	<u>1,542,987</u>	<u>77,967</u>	<u>1,620,954</u>
Excess (deficiency) of revenues over expenditures	<u>(188,652)</u>	<u>728,847</u>	<u>540,195</u>
Other financing sources (uses)			
Transfers out	(15,000)	(188,563)	(203,563)
Transfers in	188,563	15,000	203,563
Contributions to an endowment		351,012	351,012
Total other financing sources (uses)	<u>173,563</u>	<u>177,449</u>	<u>351,012</u>
Net change in fund balance	(15,089)	906,296	891,207
Net position, beginning of year	<u>2,798,948</u>	<u>3,954,058</u>	<u>6,753,006</u>
Net position, end of year	<u>\$ 2,783,859</u>	<u>\$ 4,860,354</u>	<u>\$ 7,644,213</u>

Sheridan County, Wyoming

June 30, 2021

**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	\$ 15,058,670	\$ 143,462	\$ 15,202,132
Accounts receivable, net	13,947,744	-	13,947,744
Other receivables	155,936	-	155,936
Pledges receivable	-	721,831	721,831
Estimated third party payor settlement	273,000	-	273,000
Prepaid items	1,922,150	-	1,922,150
Inventory	3,793,515	-	3,793,515
Investments	-	3,997,824	3,997,824
Internally designated investments	14,073,049	-	14,073,049
Restricted investments	2,558,612	8,974,750	11,533,362
Capital assets being depreciated, net of accumulated depreciation	53,686,331	-	53,686,331
Other assets, long-term	1,420,829	1,697,945	3,118,774
Total assets	<u>106,889,836</u>	<u>15,535,812</u>	<u>122,425,648</u>
LIABILITIES			
Accounts payable and accrued liabilities	2,830,141	-	2,830,141
Accrued payroll and related expenses	7,420,444	-	7,420,444
Unearned revenue	10,533,898	-	10,533,898
Noncurrent liabilities			
Due within one year			
Notes, leases, and compensated absences	1,470,169	-	1,470,169
Due in more than one year			
Notes, leases, and compensated absences	7,207,650	-	7,207,650
Total liabilities	<u>29,462,302</u>	<u>-</u>	<u>29,462,302</u>
NET POSITION			
Invested in capital assets, net of related debt	44,491,194	-	44,491,194
Restricted expendable for operations and capital acquisitions	2,558,612	10,520,322	13,078,934
Restricted nonexpendable permanent endowments	-	1,057,507	1,057,507
Unrestricted	30,377,728	3,957,983	34,335,711
Total net position	<u>\$ 77,427,534</u>	<u>\$ 15,535,812</u>	<u>\$ 92,963,346</u>

Sheridan County, Wyoming
Year Ended June 30, 2021

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			
Intergovernmental revenues	\$ 240,000	\$ -	\$ 240,000
Charges for services	113,782,096	-	113,782,096
Other operating revenue	838,150	4,172,044	5,010,194
Investment income	13,800	3,012,164	3,025,964
Total revenues	<u>114,874,046</u>	<u>7,184,208</u>	<u>122,058,254</u>
Expenses			
Health and welfare	118,166,228	3,704,701	121,870,929
Total operating expenses	<u>118,166,228</u>	<u>3,704,701</u>	<u>121,870,929</u>
Total operating loss	<u>(3,292,182)</u>	<u>3,479,507</u>	<u>187,325</u>
Other financing sources			
Non-operating gains	652,193	658,443	1,310,636
Noncapital grants and contributions	3,769,267	-	3,769,267
	<u>4,421,460</u>	<u>658,443</u>	<u>5,079,903</u>
Excess of revenues over expenditures	1,129,278	4,137,950	5,267,228
Capital grants, contributions, and Other	<u>4,501,731</u>	<u>-</u>	<u>4,501,731</u>
Net change in net position	5,631,009	4,137,950	9,768,959
Net position, beginning of year	<u>71,796,525</u>	<u>11,397,862</u>	<u>83,194,387</u>
Net position, end of year	<u>\$ 77,427,534</u>	<u>\$ 15,535,812</u>	<u>\$ 92,963,346</u>

Sheridan County, Wyoming

Year Ended June 30, 2021

Schedule of Passenger Facility Charges Collected and Expended - Cash Basis

PFC Projects	Balance Unliquidated PFC June 30, 2020	PFC Collections	Interest Earned	PFC Expenditures	Balance Unliquidated PFC June 30, 2021
Application 2008-04-C	\$ (202,258)	\$ 54,975	\$ 7	\$ -	\$ (147,276)
	<u>\$ (202,258)</u>	<u>\$ 54,975</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ (147,276)</u>



**COMPLIANCE AND
INTERNAL CONTROL
REPORTS**

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Sheridan County, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sheridan County, Wyoming as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Sheridan County's basic financial statements, and have issued our report thereon dated January 3, 2022. Our report includes a reference to other auditors who audited the financial statements of Memorial Hospital of Sheridan County, as described in our report on Sheridan County, Wyoming's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sheridan County, Wyoming's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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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Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 3, 2022

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Sheridan County, Wyoming

Report on Compliance

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 applicable to its passenger facility charge program for the year ended June 30, 2021.

Management's Responsibility

Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of Sheridan County Wyoming's management.

Auditors' Responsibility

Our responsibility is to express an opinion on Sheridan County, Wyoming's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on passenger facility charges programs occurred. An audit includes examining, on a test basis, evidence about the Sheridan County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



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We believe that our audit provides a reasonable basis for our opinion on compliance with the passenger facility charge program. However, our audit does not provide a legal determination of the Sheridan County, Wyoming's compliance.

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

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, 2021.

Internal Control Over Compliance

The management of the Sheridan County, Wyoming is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above.

In planning and performing our audit of compliance, we considered Sheridan County, Wyoming's internal control over compliance in accordance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion of compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sheridan County, Wyoming's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the 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 3, 2022



SINGLE AUDIT SECTION

Sheridan County, Wyoming

Year Ended June 30, 2021

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Passed through Wyoming State Forestry Division				
Cooperative Forestry Assistance	10.664	18-DG-11020000-050	\$ -	\$ 19,508
Cooperative Forestry Assistance	10.664	19-DG-11020000-055	-	3,914
Cooperative Forestry Assistance	10.664	20-DG-11021600-020	-	1,314
			<u>-</u>	<u>24,736</u>
Passed through Wyoming Department of Agriculture				
Forest Health Protection	10.680	202082	-	70,000
Forest Health Protection	10.680	202082	-	6,500
			<u>-</u>	<u>76,500</u>
Passed through National Fish and Wildlife Foundation				
Environmental Quality Incentives Program	10.912	Unknown	-	40,000
			<u>-</u>	<u>40,000</u>
Total U.S. Department of Agriculture				<u>-</u>
				<u>141,236</u>
U.S. Bureau of Land Management				
Direct				
Invasive and Noxious Plant Management	15.230	N/A	-	9,114
Total Bureau of Land Management				<u>-</u>
				<u>9,114</u>
U.S. Department of Justice				
Passed through Office of Juvenile Justice and Delinquency Prevention				
Juvenile Justice and Delinquency Prevention	16.540	2018-JX-FX-K056	2,163	2,163
			<u>2,163</u>	<u>2,163</u>
Passed through Volunteers of America Northern Rockies				
Bulletproof Vest Partnership Program	16.607	Unknown	-	7,400
			<u>-</u>	<u>7,400</u>
Total U.S Department of Justice				<u>2,163</u>
				<u>9,563</u>
U.S. Department of Transportation				
Passed through Wyoming Department of Transportation				
COVID-19 - Airport Improvement Program	20.106	AIP-3-56-0027-053-2020	-	1,501,910
Airport Improvement Program	20.106	AIP-3-56-0027-054-2021	-	61,609
			<u>-</u>	<u>1,563,519</u>
<i>Highway Planning and Construction Cluster</i>				
Passed through Wyoming Department of Transportation				
Highway Planning and Construction	20.205	CM20407	-	304,000
Total <i>Highway Planning and Construction Cluster</i>				<u>-</u>
				<u>304,000</u>
Passed through Wyoming Department of Transportation				
Alcohol Open Container Requirements	20.607	DUI - 154AL	-	458
			<u>-</u>	<u>458</u>
Passed through Wyoming Office of Homeland Security				
Interagency Hazardous Materials Public Sector				
Training and Planning Grants	20.703	20-DOT-SHE-HM-HMP20	-	2,772
			<u>-</u>	<u>2,772</u>
Total U.S. Department of Transportation				<u>-</u>
				<u>1,870,749</u>

(Continued)

Sheridan County, Wyoming
Year Ended June 30, 2021

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	Passed Through to Subrecipients	Federal Expenditures
U.S Department of Treasury				
Passed through State of Wyoming Governor's Office				
COVID-19 - Coronavirus Relief Fund	21.019	Unknown	\$ -	\$ 619,907
			<u>-</u>	<u>619,907</u>
Passed through Wyoming Department of Health				
Public Health Division				
COVID-19 - Coronavirus Relief Fund	21.019	WDH-205016	-	165,928
COVID-19 - Coronavirus Relief Fund	21.019	WDH-210150	-	44,956
			<u>-</u>	<u>210,884</u>
Passed through State of Wyoming, Office of State Lands and Investments				
COVID-19 - Coronavirus Relief Fund	21.019	CRF-275	-	541,765
COVID-19 - Coronavirus Relief Fund	21.019	CRF-373	-	912,602
			<u>-</u>	<u>1,454,367</u>
			<u>-</u>	<u>2,285,158</u>
Passed through Wyoming Department of Family Services				
COVID-19 Emergency Rental Assistance Program	21.023	Unknown	-	4,511
			<u>-</u>	<u>4,511</u>
Direct				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	627,981
			<u>-</u>	<u>627,981</u>
Total U.S. Department of Treasury			<u>-</u>	<u>2,917,650</u>
U.S. Department of Health and Human Services				
Passed through Wyoming Department of Health				
Public Health Emergency Preparedness (PHEP)	93.069	Unknown	-	113,997
Public Health Emergency Preparedness (PHEP)	93.069	CDC-RFA-T19-1901-01	-	9,600
			<u>-</u>	<u>123,597</u>
Passed through Wyoming Department of Health				
Substance Abuse and Mental Health Services				
Projects of Regional and National Significance	93.243	Unknown	-	35,485
			<u>-</u>	<u>35,485</u>
Passed through Wyoming Department of Health				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Unknown	-	12,129
			<u>-</u>	<u>12,129</u>
Passed through Wyoming Department of Health				
COVID - 19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	Unknown	-	56,014
			<u>-</u>	<u>56,014</u>
Passed through Wyoming Department of Health				
National and State Tobacco Control Program	93.387	Unknown	-	17,577
			<u>-</u>	<u>17,577</u>
Passed through Wyoming Department of Health				
Temporary Assistance for Needy Families	93.558	Unknown	-	18,301
Passed through Wyoming Department of Family Services				
Temporary Assistance for Needy Families	93.558	Unknown	56,870	56,870
			<u>56,870</u>	<u>75,171</u>

(Continued)

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	Passed Through 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	Unknown	\$ -	\$ 144,286
COVID-19 Community Services Block Grant	93.569	Unknown	-	20,395
COVID-19 Community Services Block Grant	93.569	Unknown	-	133,214
			<u>-</u>	<u>297,895</u>
Passed through Wyoming Department of Health				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Unknown	-	36,191
			<u>-</u>	<u>36,191</u>
Total U.S. Department of Health and Human Services			<u>56,870</u>	<u>654,059</u>
Office of Homeland Security				
Passed through Wyoming Office of Homeland Security				
Emergency Management Performance Grants	97.042	19-EMPG-SHE-GCF19	-	5,984
Emergency Management Performance Grants	97.042	20-EMPG-SHE-GCF20	-	32,647
			<u>-</u>	<u>38,631</u>
Passed through Wyoming Department of Health				
Homeland Security Grant Program	97.067	18-SHSP-SHE-SC-HEM18	-	5,487
Homeland Security Grant Program	97.067	19-SHSP-SHE-SC-HEM19	-	30,699
Homeland Security Grant Program	97.067	20-SHSP-SHE-SC-HCP20	-	1,995
Homeland Security Grant Program	97.067	20-SHSP-SHE-SC-HEM20	-	13,885
			<u>-</u>	<u>52,066</u>
Total Office of Homeland Security			<u>-</u>	<u>90,697</u>
Total Expenditures of Federal Awards			<u>\$ 56,870</u>	<u>\$ 5,693,068</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, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Sheridan County, Wyoming, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Sheridan County, Wyoming.

Sheridan County, Wyoming's basic financial statements include the operations of the Memorial Hospital of Sheridan County, a discretely presented component unit. The Memorial Hospital of Sheridan County engaged other auditors to perform its audit. The report of those auditors did not reference any federal awards being expended by the Memorial Hospital of Sheridan County.

Note 2. Summary of Significant Accounting Policies

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

Note 3. Indirect Cost Rate

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

Note 4. Payment in Lieu of Taxes – CFDA 15.226

To compensate local taxing units for the loss of taxes from Federally-owned and acquired lands, the Office of the Secretary, Department of the Interior makes direct payments to local governments that lost real property taxes because the jurisdiction contains eligible acres of PILT entitlement land under public law 97-258, as amended, 31 U.S.C. 6901-6907. Payments are unrestricted as to use by local governments and the program is excluded from coverage under Uniform Guidance. Consequently, the program has been excluded from the Schedule of Expenditures of Federal Awards and the determination of major programs as there is no expenditure or other requirements for the entitlement program. During the fiscal year ended June 30, 2021, the County recognized \$1,103,816 of PILT entitlement as income.

Note 5. Coronavirus State and Local Recovery Funds – CFDA 21.027

During the fiscal year ended June 30, 2021, the County received \$2,960,677 in the Coronavirus State and Local Recovery Funds. For June 30, 2021, the County reported lost revenue of \$627,981 on the schedule of expenditures of federal awards under the federal assistance listing number 21.027. The remaining amount of the received funds is reported as a deferred revenue on the County's Statement of Net Position.

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Sheridan County, Wyoming

Report on Compliance for the Major Federal Program

We have audited Sheridan County, Wyoming's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Sheridan County, Wyoming's major federal programs for the year ended June 30, 2021. Sheridan County, Wyoming's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Management's Responsibility

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

Auditor's Responsibility

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



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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Sheridan County, Wyoming's compliance.

Opinion on Each Major Federal Program

In our opinion, Sheridan County, Wyoming complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Sheridan County, Wyoming is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Sheridan County, Wyoming's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
January 3, 2022

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? None reported

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.106	COVID-19 - Airport Improvement Program
21.019	COVID-19 - Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? Yes

(Continued)

Schedule of Findings and Questioned Costs (Continued)

Section II Financial Statement Findings

Internal Control Matters

None reported.

Compliance Findings

None reported.

Section III Federal Award Findings and Questioned Costs

None reported.



SHERIDAN COUNTY COMMISSION

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

There were no audit findings for the year ended June 30, 2020.